

FIAU

Financial
Intelligence
Analysis Unit
Malta



ANNUAL
REPORT
2023



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OUR VISION

“A reputable financial system safeguarded from criminal abuse that serves the legitimate expectations of society and the business community

Our Vision Statement guides the FIAU on its journey with the implementation of its Strategy. It paints a vivid picture of where we aim to reach, setting the stage for our goals. This statement is the driving force, fuelling our aspirations and pushing us to achieve even greater success. In simpler terms, it is the compass that directs our efforts, inspiring us to continually improve and strive for excellence. Our Vision Statement inspires and shapes the objectives we have set in the Unit's Strategy for 2023 - 2026. It is the heart of our mission, motivating us to do better and reach new heights in our efforts to safeguard Malta's financial integrity.



INSPIRATIONAL

Enthuses us to do our day-to-day work



MOTIVATIONAL

Gives purpose to and stimulates the work that we do



ASPIRATIONAL

Empowers us to be ambitious, to achieve more, become better and make a difference

OUR PURPOSE

“To protect Malta's financial system and the community from serious crime by combating money laundering and funding of terrorism, through the generation and dissemination of useful intelligence, and the application of effective and proportionate preventative measures, in collaboration with our private and public sector partners.

The Purpose Statement recognises that fighting money laundering, terrorism funding, and serious crime is a shared mission with other authorities, locally and internationally. It emphasises collaboration with subject persons, considering them crucial partners in protecting the nation's reputation. The Vision and Purpose Statements stress the need for effective, risk-based preventive measures. The FIAU commits to intensify efforts against de-risking practices and disproportionate AML/CFT obligations, aiming to counteract challenges and ensure access to regulated financial services. This approach not only strengthens crime prevention but also safeguards society's legitimate expectations and supports a common cause against serious crime.

THE BOARD OF GOVERNORS

The Board of Governors of the FIAU is appointed by the Minister for Finance in accordance with the Prevention of Money Laundering Act. The Board is composed of seven members comprised of the Commissioner of Police, the Commissioner for Revenue, one member nominated by the Governor of the Central Bank of Malta, two by the Chairman of the Malta Financial Services Authority and another two by the Chairperson of the Malta Gaming Authority. The Chairman and Deputy Chairman of the Board are appointed by the Prime Minister from among those selected by the Minister.

Board members serve a five-year term and may be re-appointed at the end of their term of office. They are obliged by law to execute their duties independently, free from the direction or control of any other entity.

The Board of Governors, operating as a non-executive body, sets the policy to be followed by the Unit and oversees its implementation by the Director and his staff. Operational tasks, such as analysing, requesting, forwarding, or disseminating information, are the responsibility of the Director and FIAU officials, with no involvement from the Board. The Board does not have access to case-specific information or databases maintained by the FIAU and plays no role in day-to-day operations. The other function of the Board (apart from adopting and overseeing the implementation of policy) is that of advising the Minister responsible for finance on AML/CFT issues.

In 2023, the Board met 10 times and discussed several matters related to the FIAU's development, structure, strategy, policies, and way forward. The Board was presented with regular updates on the FIAU's Strategy for 2023 - 2026. During 2023, the Board also focused on the appointment of a new Director through a public call for applications and a rigorous interview process. Mr. Alfred Zammit was confirmed as the most suitable candidate by the interviewing board and was appointed Director.



Mr Kenneth Farrugia
Chairman
BA (Hons) Accty, MIA,
CPA (pc), MA Business Ethics



Mr Joseph Caruana
Deputy Chairman
MBA (Executive), DPA, FIAB, MIM

Dr James Baldacchino
Board Member
LL.B. (Hons), M.Adv. (Melit.)



Mr Charles Mizzi
Board Member
Dip. Management, MBA



Mr Paul Caruana
Board Member
BA. (Hons) Criminology



Mr Claudio Ghirlando
Board Member



Mr Angelo Gafà
Board Member
B.Com. (Hons), (Melit.), M.A.
(Public Policy), (Melit.), MSc



LETTER OF TRANSMITTAL

Hon. Minister for Finance
30, Maison Demandols
South Street
Valletta VLT 1102

15th July 2024

Dear Hon. Minister

In accordance with Article 42(1) of the Prevention of Money Laundering Act, Cap 373 of the Laws of Malta, I have the honour to transmit a copy of the Annual Report on the operations of the Unit and a copy of the annual accounts certified by the auditors for the Unit's financial year ending 31st December 2023.

Kenneth Farrugia
BA (Hons) Accty, MIA, CPA (pc), MA Business Ethics
Chairman



CHAIRMAN'S STATEMENT



MR KENNETH FARRUGIA
CHAIRMAN

I am honoured to introduce the Financial Intelligence Analysis Unit's (FIAU) 2023 Annual Report, providing a comprehensive overview of the FIAU's activities, and achievements, as we navigate daily through the regulatory landscape, in our ongoing commitment to safeguarding Malta's financial system.

This is my first Annual Report as Chairman of the FIAU which I had the pleasure of steering as Director until April 2023. I would like to take this opportunity to congratulate my successor, Mr Alfred Zammit who by the date of publication of this report will have held this role for some months and wish him continued success.

In a year marked by dynamic challenges and opportunities, our dedication to excellence and resilience has been unwavering. The year 2023 was a period of notable growth and evolution for the FIAU. Its steadfast commitment to fostering financial integrity and combatting money laundering and the financing of terrorism remains at the core of our purpose. We continue to adapt to the ever-changing global landscape, ensuring that Malta's regulatory framework aligns with international standards while also being responsive to emerging risks.

In our ongoing pursuit of strategic objectives, the FIAU continues to play a vital role in safeguarding Malta's financial integrity. Our strategic framework remains resolute, prioritising proactive measures to combat money laundering and terrorism financing. Through careful planning and collective efforts, we have achieved significant milestones. The recent launch of our updated website underscores our commitment to transparency and accessibility. However, many of our accomplishments are unseen, occurring behind the scenes in all areas of our operations, yet they are vital in our ongoing efforts to combat financial crime.

In line with our strategy, one of the key highlights of the year is our continued emphasis on international engagement and public-private partnerships. The

I look at the accomplishments
of the past year with great
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is an ongoing and collective
endeavour



FIAU recognises the paramount importance of collaboration both on an international and local level. International engagement and cooperation are essential to the fight against money laundering and funding of terrorism, as these know no borders. At a national level, an effective fight against financial and other crime depends not only on the FIAU but also on other regulatory and law enforcement authorities and is highly dependent on the support of subject persons through proper compliance. These are key partners in our success. We can only push back effectively if we present a united front.

Our commitment to transparency and collaboration has been pivotal in fostering a robust regulatory environment. Throughout the year, we actively engaged with industry stakeholders, government bodies, and international counterparts to exchange knowledge and best practices. Such collaboration is integral to our collective efforts to create a resilient financial ecosystem that safeguards the interests of both the industry and the wider public.

The Annual Report provides a detailed account of the supervisory activities, enforcement actions, intelligence activity, guidance and outreach and the extensive work by all sections undertaken during the year. The Unit's risk-based approach enables it to prioritise resources efficiently and respond swiftly to emerging threats. This strategy not only contributes to protecting the financial system but also reinforces Malta's standing as a responsible and trustworthy financial jurisdiction.

Significant strides have been made to enhance the Unit's technological capabilities. The financial landscape is increasingly shaped by innovation, and it is necessary to stay ahead of the curve. The investment in advanced technologies will streamline operations and empower the FIAU to execute its functions more effectively.

I look at the accomplishments of the past year with great satisfaction, but it is important to acknowledge

that the fight against financial crime is an ongoing and collective endeavour. The FIAU with the support of its Board of Governors, remains committed to playing a leading role in this mission, and I invite all stakeholders to actively participate in shaping a resilient and forward-looking financial sector.

I would like to express my gratitude to the hard-working FIAU team, whose commitment has been instrumental in achieving our objectives. Their professionalism, dedication to the highest standards, and integrity reflect the values that define the FIAU.

To our stakeholders, I extend my sincere appreciation for your continued trust and collaboration. Your feedback and insights are invaluable as we work together to build a financial system that is not only secure but also dynamic and responsive.

I invite you to go through this Annual Report, which serves as a testament to the Unit's collective achievements and outlines our vision for the future. As we take on the challenges and opportunities that lie ahead, I am confident that, together, we will continue to strengthen Malta's position as a reputable and resilient jurisdiction.

Thank you for your continued support.



DIRECTOR'S WELCOME



MR ALFRED ZAMMIT
DIRECTOR

It is my pleasure to present the Financial Intelligence Analysis Unit's (FIAU) Annual Report for the year 2023. It is my first annual report as the Director of the FIAU and I am honoured to be in this position, steering a team of highly motivated and professional individuals.

I would like to thank my predecessor, Mr Kenneth Farrugia, for passing on the legacy of a well-chosen, well-directed, and formidable team. It is an ever-growing team, that year on year copes with increasing workloads while facing new challenges head-on. Every team member at the FIAU is passionate about 'Our Purpose' – to protect Malta's financial integrity through the ongoing fight against money laundering and the funding of terrorism (ML/FT).

As we embark on this insightful journey through the pages of our Annual Report, I am reminded of the resilience and dedication exhibited by the FIAU team over the past year, and of our commitment to upholding the highest standards.

The 2023 Annual Report encapsulates a comprehensive overview of our achievements, challenges, and strategic initiatives undertaken to safeguard Malta's financial and non-financial sectors. Through its pages, you will read of numerous efforts reflecting our proactive approach, commitment to innovation, and the fostering of synergies with our national and international partners. You will also read about the progress achieved by the FIAU in implementing its 2023 – 2026 strategy.

Collaboration has been a cornerstone of our approach to combating financial crime. We recognise that in an interconnected world, no single entity can fight money laundering in isolation. Therefore, throughout the year, we continued to engage with regulatory bodies, FIUs, law enforcement agencies (LEAs), and the private sector, nationally and beyond Malta's borders, fostering an environment where shared intelligence and concerted efforts amplify our impact.

The success stories and collaborative initiatives highlighted in this report showcase the strength of these partnerships. Indeed, during 2023, the FIAU signed four Memoranda of Understanding (MOUs), including one with the European Public Prosecutor's

The FIAU also continued to prioritise capacity building and knowledge transfer. Through targeted training programmes, workshops, and outreach initiatives, we have empowered our stakeholders with the tools and insights necessary to contribute

with national authorities and foreign FIUs. It is noteworthy to see that 7,328 disseminations were made, of which 1,364 intelligence packages were shared nationally, and 5,964 were disseminated to our foreign counterparts. Within this context, I find

lie ahead. The Annual Report provides an overview of the strategic measures we have implemented to address them. It is through transparency, adaptability, and a commitment to continuous improvement that we strengthen our defences against the risks of money laundering and funding of terrorism.

In conclusion, I extend my sincere gratitude to each entity, authority and stakeholder for their support and collaboration. Their collective efforts, insights, and dedication are integral to the success of our shared mission. Finally, I would like to thank the Board of Governors and each member of the team at the FIAU, without whom the Unit's successes could not be achieved.

*In 2023, more than **140 supervisory interventions** were conducted, **28 enforcement measures** were taken to ensure Anti Money Laundering (AML) controls were adhered to, and **several remediation exercises** were completed by subject persons.*



Office, organised no less than 19 public-private-partnership initiatives, and held various bilateral best-practice exchange missions with foreign FIUs, LEAs, and regulatory bodies.

Subject persons are Malta's first line of defence to stop illicit funds from entering the legitimate economy, and there have been ongoing efforts on all fronts at the FIAU to continue improving levels of compliance among them. To ensure Anti Money Laundering (AML) controls were adhered to, in 2023, more than 140 supervisory interventions were conducted and 28 enforcement measures imposed. Several remediation exercises were also completed by subject persons. It is therefore encouraging to note better levels of compliance and a stronger interest by subject persons to understand and learn more about their AML-related obligations.

meaningfully to the fight against financial crime. In this regard, in 2023 we delivered AML training to more than 3,700 individuals from the industry through our participation in at least 60 local events. The Unit issued nine guidance documents published on the FIAU's website, disseminated via newsletter, promoted on our social media and at times followed by specific training, to help subject persons better understand and implement AML controls.

A reflection of this is the ever-growing number of Suspicious Transaction Reports, with a 7% increase over 2022 reaching 9374 reports by the end of 2023. This is a testament to the increased awareness of ML/FT risks and the value of compliance by subject persons, who are key partners in the fight against ML/FT. One of the FIAU's responsibilities as Malta's FIU is that of sharing valuable and actionable intelligence

it useful to clarify a recurring misconception once again about the FIAU's role. Contrary to what many believe, the FIAU does not possess the authority to carry out criminal investigations and prosecutions. Rather, as Malta's FIU, its primary function is to collect, analyse and provide intelligence to investigators, and it does this in full compliance with the law, independently, and without fear or favour.

This year has also seen the FIAU strengthening its Data Management & Analytics Section, enabling the Unit to become increasingly data-driven. This has supported the integration of advanced analytics and better data collection, thus increasing our capabilities to ensure our activities are risk-based.

As we navigate the intricacies of the financial landscape, we remain aware of the challenges that



01.

WHO WE ARE

1.1	OUR VALUES
1.2	ORGANIGRAM
1.3	OUR STAFF
1.4	LIFE AT THE FIAU

1.1 OUR VALUES

PASSION

"When it comes to putting passion into practice, the FIAU fosters a culture where employees are encouraged to pursue what they are truly passionate about. Our employees are given the opportunity to work on projects that align with their interests, recognising and celebrating their achievements, and creating a supportive environment where passion can thrive. By incorporating passion into the workplace, employees are more likely to be engaged, motivated, and committed to the company's goals. Employees are given the opportunity to further their knowledge in their field by attending training sessions."

AUDREY ANNE SPITERI
People & Corporate Services

"Working as a legal officer within the Legal Affairs section has been an invaluable experience, passionately contributing to the FIAU's mission to combat money laundering and the funding of terrorism. Every day is an opportunity to apply my legal expertise alongside a team of professionals, reinforcing our commitment to safeguarding the integrity of our financial system."

CHIARA XUEREB
Legal Affairs

"The drive for Passion as a value isn't just a buzzword within FIAU. When I moved from the competitive environment of a private industry setting into my new role, I was actively encouraged to suggest past proven approaches for better, smarter efforts and improved value outcomes. Seeing my recommendations being taken on-board and blended in the mechanisms of the new Strategy plan was such a heart-warming moment. FIAU sponsored further studies further fuelling my motivation."

KAREN TONNA
Strategy, Policy & Quality Assurance

METICULOUSNESS

"Working at the FIAU has taught me the importance of owning and taking pride in the work we do in combatting the threats of money laundering and terrorism financing. I am truly grateful to work with a team of individuals who are meticulous, strive for excellence and truly embody the goals and values of the FIAU"

GABRIEL MAMO DRURY
Intelligence Analyst

"Working at the FIAU is a constant battle against money laundering and financing of terrorism. The FIAU's commitment to excellence is evident at all levels. We meticulously carry out our work to ensure accuracy in what we do. By setting exceptionally high standards, we not only challenge ourselves but also motivate those around us to strive for excellence. In a field where compliance is not an option, the FIAU exemplifies a steadfast commitment to never settling for anything but the best."

DIANA PISCOPO
Supervision

"In FIAU, being meticulous symbolises excellence. Whether it is a simple or complex task, being careful helps us minimise mistakes and maximises quality that leads to superior outcomes. By delivering great work, we continue to build trust with everyone we work with. Ultimately, meticulousness is key to our success. By prioritising our tasks, paying attention to details, and aiming for excellence, we can tackle challenges with confidence, earn respect, and achieve our goals effectively."

LUANA SEGUNA
Cash Restriction

PERSEVERANCE

"My experience at the FIAU has taught me that perseverance should be the workplace's guiding force. Through perseverance, we can transform challenges into opportunities and setbacks into successes. Together, we all work to accomplish the primary objective of the FIAU to protect the economy, society, and the individual from the dangers of ML/FT and strive to improve our performance through persistent efforts."

GRAZIELLA VASSALLO
Intelligence Analysis

"My journey with the FIAU was a welcoming one from the outset, where the employee is highly valued. With the help of colleagues and management alike, this journey has enabled me to unequivocally grow on several levels, in both a personal and professional capacity. My vision of the FIAU was always that of an institution that persevered in its efforts to provide guidance to its partners and stakeholders. Four years into my employment and this reasoning has not faltered."

TRACEY CAMILLERI
Supervision

"Perseverance is a fundamental quality that drives me towards the completion of tasks and achievement of goals. I believe in maintaining a steady pace by staying focused and determined to overcome the obstacles along the way. Perseverance guides me in inspiring incremental changes within my team and FIAU, promoting an environment where small, consistent efforts lead to significant improvements over time."

JEAN PIERRE AQUILINA
Programme Management

INTEGRITY

"Since the FIAU's main responsibility is the fight against financial crime and terrorism financing, the value of integrity holds a fundamental pillar in the FIAU's actions. The FIAU cannot turn a blind eye to financial crime. If it does, it loses its credibility and is the main reason why it had been set up in the first place. The fact that the Authority receives thousands of reports annually is a testament to the FIAU's positive reputation and the utmost integrity in handling such reports diligently."

LUKE BALDACCHINO
Intelligence Analysis

"It feels truly rewarding to be part of an organisation that's not only dedicated and honest but also champions diversity. We tackle challenges head-on and celebrate successes together, taking pride in and accepting responsibility for what we do. Our mission to do the right thing - combat money laundering - isn't just a job; it's a shared commitment that makes each day meaningful. If you're looking for a place where your contributions matter and where integrity and diversity thrive, FIAU is the place to be."

ALESSANDRO DIEV
Supervision

"The past eight years plus at the Unit have been an exciting journey of constant learning and a myriad of challenges, in a forever changing environment which I have found uniquely stimulating. I am thankful for having been given this exceptional opportunity for further development, growth and broadening of horizons, to an extent I would not have thought possible, at this stage of my working life. The sheer integrity ingrained at the Unit suits my character, values and work ethic, to make this a perfect match".

VERONIQUE AMATO GAUCI
Enforcement

TRUST

"I joined the FIAU because I was looking for a workplace that values equality and presented a dynamic work environment, which offered a variety of challenges and allowed me to progress both professionally and personally. The work environment is vibrant and vital importance is given to teamwork. I've found remarkable colleagues who trust each other and are eager to help you achieve your goals, giving support and valuing talent. I am honoured to be a part of FIAU, its mission, and values, with an encouraging environment believing in equality."

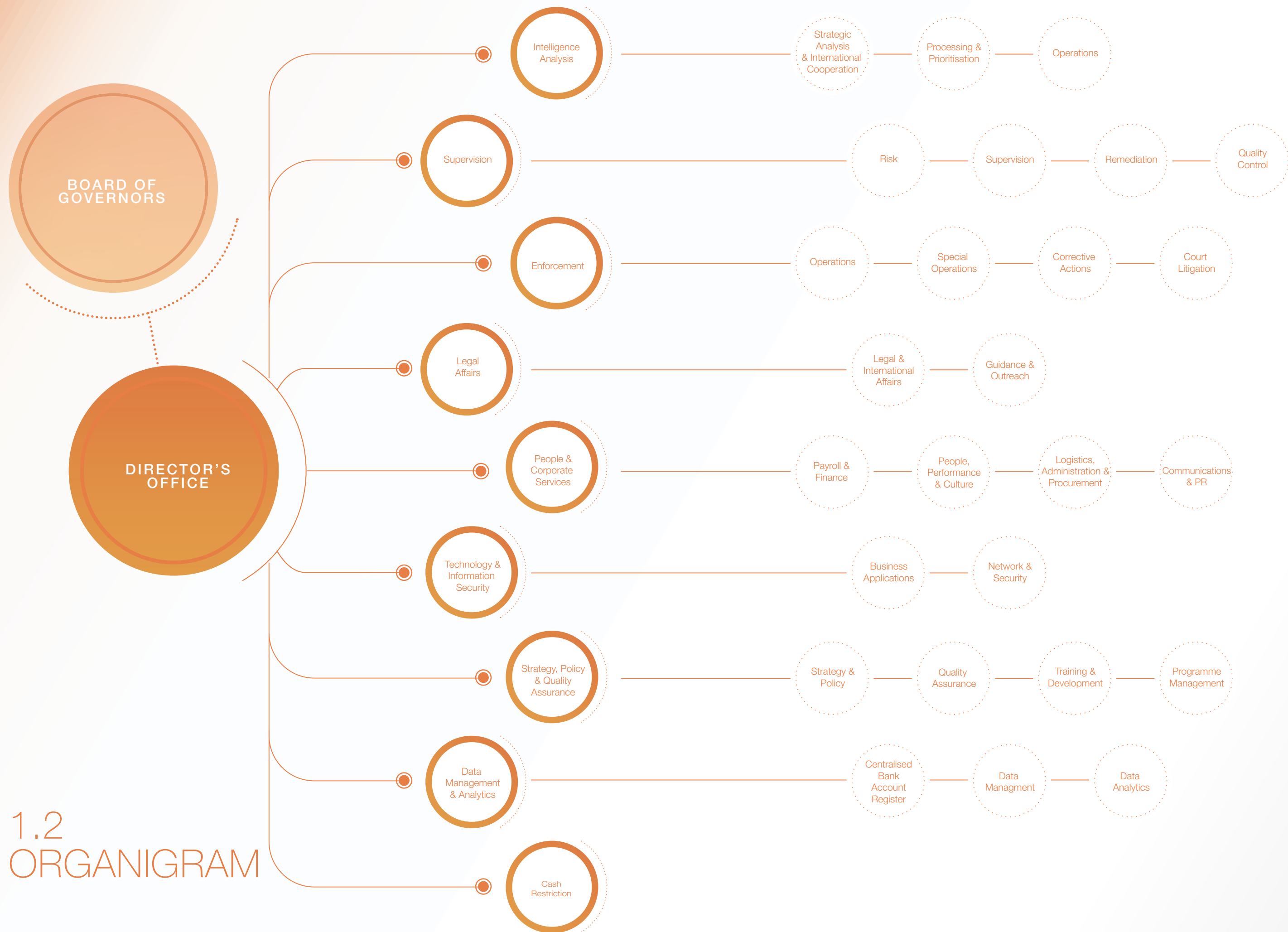
FRANCESCA MAIORANO
Supervision

"Since joining the FIAU, I've found a place that understands the importance of work-life wellness. With flexible hours and the opportunity to work from home, we feel trusted and valued as employees and as individuals with a life outside work."

JOEL FALZON DEBONO
Cash Restriction

"In my tenure as Head of Technology and Information Security at the FIAU, I've been privileged to work with an organisation of dedicated professionals committed to fortifying our financial system against illicit activities. With unwavering trust and support, we've harnessed our collective passion to innovate and safeguard against money laundering and terrorism financing. It's been a rewarding journey driving impactful change over the past five years."

KONRAD ABELA
Technology and Information Security



1.2 ORGANIGRAM

1.3 OUR STAFF

Headcount

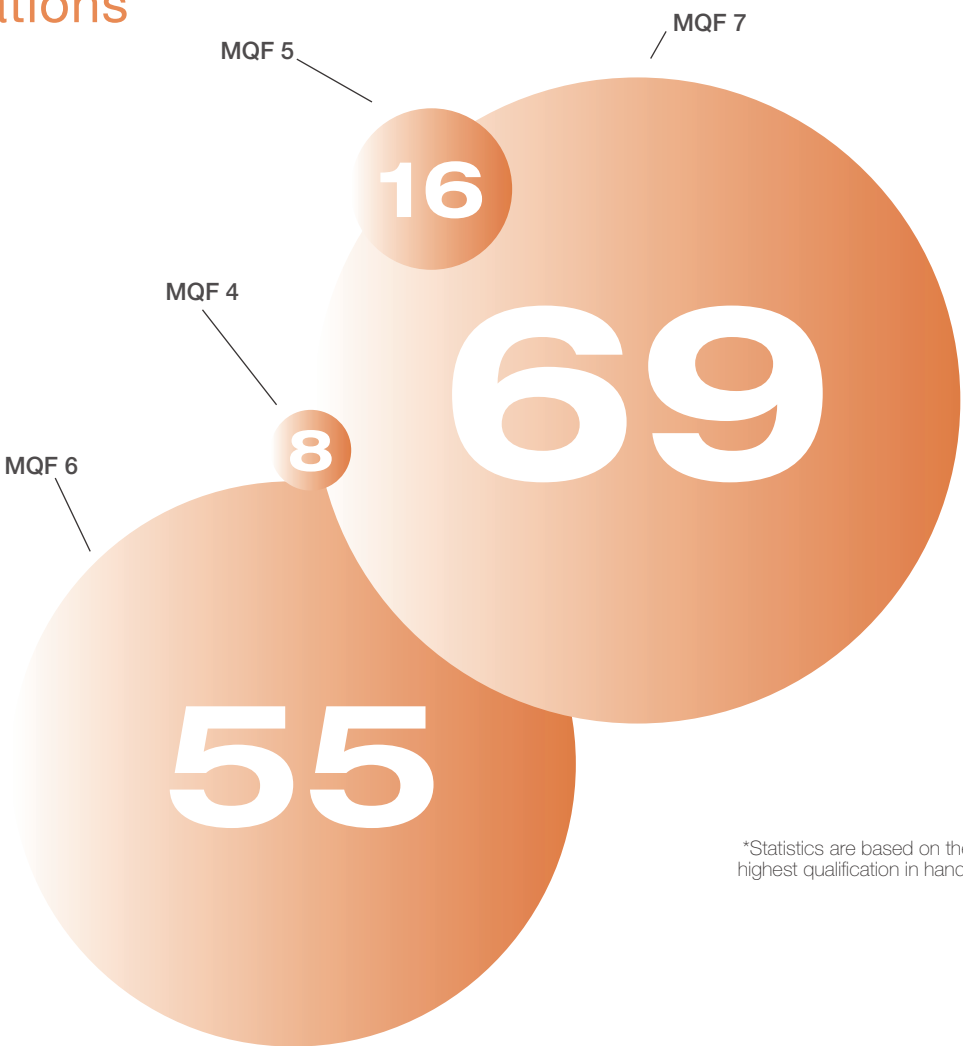


Employees' Demographics

Females: 97
Males: 65
Average Age: 34



Qualifications*



*Statistics are based on the highest qualification in hand.

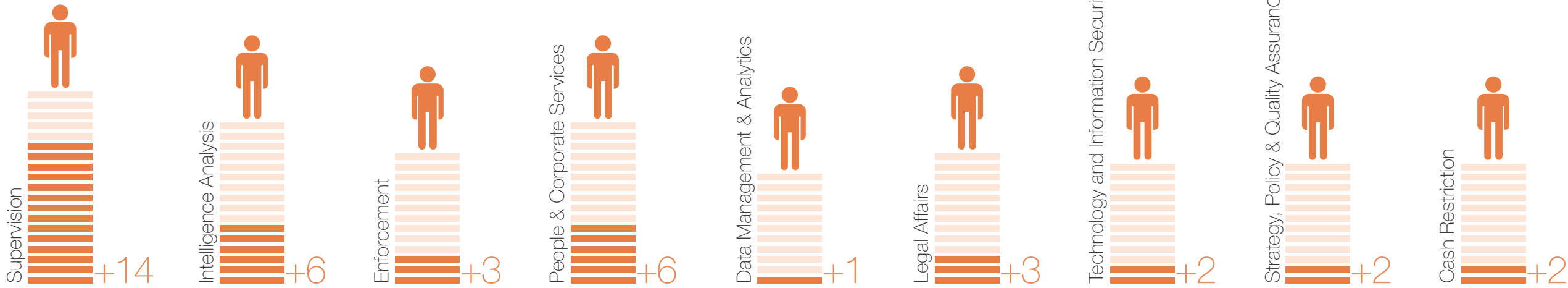
Main Fields of Study

(ranked)



Recruitment

(39 new hires in 2023)



1.4 LIFE AT THE FIAU

Life at the Financial Intelligence Analysis Unit (FIAU) is defined by a vibrant and inclusive culture that reflects our core values and commitment to community engagement. Our dedicated team embodies a spirit of collaboration and camaraderie, fostering a warm and youthful atmosphere within the organisation.



Beyond charity events, life at the FIAU is enriched by annual team-building events that promote unity and a sense of belonging. These activities strengthen bonds among colleagues and contribute to a positive work environment. Intra-sectional social activities further enhance connectivity among team members, creating a supportive network that extends beyond professional interactions.

At the FIAU, we prioritise continuous professional and self-development, providing ample opportunities for growth.

Our firm belief in personal and career advancement is reflected in training programmes and job shadowing initiatives that empower our team to reach their full potential.

The strong sense of community at the FIAU makes it more than just a workplace; it is a collaborative and uplifting environment where individuals thrive both personally and professionally. Joining our team means becoming part of a dynamic and caring community dedicated to excellence, growth, and making a positive impact on society.





02.

WHAT WE DO

2.1 OUR FUNCTIONS & STRUCTURE – OVERVIEW

Established in 2002,
the Financial Intelligence Analysis Unit
(FIAU) operates as an autonomous agency,
falling under the Ministry for Finance.

The Financial Intelligence Analysis Unit (FIAU) is governed by a Board of Governors, which is appointed in line with the Prevention of Money Laundering Act (PMLA). This non-executive body serves as a policymaking and governance oversight entity. The Director and Unit officials execute the functions, powers, and operations of the FIAU in alignment with policies set by the Board of Governors. Maintaining independence from the government, the FIAU possesses a distinct personality and enjoys full operational autonomy. With a current staff component of around 170*, the FIAU’s overarching objective is to prevent, and detect money laundering and terrorism funding through a range of functions.

* As at time of publication.

INTELLIGENCE
ANALYSIS

At the heart of the FIAU operations lies intelligence analysis, a vital function executed by the dedicated Intelligence Analysis Section. The FIAU engages in the receipt, collection, processing, and analysis of information and data, producing valuable intelligence disseminated to Malta Police, national competent authorities, and foreign counterparts. This dissemination occurs spontaneously or upon request, serving investigatory, prosecutorial, regulatory, and other relevant functions in the ongoing battle against money laundering, terrorism funding, and serious crime.

Primary data for operational analysis stems from suspicious transaction reports (STRs) and suspicious activity reports (SARs) related to money laundering (ML), associated predicate offences, and funding of terrorism (FT) submitted by subject persons to the FIAU. This information is complemented by additional data that the FIAU is empowered to obtain from subject persons, governmental entities, and foreign counterparts.

The Intelligence Analysis Section engages in both strategic and tactical analysis, utilising available information, data, and intelligence. The outcomes assist the FIAU in recognising and comprehending ML/FT threats, vulnerabilities, and risks at the sectorial and national levels. This insight enables the introduction of necessary mitigating measures, such as policy implementation or adjustments to Malta’s AML/CFT framework. The FIAU utilises the results to offer guidance to subject persons, contributing to a robust and dynamic approach to combatting financial crimes.

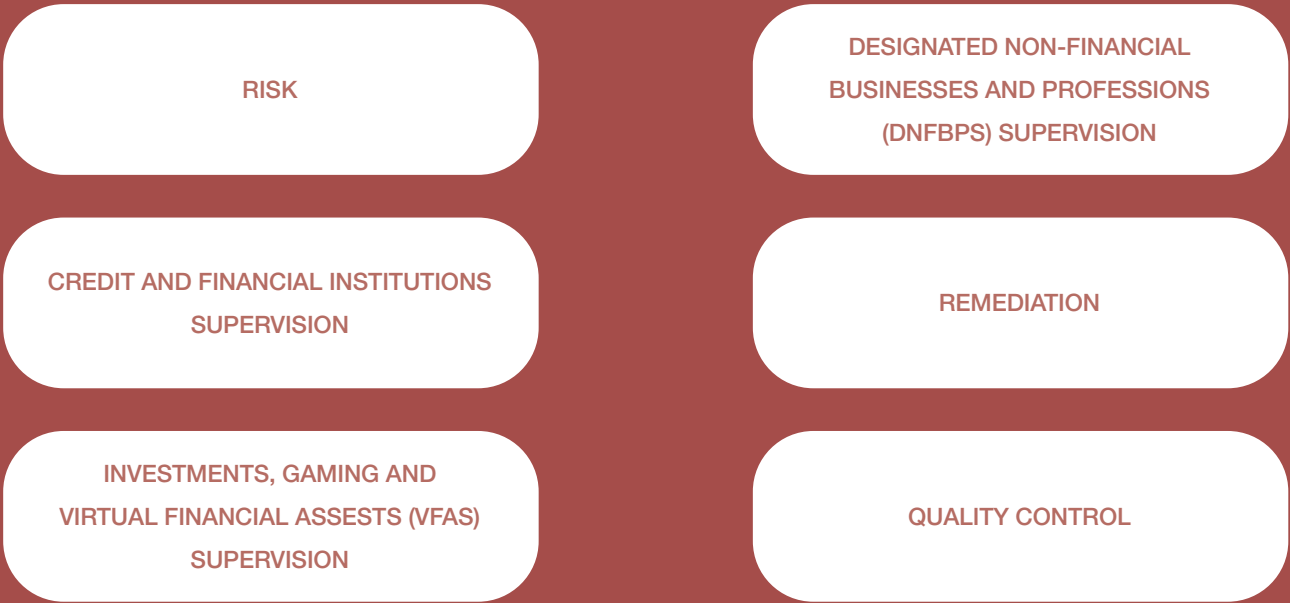
SUPERVISION

The Supervision Section operates under Article 16(1)(c) of the Prevention of Money Laundering Act (PMLA). Its primary mandate is centred on overseeing the adherence of subject persons (SPs) to AML/CFT obligations. This involves continuous monitoring of SPs’ compliance and actively engaging with them to implement corrective actions in response to identified compliance deficiencies.

The Roles of the Supervision Section

Risk Assessment	The identification, evaluation, and monitoring of risks associated with ML/FT posed by SPs and the sectors within which they function.
Supervision	Monitoring compliance with AML/CFT obligations by SPs via diverse supervisory interventions.
Guidance	Offering guidance to SPs regarding the understanding and implementation of their AML/ CFT obligations.
Remediation	Determining remedial actions for SPs based on the conducted compliance examinations and ensuring the proper implementation of such remedial actions through follow-up procedures.
Quality Control	Continual monitoring and improvement of the effectiveness of supervisory-related processes.

The Supervision Section is comprised of six different teams



ENFORCEMENT

The enforcement function of the FIAU is primarily focused on ensuring compliance with the AML/CFT legislative provisions, while ensuring that administrative measures imposed are proportionate, effective and dissuasive. This involves taking enforcement actions and following up on necessary remedial measures. The FIAU ensures a fair process in its engagement with subject persons, employing administrative measures, including administrative penalties and directives to take remedial measures.

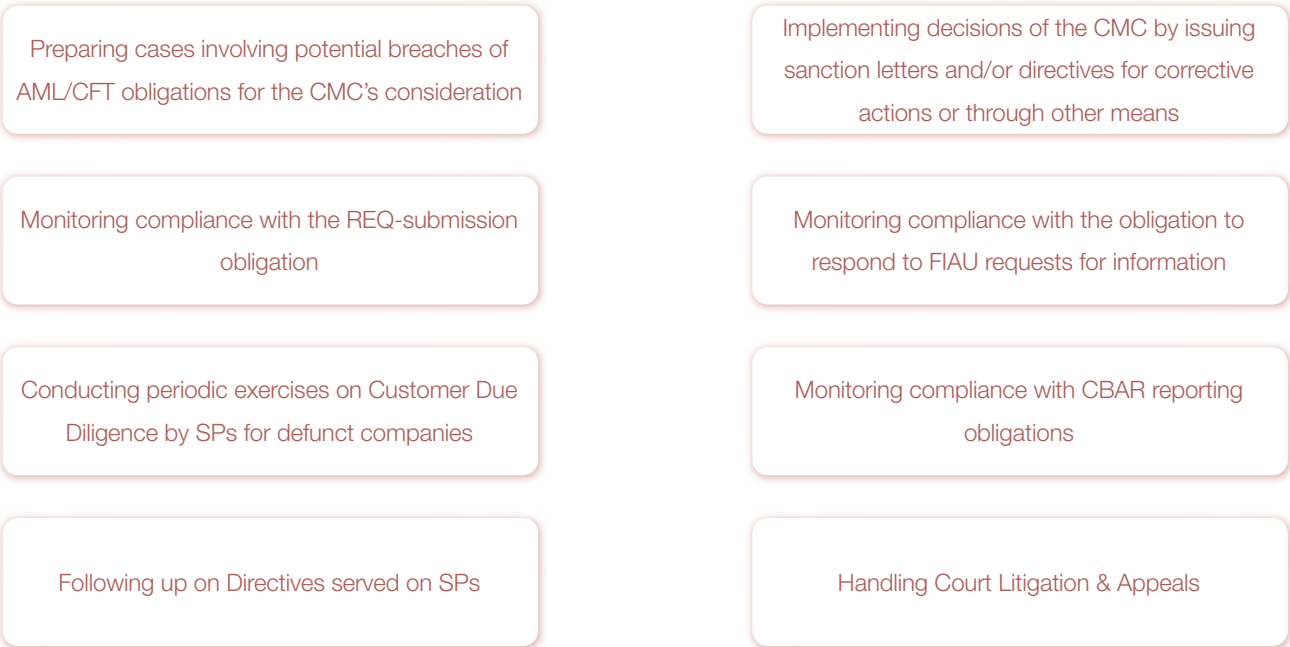
When a supervisory examination reveals serious and material potential breaches, the case is forwarded to the Enforcement Section for a thorough independent review and presentation to the Compliance Monitoring Committee (CMC). The enforcement process is initiated following a potential breaches letter issued by the Supervision section to the SP, outlining the findings identified, whilst inviting the subject person to submit written and oral representations. The reviewed representations submitted by the SP (both written and oral) and all available evidence, is then presented to the Compliance Monitoring Committee (CMC).

Potential breaches letters may also be issued:

- Following information on AML/CFT shortcomings received from the Central Bank Account Register (CBAR) team.
- In case of failure to submit or the late submission of the Risk Evaluation Questionnaire (REQ).

- In case of failure to reply or late reply to a request for information made by the FIAU.
- In case of material risks identified through intelligence available to the FIAU.

The roles of the Enforcement Section are:



ENFORCEMENT

The Compliance Monitoring Committee and Administrative Measures

The CMC functions as an internal body within the FIAU entrusted with taking enforcement decisions aligned with the policies set by the FIAU's Board of Governors. When the CMC is presented with a case, it evaluates all the information and documentation at hand, deliberates on the case and determines whether the potential breaches presented are indeed breaches of the SP's legal obligations as well as understanding the seriousness and material impact of such breaches. After the CMC confirms a potential breach, taking into consideration the principles of proportionality, effectiveness and dissuasiveness, the appropriate administrative measure is imposed on the SP. Proportionality means that measures vary in severity based on the breach, with the aim of ensuring that the measure is commensurate to the breach. The principle of effectiveness is intended to promote compliance and deter future breaches by the SP. The element of dissuasiveness in measures imposed aims to deter non-compliance among other SPs.

Following a CMC decision, the Enforcement Section communicates the outcome in writing to the SP, providing the rationale for the decision taken whilst overseeing the implementation of any issued directives. The CMC is composed of the FIAU Director, Deputy Director, the Head

of the Enforcement Section, a Legal Section representative not below the rank of a senior officer and, any Enforcement Section representative not below the rank of senior officer. A quorum requires three members including the Director or Deputy Director and an officer from the Enforcement Section.

Chart 1: The Compliance Monitoring Committee Process



The Committee may impose one or more of the following administrative measures:

- Administrative penalty, implemented as a pecuniary fine.
- Directive mandating an SP to rectify identified breaches.
- Written reprimand as an alternative to a pecuniary fine for minor AML/CFT breaches.
- Notification of findings to the relevant regulatory authority, accompanied by appropriate recommendations for necessary actions.

The CMC's imposed administrative measures, along with a concise summary of the underlying facts, are published on the FIAU website. When a pecuniary fine is €50,000 or less, publication is anonymous. Additionally, if an administrative measure is contested through an appeal, the uploaded publication is amended to reflect this development. The publication of these administrative measures aims to inform the public, dissuade non-compliance among other SPs, and raise awareness among SPs regarding their AML/CFT obligations.

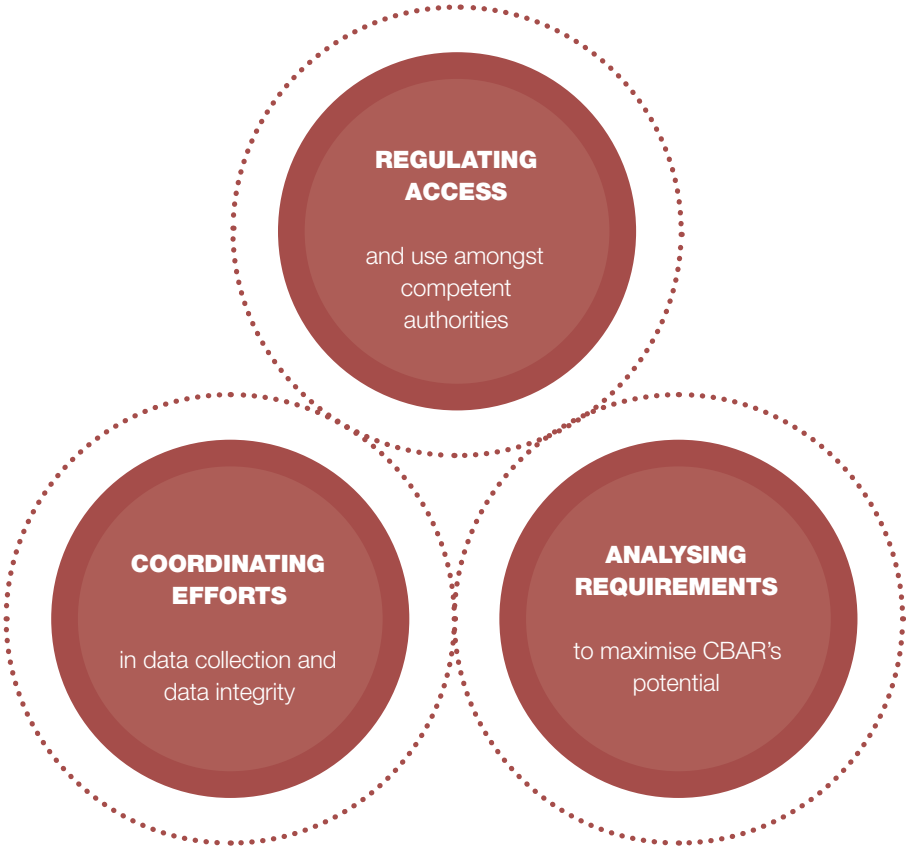
Appeals and other legal matters on decisions taken by the CMC are handled by the Enforcement Section's Court Litigation team. The team also ensures that following a Court judgement, publications are updated in line with the ruling.

DATA MANAGEMENT AND ANALYTICS

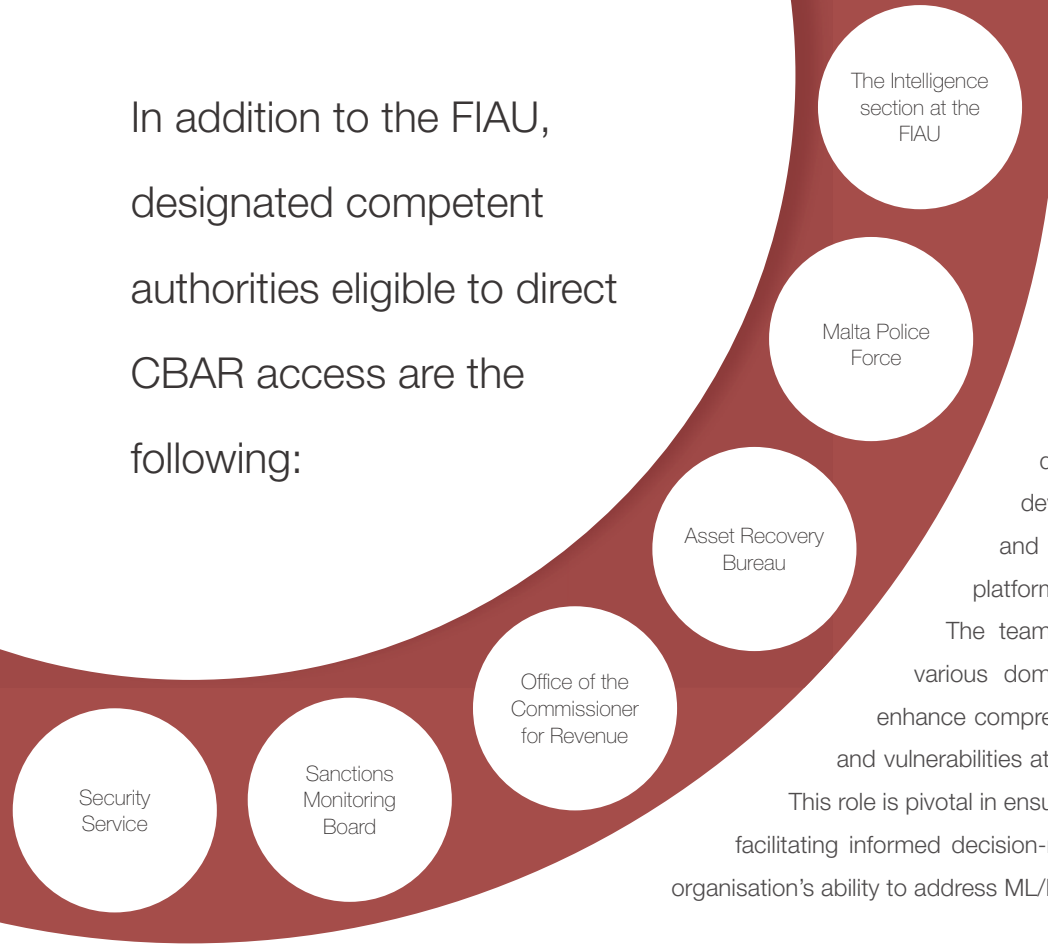
The Centralised Bank Account Register (CBAR), introduced in October 2020, serves as a searchable database encompassing bank and payment accounts identifiable by IBAN, safe custody services (SCS), and safe deposit boxes (SDB) offered by credit and financial institutions. Derived from Directives (EU) 2018/843 (the 5th AML Directive) and (EU) 2019/1153 on the use of financial information, these requirements were transposed locally through the Centralised Bank Account Register Regulations (CBAR Regulations) (S.L. 373.03). The FIAU has been empowered to establish and manage CBAR. Accessible solely to the FIAU and designated national competent authorities, CBAR aids in preventing, detecting, investigating, and prosecuting money laundering, associated offences, terrorism funding, or other serious crimes.

Subject persons eligible under the CBAR reporting system encompassing licensed institutions issuing bank and payment accounts identified by IBAN, offering Safe Custody Services (SCS), and Safe Deposit Boxes (SDB) - submit mandated data electronically on a weekly basis in XML format. The data encompasses account particulars and information about natural persons, legal entities, and legal arrangements associated with the accounts, including account holders (AC), signatories (SG), and beneficial owners (BO).

The FIAU's Data Management & Analytics Section oversees the CBAR team, entrusted with the system's day-to-day administration and product ownership responsibilities including:



In addition to the FIAU, designated competent authorities eligible to direct CBAR access are the following:



Apart from the administration of the Centralised Bank Account Register, the section is also responsible for ensuring that FIAU's data is actionable, unified, and accessible through the deployment and continuous development of a data warehouse and business intelligence self-service platform, and data quality assessments. The team actively analyses data across various domains to compile statistics and enhance comprehension of ML/FT risks, threats, and vulnerabilities at the sectoral and national levels. This role is pivotal in ensuring effective data management, facilitating informed decision-making, and contributing to the organisation's ability to address ML/FT challenges.

MONITORING COMPLIANCE WITH THE USE OF CASH (RESTRICTION) REGULATIONS

The Cash Restriction Section is instrumental in overseeing adherence to regulations governing cash transactions. Focused on the implementation of policies and procedures, monitoring compliance, and enforcing breaches to the Use of Cash (Restriction) Regulations, this role aims to restrict cash payments related to high-value assets. These assets include **immovable property, motor vehicles, seacrafts, jewellery, works of art, and antiques**. By scrutinising and ensuring compliance with these regulations, the function mitigates the risk of money laundering through the sale and acquisition of valuable items. This monitoring process is essential to align with international standards and prevent the use of cash to legitimise proceeds from illicit activities, such as drug trafficking, corruption, and tax evasion.

LEGAL AFFAIRS

The Legal Affairs Section holds a critical role in ensuring legal soundness and adherence to regulations within the organisation. Responsible for interpreting and applying relevant laws, the section collaborates with other sections to guide enforcement and supervisory actions. It plays a pivotal role in crafting policies aligned with national and international standards, and in facilitating the FIAU's mission to combat financial crimes. The Legal Affairs Section actively engages in discussions on legislative developments, ensuring that the FIAU remains current and responsive to evolving AML/CFT legal frameworks. Additionally, it provides legal support in the review and assessment of potential breaches, and the identification of suspected cases involving ML or FT through its participation in both the Compliance Monitoring Committee and Financial Analysis Committee meetings, respectively. By offering legal expertise and assisting subject persons in adhering to their AML/CFT obligations, the section contributes to the

effective implementation of AML/CFT measures, strengthening Malta's financial regulatory landscape. This section is split into two sub-sections.

Legal and International Relations

This sub-section has a significant role in ensuring legal compliance and fostering international collaboration. Responsible for interpreting and applying laws, it guides supervisory and enforcement actions and supports the organisation in complying with global AML/CFT standards, including when it comes to cooperation and sharing of financial intelligence with other FIU counterparts across the globe. This section actively engages in international, EU and national legislative developments, contributes to policy formulation and liaises with international counterparts, including through the negotiation and conclusion of memoranda of understanding (MoUs) with the same, promoting effective cooperation and strengthening the Unit's global stance in combatting financial crimes and terrorism financing. As a result, the Legal and International Relations Section is crucial in upholding legal standards and fostering international partnerships.

Guidance and Outreach

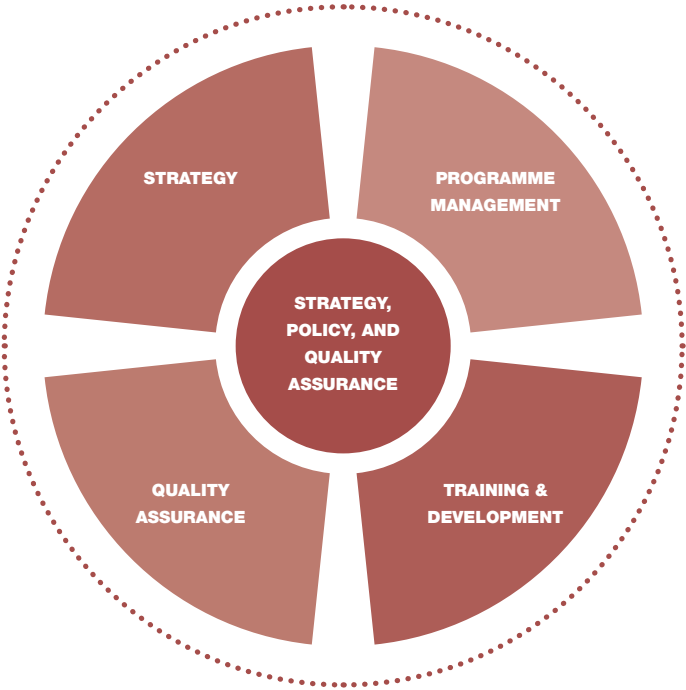
The Guidance and Outreach function plays a crucial role in fostering awareness and understanding of AML/CFT regulations and obligations. This function provides comprehensive guidance to subject persons, ensuring clarity on the interpretation and risk-based application of their AML/CFT obligations. Through educational initiatives, workshops, and other outreach programmes such as Public Private Partnerships (PPPs), the FIAU promotes a



culture of compliance, equipping stakeholders with the required knowledge and expertise to effectively implement AML/CFT safeguards. The Guidance and Outreach function serves as a proactive resource, addressing queries from subject persons, enhancing the overall compliance landscape, and contributing to a robust and vigilant financial system. By facilitating engagement, dialogue and cooperation, this function reinforces the organisation's mission statement of being a collaborative partner with the private sector to protect Malta's financial system and the community at large from serious crime, by effectively combatting ML and FT.

**STRATEGY,
POLICY, AND
QUALITY
ASSURANCE**

Established in late 2020, the Strategy Policy & Quality Assurance section guides the FIAU's strategic direction and ensures effective implementation. This section comprises four key teams.



Strategy

This team adopts a bottom-up approach, leveraging subject matter, expertise, and experience to assist in implementing the 2023-2026 strategic plan aligned with the new Vision and Purpose statements. Actively participating in national initiatives, the team coordinates efforts with bodies such as the National Coordinating Committee and the Malta Financial Services Advisory Council Strategy to maximise added value potential.

Programme Management

This team focuses on facilitating the timely roll-out of the Strategy Programme and other projects. By sustainably coordinating various supporting resources, the team works towards achieving desired outcomes within the planned four-year timeline.

Quality Assurance

This serves as the third line of defence, providing advisory and assurance services. Supporting management in reviewing systems and operations, the team assesses how well risks are managed and ensures effective control processes, aligning with and safeguarding organisational objectives.

Training & Development

Training and development have been purposefully integrated into the Strategy Policy & Quality Assurance section. This reinforces the connection between human capital development and long-term organisational success. Taking a proactive approach, the team builds a skilled, resilient workforce capable of navigating challenges and capitalising on opportunities.

**PEOPLE AND
CORPORATE
SERVICES**

This section is the hub for comprehensive corporate support at FIAU, covering financial planning, human resources, procurement, logistics, and office administration. It also hosts the Communications and PR. Comprising four primary sub-sections, it efficiently manages all facets of corporate services to ensure the seamless functioning of the organisation.

Payroll and Finance

The Payroll and Finance function at the FIAU is integral to financial planning, managing accounting records, budgets, and forecasts. Beyond overseeing day-to-day financial operations, including invoice payments, it ensures strict adherence to fiscal policies and regulatory standards. It contributes to the organisation's financial health and enables effective resource allocation. By maintaining accuracy in financial records and implementing sound financial practices, the Payroll and Finance function plays a crucial role in supporting the FIAU's mission of combatting financial crimes and ensuring regulatory compliance.

Logistics, Administration and Procurement

Logistics, Administration, and Procurement at FIAU encompass multifaceted responsibilities. They include overseeing FIAU premises and facilities, managing upkeep, upgrading/improving amenities and maintenance, and security. This sub-section addresses health and safety concerns for staff and visitors, coordinates supplies, and manages travel arrangements for all FIAU staff. Public procurement is a key responsibility, and this team ensures that all regulations and policies regarding procurement are adhered to and the best solutions for the FIAU's needs are sought. Extensive logistical support is provided for the organisation of FIAU events.



People, Performance and Culture (PPC)

This specific sub-section within the FIAU undertakes various human resource functions, including employee recruitment, performance reviews, employee relations and general personnel administration. They oversee employee well-being, ensure a healthy work environment, and conduct induction training for newly recruited employees. The sub-section is actively involved in coordinating internal events and team-building activities to foster a collaborative workplace culture. Formulating and maintaining policies related to human resources also falls within their purview. HR remains steadfast in its strategic endeavours, aligning human capital with the Unit’s objectives, and fostering an environment where every individual can thrive and contribute meaningfully to the FIAU’s success.

Communications and PR

The Communications and Public Relations (PR) function at the FIAU is responsible for transparent and effective communication. It disseminates information to stakeholders, the public, and the media, about Anti-Money Laundering and Combatting the Funding of Terrorism initiatives. This sub-section works closely with PPC to engage in various career marketing incentives, such as career fairs, Freshers’ weeks, and social media engagement. It strives to maintain a positive public image and enhance public awareness about the FIAU and its functions.

**TECHNOLOGY AND
INFORMATION
SECURITY**

The Technology and Information Security section is responsible for maintaining secure technological solutions to safeguard sensitive intelligence. This section oversees IT needs, infrastructure, and security measures. It ensures regular system updates, adherence to protocols, and robust protection of FIAU’s digital ecosystem. It houses two sub-sections which ensure the safe running of all IT-relevant matters and support all staff with their IT needs. By facilitating advanced technology and information security, the section supports the organisation in fulfilling its mission of preventing financial crimes and upholding the highest standards of data protection.

Business Applications

The Business Applications Team at the FIAU is responsible for managing and optimising software applications critical to the organisation’s functions. The team is responsible for the development, deployment, and maintenance of business applications, and ensures the seamless integration of technology to enhance operational efficiency. Collaborating with various departments, the team addresses specific requirements and contributes to the technological infrastructure. By supporting and refining business applications, the team enables the FIAU to maintain a robust and adaptive technological framework.

Network and Security

The Network and Security Team at FIAU is dedicated to ensuring the integrity and resilience of the organisation’s IT infrastructure. This team is responsible for designing, implementing, and maintaining secure network architectures and robust cybersecurity measures. The team monitors and responds to potential threats, conducts regular security assessments, and implements protocols to safeguard against unauthorised access. By strengthening network defences and enhancing cybersecurity measures, the Network & Security Team plays a crucial role in protecting sensitive information and maintaining operational continuity, in a technologically secure environment.



03.

WHY WE DO IT

3.1

OUR PURPOSE

The Financial Intelligence Analysis Unit plays an important role in safeguarding the nation's financial integrity and security. Established with the primary objective of combating money laundering and the funding of terrorism, it serves as a guardian of Malta's economic well-being, societal trust, and the interests of individuals within the financial system.

At its core, the FIAU is tasked with collecting, analysing, and disseminating financial intelligence to prevent and detect illicit activities within the financial sector. Money laundering poses a significant threat not only to the stability of the economy but also to the reputation of the jurisdiction. By scrutinising suspicious financial transactions and patterns, the FIAU acts as a frontline defence, preventing and identifying criminal activities that could potentially undermine the financial system.

The Unit's work plays an important role within society, as it contributes to the maintenance of law and order. Through the efforts of the Intelligence section who, by sourcing intelligence help to identify and disrupt the financial flows associated with criminal activity, the FIAU plays a crucial role in law enforcement agencies, nationally and overseas, in their efforts to combat crime. This function is integral to the broader efforts of ensuring the safety and well-being of the community. Money laundering often serves as the lifeblood of criminal organisations, and by disrupting their financial networks, the FIAU together with other stakeholders, helps disrupt criminal activity and prevents criminals from enjoying their ill-gained rewards.

Within the economy, the FIAU's role contributes to fostering investor confidence and maintaining a robust financial system. A jurisdiction perceived as susceptible to money laundering and financial crime is likely to face challenges in attracting legitimate businesses and investments. The FIAU's Supervision and Enforcement functions contribute to creating a business environment that is transparent, trustworthy, and conducive to economic growth. In this sense, the FIAU plays an important role in safeguarding Malta's economic reputation, ensuring that the country remains an attractive and secure destination for international business and investment.

On an individual level, the FIAU's work directly impacts the financial well-being and security of citizens. Money

laundering and financial crimes are not victimless crimes and can have profound consequences for individuals, ranging from fraud and corruption to more direct personal harm through drugs, human trafficking, illegal arms sales, and financial scams. By working to prevent these activities, the FIAU helps protect individuals from falling victim to crime and contributes to maintaining the overall stability and integrity of the financial system, which is essential for the prosperity and security of every citizen. Stopping the money generated by crime protects the humanity and dignity of individuals, ensuring a better quality of life.

The FIAU also has a role in educating both subject persons and citizens in general. It, therefore, engages in guidance and outreach initiatives with subject persons, via the publication of guidance documents and training sessions, emphasising the importance of vigilance and compliance within the financial sector. The Unit has become more openly active via collaboration with educational institutions to raise awareness both about our work and about the risks of money laundering. The FIAU believes that by empowering subject persons and the individual with knowledge, it enhances the ability of subject persons and the public to protect themselves from financial crimes and contributes to building a more resilient clean economy and a well-informed society less susceptible to risks.

In summary, the FIAU's purpose is multifaceted, encompassing economic stability, societal security, and individual well-being. Its role as a guardian of financial integrity resonates across the various layers of society, making it an indispensable institution in the protection and advancement of Malta's economic and social interests.



04.

HOW WE DO IT

4.1	KEY FACTS, FIGURES AND ACTIVITIES
4.2	INTERNATIONAL & DOMESTIC ENGAGEMENTS
4.3	GUIDANCE & OUTREACH

This section of the annual report highlights the key achievements and activities that the FIAU can publicly disclose. It is important to acknowledge that much of the FIAU's work is confidential by law.

The FIAU's accomplishments and activities are not limited to its core functions, and the core activities are made possible by the hard work of the supporting functions, including Technology and Information Security, Strategy, Policy & Quality Assurance, People and Corporate Services, Data Management and Analytics, and Legal Affairs.

These sections form the backbone of the Unit's key functions, ensuring that they have the necessary resources to work effectively, whether human, technical, legal or logistical.

The facts, figures and activities reported in this section all show the dedication and hard work of the FIAU's staff, who work both publicly and behind the scenes to ensure the Unit's continued success. In addition to the effective execution of its core functions, the FIAU also played a key role in supporting the wider financial sector in 2023 through both local and international engagement, and extensive guidance and outreach efforts. The Unit worked closely with stakeholders, including financial institutions, regulatory bodies, and law enforcement agencies, to ensure the integrity of the financial system.

INTELLIGENCE ANALYSIS

In line with the FIAU's strategy, the Intelligence Analysis Section continued focusing on its recruitment plan and ensuring better resource distribution within the section. This ensures that despite the increasing workload, which is represented in the following charts and tables, the section can maintain efficiency in the various areas it handles both on a national and international level.

The increase in suspicious reports was once again evident in 2023, which saw a **5% increase over 2022**. The impact of the Unit's guidance and outreach efforts with the private sector is evident when one uses the increased reporting as a benchmark. This was observed in most sectors, and particularly, in electronic money financial institutions, casino licensees and other land-based operators. Company service providers and auditors also maintained a noteworthy steady increase in reporting observed over the past five years. The sectors registered a 35% and 28% increase respectively in their reporting over 2022.

The **9,157 reports** received or generated by the FIAU during 2023, were in relation to over 16,000 natural persons and more than 5,000 legal persons*. These figures are a clear indication that a number of reports relate to more than one natural and/or legal

person. This indicates an improvement in the quality and complexity of reports being received by the FIAU. In line with expectations, the main suspected predicate offences, where known, include fraud, tax evasion, circumvention of targeted financial sanctions, and drug trafficking.

During 2022, the drastic reduction in requests for information to credit and financial institutions highlighted the effectiveness and strength of the CBAR system. The benefits associated with the introduction of this system remained evident throughout 2023, where despite the increase in the number of suspicious reports handled by the Unit, a downward trend was once again noted in the number of requests for information sent out to credit and financial institutions.

The consistent increase in the number of suspicious reports handled by the Unit inevitably dictates the need for a sustainable risk-based approach. Implemented in 2022 and enhanced further during 2023, the Unit created a more robust prioritisation metric allowing the FIAU to increase its efficiency when handling incoming intelligence and to make better use of its resources without compromising on its high-level quality trademark.

* Reports may relate to one or more natural and/or legal persons. In addition, the number of natural and legal persons quoted is not unique and a person or entity may have been subject to more than one report

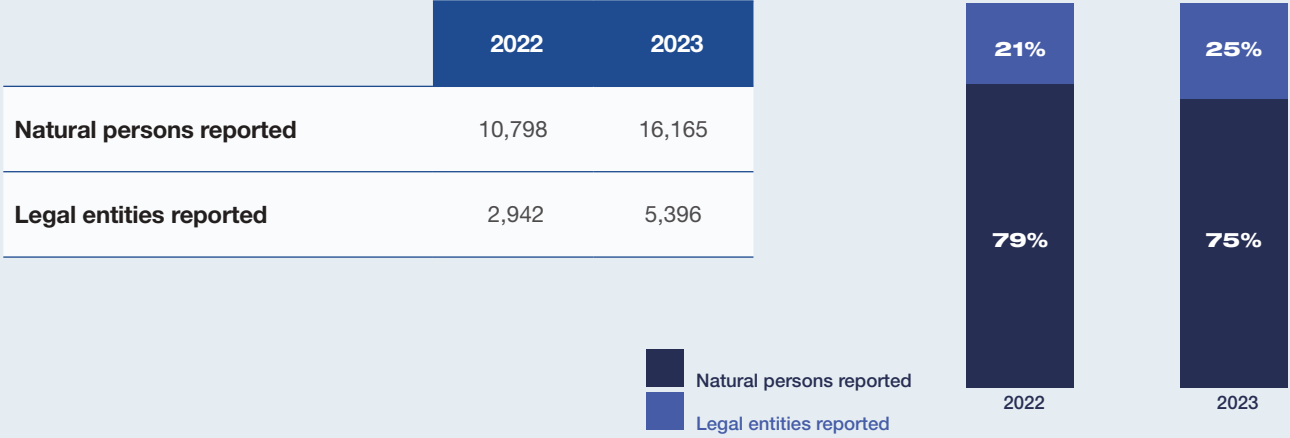
As shown, the year under review has seen a 5% increase in the number of suspicious reports handled by unit. This increase in reports naturally leads to an increase in the number of persons subject to reporting. However, building on the improvements which were noted in 2022, the main reason for the significant increase in the number of natural and legal persons reported in 2023), stems from the various initiatives aimed at improving the quality of reports being submitted. This resulted in an increasing number of reports involving two or more persons (natural or legal). This is an indication of a higher level of detail and of improved quality in the reports being submitted.

Table 1: Suspicious Transaction Reports received by sector*

TYPE OF REPORTING ENTITY	2019	2020	2021	2022	2023
Remote Gaming Company	1,445	2,485	4,822	5,049	4,205
VFAs	8	61	411	965	1,476
Credit Institutions	962	1,975	873	942	1,308
Financial Institutions – Electronic Money	22	115	191	565	1,042
Financial Institutions – Payment Services Providers	35	95	244	271	160
Land Based Casino Licensees	34	56	138	129	158
Company Service Providers	49	65	79	72	97
Auditors	16	21	36	53	68
Accounting Professionals	8	20	38	48	49
Investment Services Licensees	24	28	47	56	39
Remaining subject persons	92	169	189	209	164
Supervisory Authorities	83	77	142	167	114
Competent Authorities	-	8	8	60	18
FIAU generated cases	35	32	105	154	259
Total reports for the year	2,813	5,207	7,323	8,740	9,157

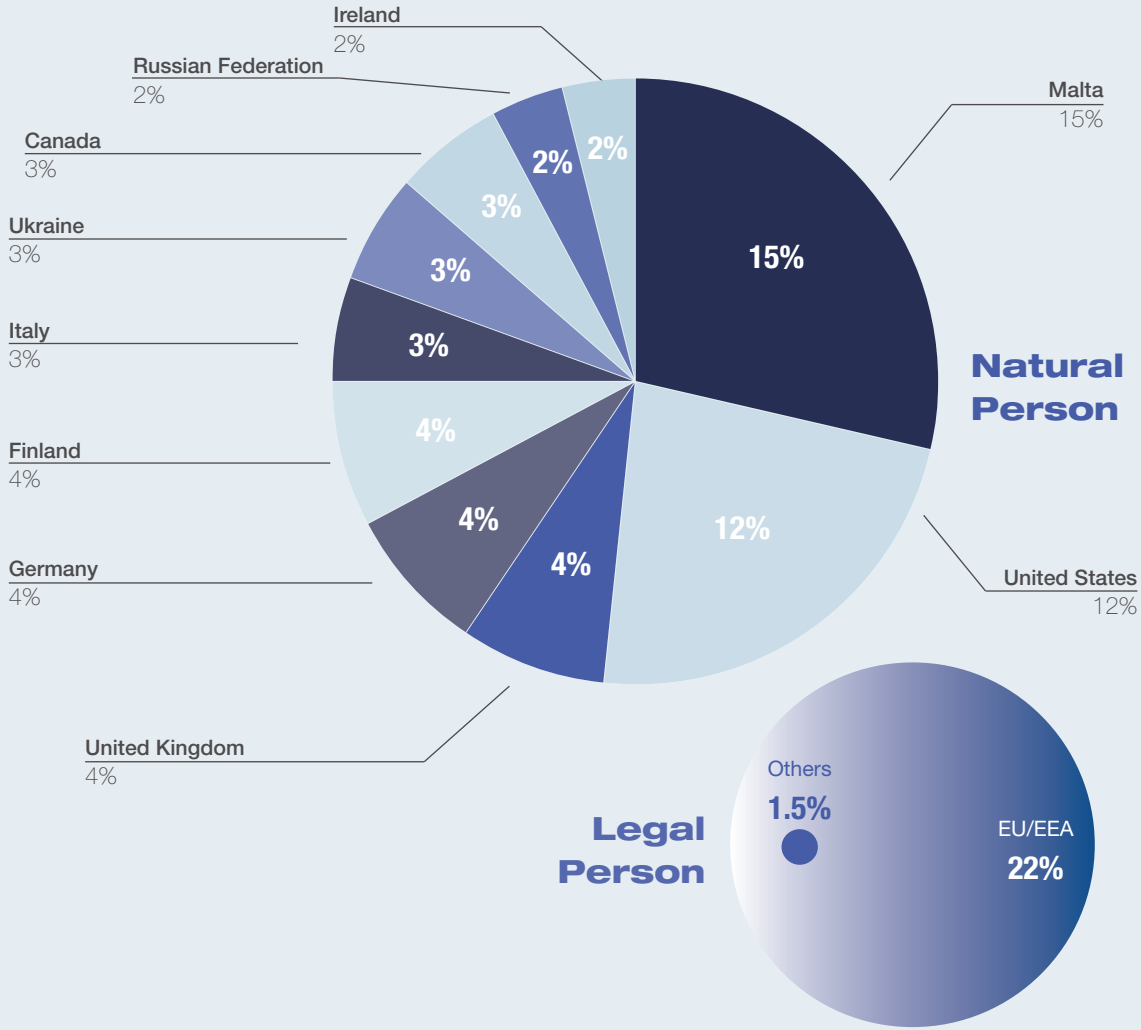
* To refer to annex 1 for a full breakdown of STRs by category

Table 2: Type of persons subject to suspicious reports*



* 25% of all reports involved at least one natural and one legal person

Chart 2: Top 10 countries – Country of origin of Natural and Legal Persons about whom a suspicious report was received*



* Where necessary these figures have been rounded down or up to the nearest percentage

The FIAU collects data and information that may have minimal connection with Malta or on which the Unit cannot act. However, the intelligence is not lost, and it is amongst others, sent securely to other FIUs worldwide and local competent authorities. These disseminations are a critical part of the Unit’s work.

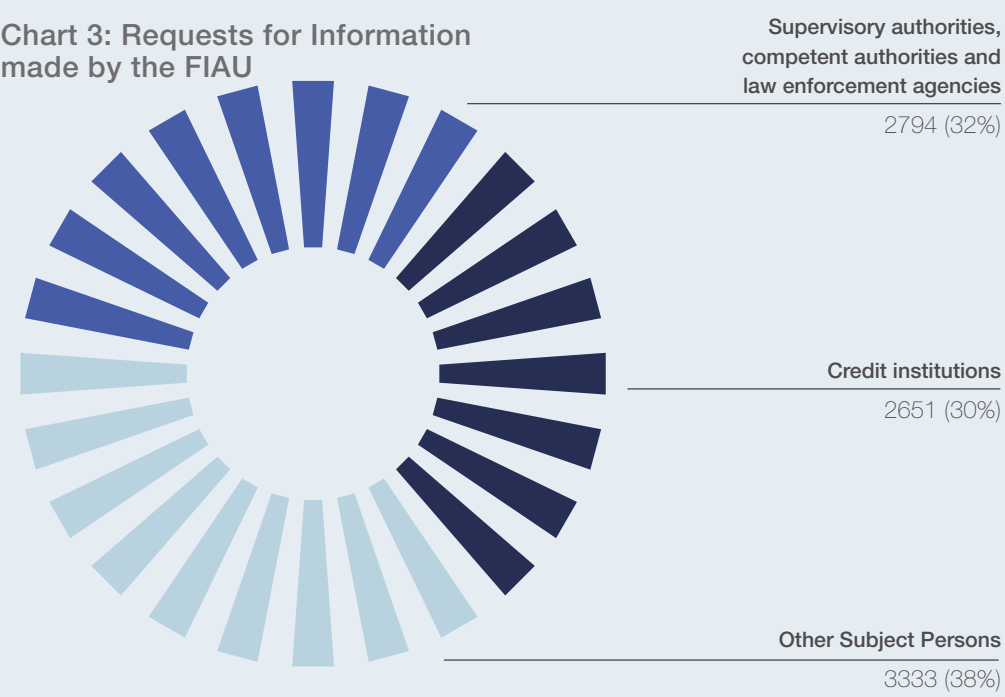


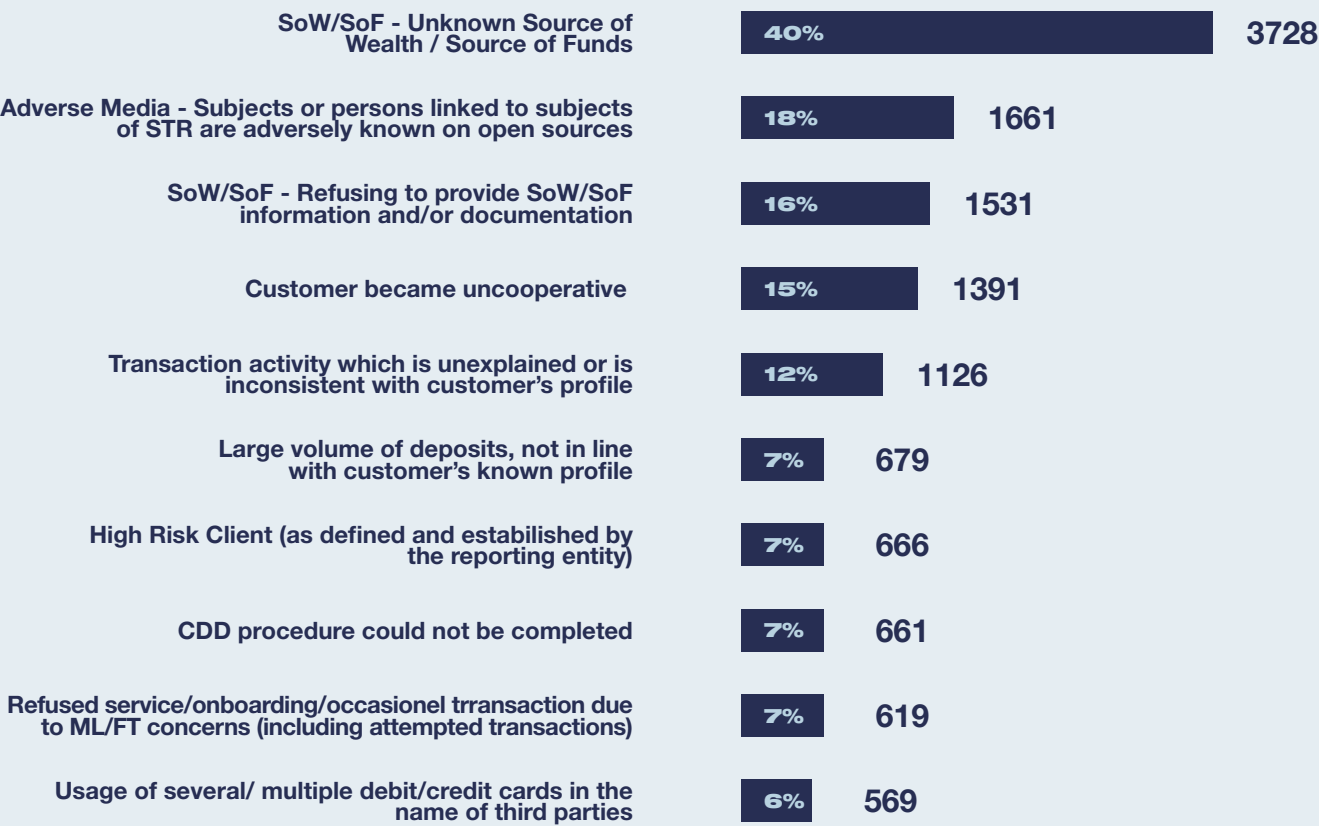
Table 3: Total disseminations by year

Year	2019	2020	2021	2022	2023
Number of disseminations	1842	4535	8443	7901	7328

Table 4: Breakdown by counterparts of all disseminations by year

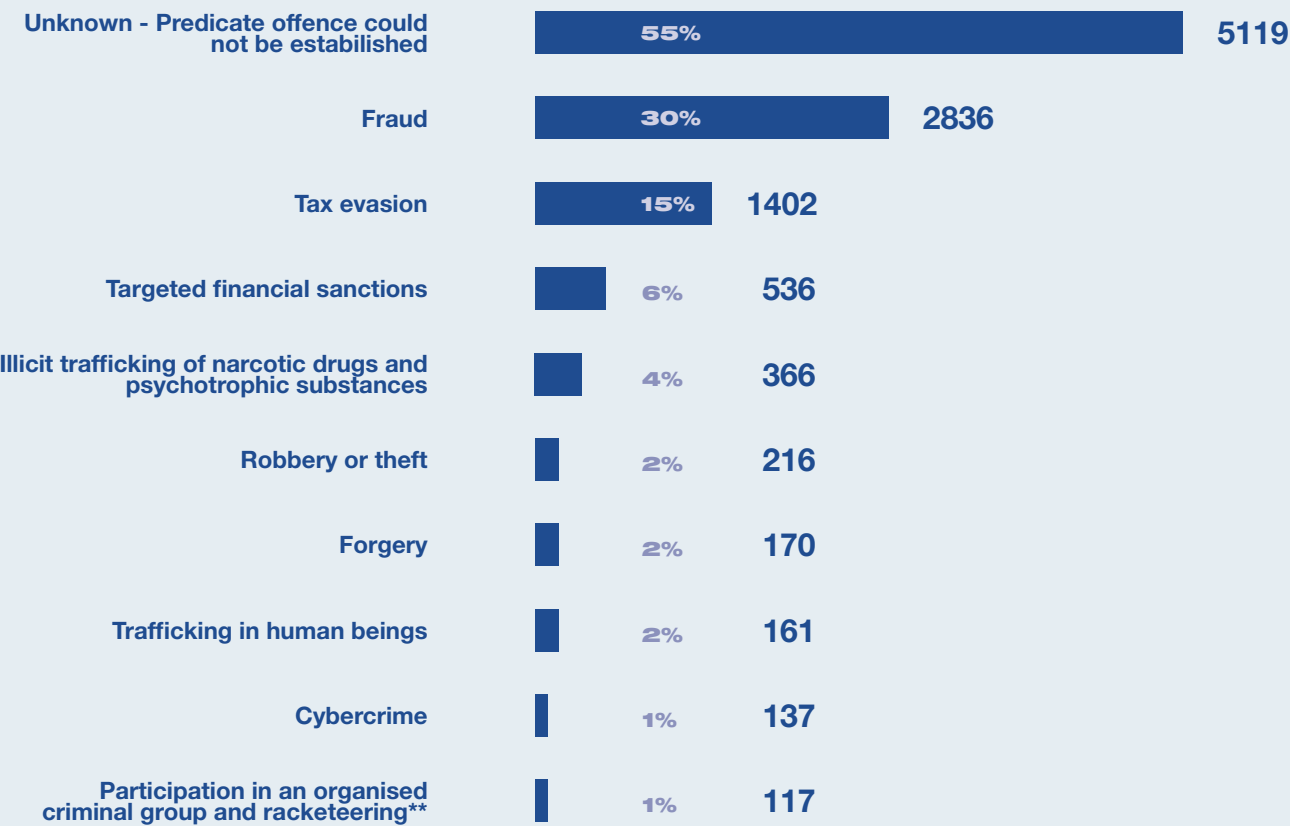
	2021	2022	2023
Foreign Counterparts	7295	6953	5964
Malta Tax And Customs Administration	703	401	644
Malta Police Force	328	343	390
Supervisory authorities and other competent authorities	117	204	330
TOTAL	8443	7901	7328

Chart 4: Main reasons for suspicion reported*



* The percentages do not add up to 100% since a report may have more than 1 reason for suspicion

Chart 5: Main suspected predicate offences reported*



* The percentages do not add up to 100% since a report may have more than 1 suspected predicate offence

** The majority of reports received related to organised crime, relate to foreign nationals who have been linked to some extent to a criminal organisation, which is legally defined as two or more individuals acting together to commit a crime.

SUPERVISION

This section is made up of the largest team within the FIAU and is organised in such a way as to ensure that the workload is dealt with in the most efficient and structured manner possible. Every team within the section has its specific roles and responsibilities, each reported individually below.

Risk Assessment

The Risk Team's primary responsibility in 2023 was coordinating the risk assessment process for SPs. The goal of this risk assessment process is to develop an ML/FT risk profile for each SP. This serves as a guide for the supervisory teams to implement effective risk-based supervision, including determining the yearly supervisory cycle that subsequently defines the method through which SPs are to be supervised. The Risk Team achieves this by applying the FIAU's risk assessment methodology, involving the collection, analysis, and assessment of data from various sources (see Chart 6). The Risk Team is also responsible for monitoring any changes in each SP's risk profile throughout a supervisory cycle.

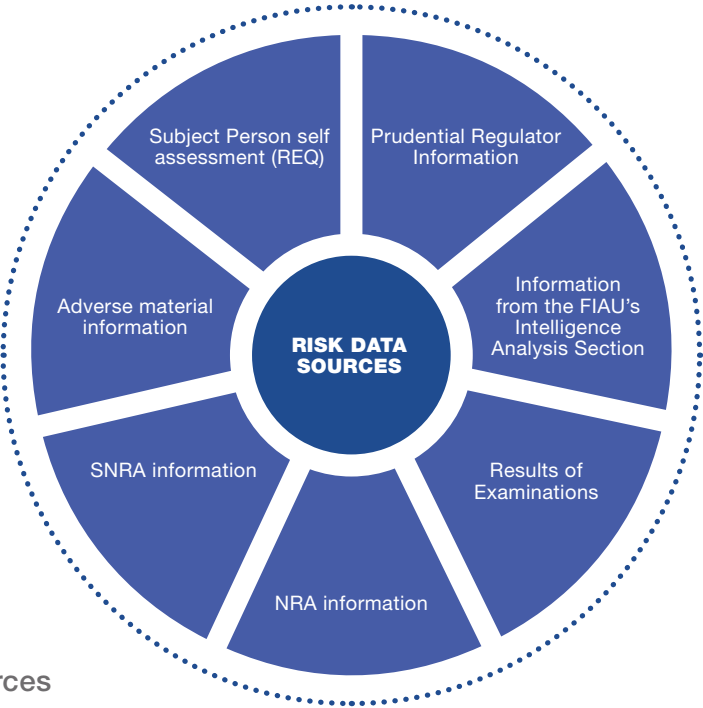


Chart 6: Risk data sources

Enhancements to the Compliance and Supervision Platform for Assessing Risk (CASPAR) and the REQ

The CASPAR system is a standardised technological solution, which streamlines risk data collection, dynamic risk assessment, and risk scoring processes. Since its launch in 2019, CASPAR has undergone several enhancements. Notably, in 2023, updates were made to improve user experience for SPs. The REQ was refined by updating the questions and guidance to facilitate comprehension by SPs. Technical changes were also implemented, including the option for SPs to download REQs in PDF or Excel format, therefore facilitating a more efficient data collection process. The CASPAR system's risk scoring engine was also refined to enable better analysis of key higher-risk factors contributing to the risk profile of each SP.

To carry out the risk assessment for the year 2023, the Risk Team utilised the CASPAR system to gather information on inherent risks and control measures from each SP. This data, along with input from supervisory authorities, such as the Malta Financial Services Authority (MFSA), the Malta Gaming Authority (MGA), and other FIAU sections, was collected through sector-specific risk evaluation questionnaires. Following the collection of the necessary risk data, a custom-built risk scoring algorithm embedded in CASPAR determined a residual ML/FT risk score for all SPs.

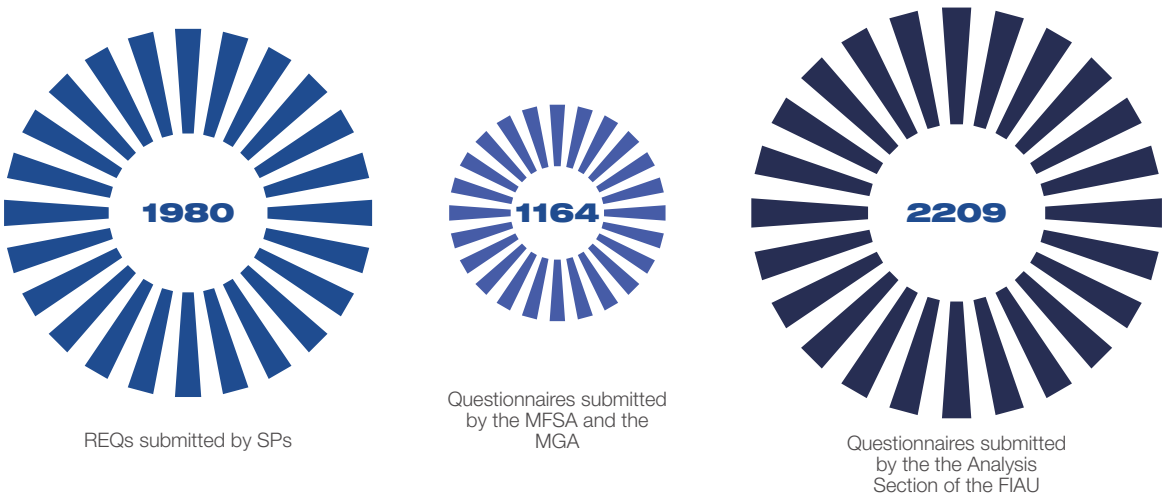


Chart 7: Reports Received by Supervision

Table 5: REQ Submission Rates

	2021	2022	2023
Credit institutions	100%	100%	100%
Financial institutions	96%	96%	96%
Insurance and pensions	98%	98%	100%
Investments	96%	97%	100%
VASPs	N/A*	100%	100%
TCSPs	98%	99%	99%
Gaming operators	88%	91%	98%
Other DFNBP	94%	98%	97%

* No REQ was available for VASPs in 2021.

The FIAU's functions include monitoring compliance by SPs with AML/CFT obligations, through the carrying out of different supervisory interventions. The methods of supervision vary depending on the risk posed by the SP, and would include the following:

Full-scope examinations	Cover the entire spectrum of risks and activities of the SP from an AML/CFT perspective, producing a holistic view of its AML/CFT framework at a point in time.
Targeted Examinations	Are carried out with the aim of reviewing one or more specific aspects of the AML/CFT framework of the SP, thereby gaining a better understanding of the aspects under review.
Thematic Examinations	Are a particular type of targeted examinations, which focus on a particular theme (e.g. types of transactions) in a group of peer institutions, which allows for a better understanding of specific typologies.
Follow-up Examinations	Are aimed at assessing the progress in implementing remedial actions or corrective measures prescribed by the FIAU further to a previous compliance examination.
Supervisory Meetings	Are held to ensure that the low-risk rating assigned to the SP is an accurate representation of the level of the ML/FT risk the SP is exposed to and to understand the level and quality of controls implemented by the SP.

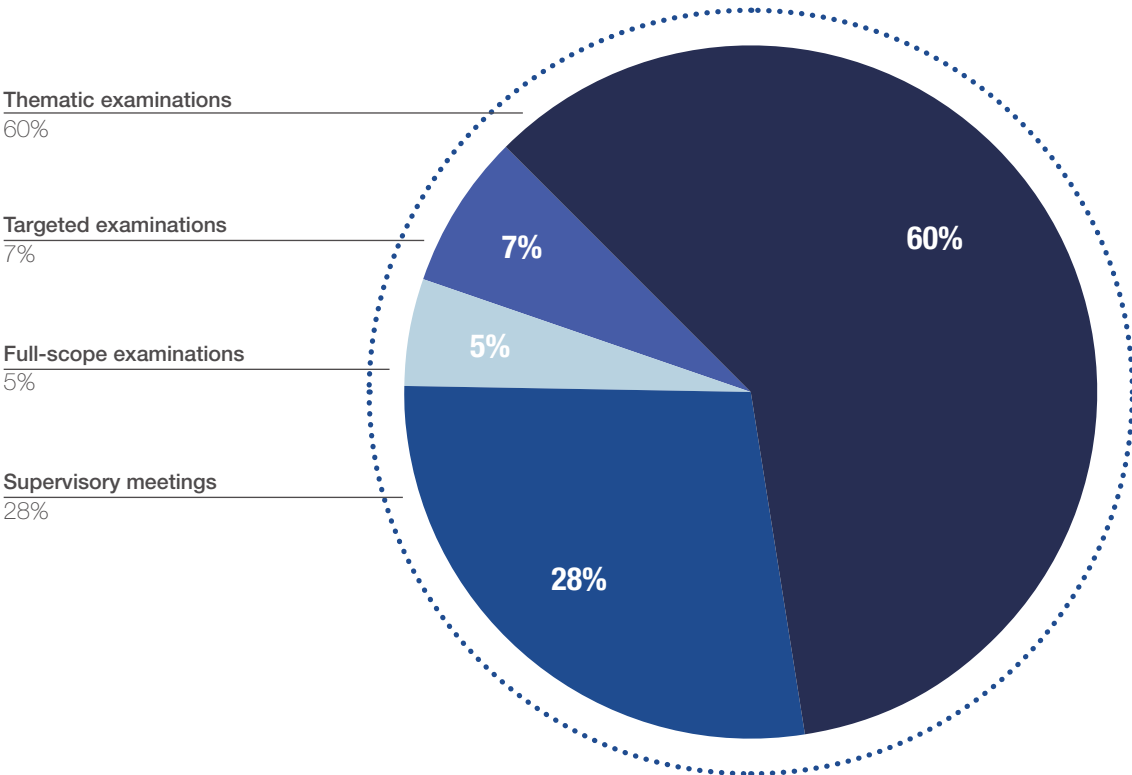


Chart 8: Supervisory interventions carried out in 2023 by type

In 2023, the Supervision Section carried out four thematic reviews consisting of several thematic examinations on a range of sectors including remote gaming, investment companies with variable capital (Société d’Investissement à Capital Variable (SICAVs)), corporate service providers (CSPs), notaries and real estate agents.

- A thematic review of CSPs was performed to assess the CSPs’ compliance with obligations relating to the establishment of the customer’s business and risk profile when providing company formation services.
- A thematic review was performed together with the MGA on remote gaming operators. The primary objective of this thematic review was to assess the AML/

CFT knowledge, awareness, and training of Money Laundering Reporting Officers (MLROs), designated employees and other employees working in the AML/CFT function.

- A third thematic review was performed on real estate agents and notaries, with the focus being on the application of the risk-based approach when assisting in carrying out transactions for their customers concerning the buying and selling of property.
- During the last quarter of the year, another thematic review was conducted on SICAVs, which aimed at assessing their compliance with simplified due diligence and transaction monitoring obligations. This thematic review was performed in conjunction with the MFSA’s Financial Crime Compliance function.

As part of the thematic reviews, subject persons were informed by the FIAU of the expectation to conduct a gap analysis after the publication of a guidance paper by the FIAU. The paper summarises the results of the thematic review carried out and highlights areas for improvement. The purpose of this gap analysis is to remediate any shortcomings identified in the SPs’ AML/CFT compliance framework.

The Supervision Section carried out targeted examinations on credit institutions, investment services providers and CSPs providing directorship services. The primary focus of these examinations was customer risk assessment, customer profiling and transaction monitoring obligations.

Although the focus during the year was on thematic and targeted examinations, the Supervision Section also performed full-scope examinations on a number of financial institutions and Virtual Assets Service Providers.

Furthermore, a number of supervisory meetings focused on the property sector and fund administrators were conducted. These meetings were used to validate REQ replies submitted by notaries and fund administrators and assess the design of their AML/CFT framework, as well as engage with the industry and maintain a continuous understanding of their business activities.

Table 6: Number of Supervisory Interventions

	2021	2022	2023
Credit institutions	2	4	4
Financial Institutions	7	6	12
Insurance and Pensions	2	3	4
Investments	39	33	38
VASPs	8	2	1
TCSPs	64	35	37
Gaming Operators	14	26	28
Other DNFBPs	16	29	22
TOTAL	152	138	146

In line with the FIAU’s ongoing strategy, which includes the enhancement of transparency, for the first time, the Supervision Section published its supervisory priorities for the supervisory cycle from July 2023 to June 2024 . The document provides an overview and priorities of the supervisory work that the FIAU is carrying out during this supervisory cycle.

The FIAU shall also be publishing its supervisory priorities for the ensuing cycle. This will be done in conjunction with the development of a compliance monitoring plan that will synchronise with the FIAU’s guidance, supervisory and enforcement efforts. The compliance monitoring plan will be based on the sectorial ML/FT risks and will also take into consideration how products and services offered by SPs and sectorial vulnerabilities may be exploited considering Malta’s ML/FT threats.

Remediation

The Remediation Team plays a crucial role in overseeing the remediation process initiated by SPs to address the deficiencies in their AML/CFT compliance programme noted during compliance examinations. This involves a thorough review of the remediation plans submitted by SPs, followed by continuous monitoring and follow-up on the implementation of these plans. The FIAU actively supports SPs to ensure that the remedial actions effectively address the shortcomings identified. Additionally, the Remediation Team contributes to the formulation of guidance for SPs by providing feedback on compliance examination outcomes and remediation initiatives.

Furthermore, the Remediation Team coordinates the setting up of Supervision Committee meetings. This committee plays a pivotal role in determining the outcomes of compliance examinations that do not reveal serious, systematic, and/or repetitive breaches of AML/CFT obligations. The Supervision Committee is composed of individuals holding senior positions within the Supervision Section and the Legal Affairs Section. The Supervision Committee holds the authority to make decisions as follows:

OUTCOME A

This involves sending a closure letter to SPs in instances where no or minor shortcomings are detected in their AML/CFT compliance programme during a compliance examination. This letter is also issued when the SP effectively demonstrates that ample remedial measures have been taken to rectify any non-serious gaps identified by the supervisory teams. Additionally, the closure letter may provide recommendations to the SP, aiming to further strengthen its AML/CFT control framework.

OUTCOME B

The issuance of a remediation letter to the SP, formally requesting the implementation of a remedial action plan within a specified timeframe. This is in response to the identification of non-serious and non-systematic shortcomings during a compliance examination.

OUTCOME C

In cases where compliance examinations reveal serious, systematic, and/or repetitive breaches of AML/CFT obligations by SPs, the matter is forwarded to the Compliance Monitoring Committee (CMC). The nature of the role of the CMC may be found in the introductory Functions Section of the report.

By the end of December 2023, the Supervision Committee held **83** meetings to discuss the outcome of supervisory interventions and **67** meetings to discuss the result of remedial action plans implemented by SPs, as detailed in Table 7 below.

Table 7: Meetings Held by the Supervision Committee

	MEETING PURPOSE	
	Discussion on the outcome of supervisory interventions	Discussion on the outcome of remedial action plans implemented by SPs
Credit institutions	4	3
Financial institutions	5	6
Insurance and pensions	1	3
Investments	29	20
VASPs	1	0
TCSPs	29	14
Gaming operators	10	15
Other DNFBPs	4	6
TOTAL	83	67

By the end of the year, the Supervision Section issued **163** letters to SPs, as detailed in Table 8 below. It is positive to note that the larger number of supervisory interventions do not result in potential breaches letters, indicating that subject persons’ efforts and investments in compliance are showing positive results and that the need for robust AML/CFT controls is recognised and being acted upon.

Table 8: Total Number of Letters Issued to the SPs

	Number of ‘Notice of completion letters’ issued following thematic examinations	Number of ‘Closure letters’ issued following compliance examinations	Number of ‘Observations letters’ following supervisory meetings	Number of ‘Remediation Letters’ issued	Number of ‘Potential breaches letters’ issued (referral to the CMC)
Credit Institutions	0	1	0	2	0
Financial Institutions	10	1	0	2	2
Insurance and Pensions	0	0	0	0	0
Investments	16	7	0	12	1
VASPs	0	0	0	1	0
TCSPs	16	14	0	9	2
Gaming Operators	29	0	2	7	3
Other DNFBPs	20	0	0	4	2
Total	91	23	2	37	10

In line with the FIAUs HR plans to increase staff complement and ensure the effective execution of its functions, the remediation team increased from three employees to seven. This increase in resources has allowed the team to focus more on guiding and assisting SPs to remediate and further strengthen their AML/CFT control framework. The Unit prioritises working with SPs to strengthen their AML/CFT compliance through education and support and enhance partnership.

Quality Control

This team is responsible for the ongoing monitoring and enhancement of the quality of supervisory-related processes. The team assists the supervision teams in effectively carrying out their functions and ensures the quality of work and cohesion between the different supervisory teams, including the FIAU's partner teams within the MFSA and MGA that also carry out AML/CFT inspections as agents of the FIAU.

One of the main goals of the team is to continue fostering coordination and harmonisation of the supervisory process undertaken both before and during the supervisory interventions by the FIAU and its agents. To this end, the team organised a full-day training session in April 2023, focused on supervisory techniques and tools to be applied during supervisory interventions. The aim was not only to provide insights and guidance on standards and best practices to be applied when carrying out supervisory interventions, but it also served as an opportunity to exchange knowledge and ideas.

In addition, as part of the quality control plan established for 2023, the team was actively involved in assisting the MFSA and the MGA at different stages of the AML/CFT compliance examinations conducted for the FIAU. Furthermore, the team carried out a quality control exercise by reviewing a sample of letters issued to SPs following compliance examinations. Also, several meetings of the Supervision Committee were attended by the team's members to monitor adherence to internally established standards. The team was also actively involved in ensuring that the section's internal policies, agreed working practices and standards were well-documented, updated as and when necessary, and effectively communicated to the section and its agents. Furthermore, the team created internal guidance documents to further guide the FIAU, MFSA and MGA relevant staff when performing AML/CFT compliance examinations.

The Quality Control Team is also responsible for coordinating the cooperation initiatives on AML/CFT aspects on both national and international levels. At a national level, the focus is cooperation, through Memoranda of Understanding (MOU) with other local authorities, such as the MFSA, MGA, Sanctions Monitoring Board (SMB), Malta Business Registry (MBR), and the Central Bank of Malta (CBM). At an international level, the team engages with foreign supervisory authorities to promote cooperation on AML/CFT matters. This cooperation involves participation in colleges and the exchange of supervisory practices, as well as the exchange of information on specific SPs. This is covered later in the report.

ENFORCEMENT

CMC's determination of AML/CFT breaches identified during supervisory initiatives led to the issue of 28 administrative measures in 2023. Notably, the most serious failures observed related to customer profiling and transaction monitoring and scrutiny. An overview of the administrative measures imposed and remedial actions required, are available on the FIAU's website.

The Enforcement Section also took enforcement action for failures to abide by CBAR reporting requirements. Credit or financial institutions providing IBAN accounts, and credit institutions providing safe custody services are required to submit data to CBAR once every seven calendar days. Reporting entities which failed to adhere to this timeframe were served with a potential breaches letter in terms of Regulation 4(2) of the CBAR Regulations (S.L. 373.03) and as further explained by the FIAU in its Notice of 21 October 2020.

In line with the section's focus on enhancing the control measures implemented by SPs and their overall level of compliance, in April 2023, the section published the guidance note A look through the obligation of Transaction Monitoring, to provide guidance on the effective implementation of transaction monitoring measures. This was followed in June by a well-attended training session on the topic.

The section also published two sets of FAQs, one to guide SPs in adhering to their annual REQ submissions and the second about replying to requests for information made by the FIAU. Moreover, the section plans to publish an Enforcement Factsheet in the first quarter of 2024, to provide



insights into the most serious failures observed by the CMC in 2021 and 2022.

The year under review saw an exponential increase in the number of meetings held with SPs to follow up on the implementation of remedial actions following the imposition of a Follow-Up or Remediation Directive by the CMC. The collaboration and cooperation with SPs further cultivate the culture of compliance which is the main aim of all enforcement actions. The enforcement team held over 40 follow-up meetings with SPs and the CMC closed 18 Follow-Up Actions after observing tangible progress in the SP's measures to combat ML/FT.

The section's constant efforts to enhance and refine its processes also reflect the FIAU's strategy and vision, particularly, in relation to the imposition of timely, effective, proportionate, and dissuasive administrative measures, and by following up on the remedial action undertaken by subject persons. To this end, during 2023 there was an increase in the Enforcement Section's staff complement, with plans for further increases. The different teams within the section aim to ensure that non-compliance by SPs is addressed, remediation is undertaken, and compliance is attained effectively and in the shortest possible time.

The CMC convened 35 times to discuss various cases, including those concerning potential breaches in relation to compliance deficiencies identified during supervisory reviews, submission of the annual REQs and replies to requests for information made by the FIAU. The CMC also discussed matters related to remediation implemented by SPs, issues pertaining to beneficial ownership, and other pertinent concerns. The CMC also conducted meetings with 6 subject persons to discuss their written representations and provide them with an opportunity to submit further clarifications and representations prior to the CMC reaching a final decision.

Table 9: CMC Meetings & Oral Hearings

Details	Number of meetings
CMC meetings	35
Oral hearings	6

Administrative Measures Imposed Per Sector

During the year under review, the FIAU issued **28 administrative measures*** pertaining to infringements identified following 28 compliance examinations. Of these, **13** were published on an anonymous basis, as the compliance examinations had either resulted only in a directive to take remedial action, or in administrative penalties not exceeding €50,000. The total amount of administrative penalties imposed during 2023 pertaining to compliance examinations amounted to €3,042,364. Penalties imposed for other bulk enforcement exercises amounted to €318,450, hence the total penalties imposed in 2023 amounted to **€3,360,814**.

* An administrative measure may contain a combination of a pecuniary fine, a reprimand and a directive.

Table 10: Breaches & Administrative Penalties by Sector

Details of the breach identified following a compliance examination	FINANCIAL SECTOR		NON-FINANCIAL SECTOR		TOTAL (ALL SECTORS)	
	Number of identified breaches	Administrative penalties imposed	Number of identified breaches	Administrative penalties imposed	Number of identified breaches	Administrative penalties imposed
Customer Risk Assessment	14	€ 502,659	11	€ 274,952	25	€ 777,611
Purpose & Intended Nature	10	€ 194,483	9	€ 137,200	19	€ 331,683
Business Risk Assessment	10	€ 205,693	7	€ 149,856	17	€ 355,549
Ongoing Monitoring/ Scrutiny of Transactions	8	€ 726,453	8	€ 244,455	16	€ 970,908
Identification & Verification	6	€ 75,661	7	€ 57,166	13	€ 132,827
Enhanced Due Diligence	5	€ 165,404	7	€ 162,649	12	€ 328,053
Record Keeping	3	€ 38,460	4	€ 32,769	7	€ 71,229
Policies & Procedures	2	€ 0	3	€ 0	5	€ 0
Suspicious Reporting	-	-	4	€ 38,864	4	€ 38,864
Updating of Documentation	1	€ 0	3	€ 0	4	€ 0
MLRO	2	€ 10,099	1	€ 0	3	€ 10,099
Training	1	€ 0	2	€ 0	3	€ 0
No/Inadequate PEP Measures	-	-	2	€ 25,541	2	€ 25,541
Certification	1	€ 0	1	€ 0	2	€ 0
Adverse Media Screening	1	€ 0	-	-	1	€ 0
Timing of CDD	-	-	1	€ 0	1	€ 0
Employee Screening	-	-	1	€ 0	1	€ 0
Total	64	€ 1,918,912	71	€ 1,123,452	135	€ 3,042,364

Breaches Identified Across All Sectors Following Compliance Examinations

During 2022 and 2023, the Enforcement Section evaluated all the enforcement measures taken and identified the most common failures in the implementation of AML/CFT obligations observed across sectors. Following this exercise, a guidance document (Enforcement Fact Sheet, A Compilation of Regulatory Actions) will be published in January 2024. Following its publication, the section intends to provide training to SPs on the subject matter, with the aim of supporting subject persons in their efforts to be fully compliant with their AML/CFT obligations.

Implementation of Directives to Take Corrective Actions

The FIAU's Enforcement Section held over 40 follow-up meetings with subject persons to ensure they remediate shortcomings and to assist them in carrying out their remediation plan after receiving a follow-up directive resulting from a compliance examination. During the year, 18 follow-up directives were considered as implemented, after the CMC concluded that tangible progress was achieved by SPs in the implementation of effective AML/CFT controls. A further breakdown of the implemented directives is illustrated in the following table.

Table 11: Implemented Directives

	NO	%
TCSPs	10	56%
Financial institutions	3	17%
Gaming	2	11%
Accountants & auditors	1	6%
Real estate agents	1	6%
Advocates	1	6%
TOTAL	18	100%

Number of Appeals

The table below illustrates the number of appeals per sector, filed against the FIAU before the Court of Appeal (Inferior Jurisdiction) between 2018 and 2023. A total of 70 pecuniary fines (63 distinct SPs) have been appealed.

Table 12: Fines Appealed

	No. of appealed pecuniary fines	Distinct SPs
TCSPs	20	19
Credit Institutions	12	8
Financial Institutions	11	10
Investments	10	10
Gaming	8	7
Notaries	4	4
Accountants & Auditors	2	2
VFAs	2	2
Advocates	1	1
TOTAL	70	63

Outcome of Appeals Filed Against the FIAU Before the Court of Appeal (Inferior Jurisdiction) (2018 - 2023)

Since the 1st appeal was filed in 2018, 31 cases (26 distinct SPs) have since been decided. In most of these cases, the Court confirmed all the breaches identified by the FIAU, however, the quantum of the administrative penalty was reduced. Further details on the outcomes of these 31 appeals are illustrated in the table below.

Table 13: Details of outcome of appeals

Appeal outcome	No. Of cases	Distinct SPs	FIAU fine (total)	Court revised fine (total)
All Breaches Confirmed & Quantum of Penalty Reduced	18	15	€ 5,042,087	€ 1,396,866
All Breaches Confirmed & Penalty Revoked	4	4	€ 67,200	€ 0
All Breaches Confirmed & Quantum of Penalty Confirmed	3	2	€ 90,000	€ 90,000
All Appealed Breaches and Penalty Revoked	3	3	€ 168,830	€ 0
Some of the Breaches Confirmed & Quantum of Penalty Reduced	1	1	€ 110,277	€ 15,749
Some of the Breaches Confirmed & Quantum of Penalty Revoked	1	1	€ 6,000	€ 0
Appeal Withdrawn	1	1	€ 11,200	€ 11,200
TOTAL	31	26	€ 5,495,594	€ 1,513,815

In addition to the appeals from enforcement decisions of the FIAU, constitutional cases were filed against the State Advocate and the FIAU, challenging the laws granting the Unit the power to issue administrative penalties. During 2023, five judgements were delivered by the Court of First Instance, however, these were appealed by both the State Advocate and the FIAU in the Constitutional Court, the outcome of which remained pending at the end of the year.

The FIAU welcomes the fact that a number of subject persons opted not to appeal its enforcement decisions and promptly focused their efforts, resources, and priorities on remediating their AML/CFT failures within the shortest time possible and in close cooperation with the FIAU. It is also noteworthy that despite the decision of SPs to appeal the FIAU's administrative enforcement decisions, most nevertheless proceeded to comply with the follow-up directives imposed by the FIAU with the aim of enhancing their AML/CFT control framework. Subject persons who, on their motion, or in response to FIAU remediation directives, remediate and improve their level of AML/CFT controls are crucial to raising the bar of Malta's overall level of AML/CFT compliance.

Table 14: Administrative penalties that have neither been appealed nor challenged by subject persons (2018 - 2023)

Number of fines imposed	Number of fines which have not been appealed	Number of fines appealed	Value of fines imposed	Value of fines imposed which have not been appealed
723	653	70	€ 28,671,532	€ 8,090,490

DATA
MANAGEMENT
AND ANALYTICS

The Data Management and Analytics section is tasked with (i) the administration of the Centralised Bank Account Register (CBAR); (ii) the management and governance of data; and (iii) the analysis of data across different domains.

- i When it comes to CBAR, the team is responsible for coordinating efforts in data collection and data integrity, regulating access and use amongst competent authorities and analysing requirements to maximise CBAR's potential.
- ii The team is also responsible for ensuring that FIAU's data is actionable, unified, and accessible mainly through the deployment and continuous development of a data warehouse and business intelligence self-service platform, and data quality assessments.
- iii Ultimately, the team is actively engaged in the analysis of internal and external data to provide insight into ML/FT risks, threats, and vulnerabilities at the sectoral and national levels.

CBAR

User Consultation with Competent Authorities

As part of its annual requirements analysis exercise, the CBAR team consulted with users from Competent Authorities via questionnaires and a round-table session to gather direct feedback on how the platform can be improved.

Through this process, the CBAR team identified potential areas for improvement in relation to the search functionality and interface. The changes are scheduled for launch in the first quarter of 2024. For 2024, the team planned on launching a similar exercise with subject persons who report to CBAR to obtain their feedback on CBAR functionalities and their overall experience with the platform.

EU-Wide Bank Account Register Interconnection Project

In 2023, the CBAR team was involved in a consultation process spearheaded by the European Commission's Directorate-General for Financial Stability, Financial Services and Capital Markets Union (DG FISMA) to examine how such registers or retrieval systems are currently set up across the EEA. The exercise will ultimately inform the Commission on the most appropriate, effective, and cost-efficient technical solution to create a single access point.

Technology Upgrade

Several CBAR upgrades took place during the year which were essential to ensure that CBAR remains compatible with supported versions of the underlying technology. These upgrades did not introduce any new features to CBAR but were mainly in relation to its back end and security posture.

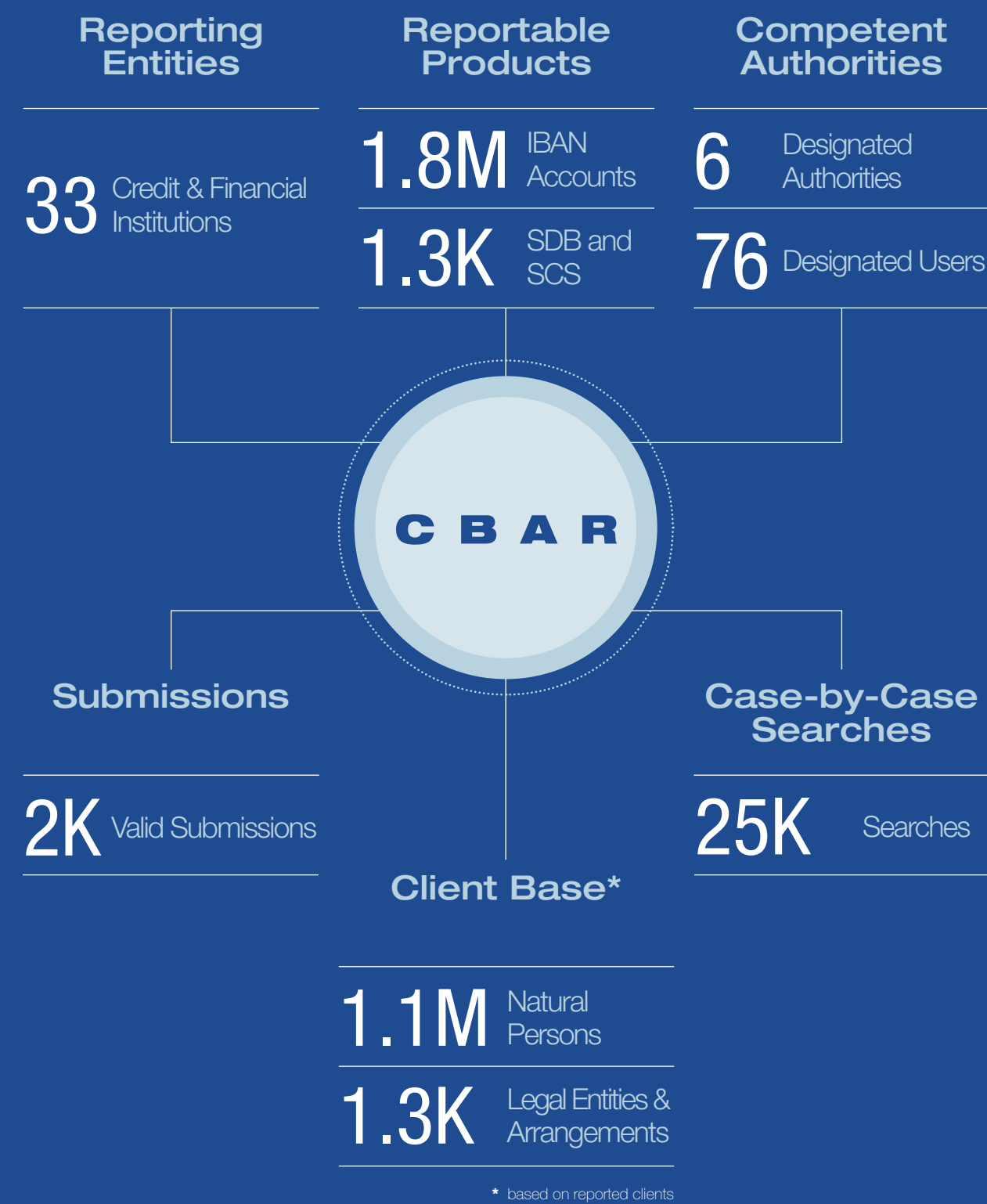
DATA
WAREHOUSE
AND BUSINESS
INTELLIGENCE
PROJECT

FIAU's strategy for 2023-2026 sets out a plan on how to bridge the gap between its current data landscape and its desired state. The data team has been entrusted with the development of a future-proof and flexible data architecture which would support the centralisation, consolidation, and analysis of data through the following components:

- A Data Warehouse (DW) to integrate and harmonise the various siloed data sets held by the organisation.
- A self-service Business Intelligence (BI) platform to analyse data and build interactive dashboards.

In the initial phases of the project, the team consulted with stakeholders to take stock of all data sources and understand user requirements. Based on this understanding, the team worked closely with a key expert to design a suitable data architecture and data model. By the end of the year, the project was well underway and will transition to its implementation phase in 2024.

Chart 9: CBAR in numbers



Reported data is from 1st January 2023 to 31st December 2023, except for statistics on Reportable Products and Client Base which are based on the latest submissions as at 31st December 2023.

Ad Hoc Projects

The team continuously provided support to other sections on data-related matters during the reporting year. Most notably, by performing a data quality assessment on one of the Unit's core systems and identifying quick wins to enhance quality. This was achieved by developing and testing a statistical model for a risk analysis exercise, integrating various external datasets and rendering them accessible through one single interface.



CASH
RESTRICTION

The Cash Restriction Section within the FIAU is entrusted to monitor and ensure compliance with the Use of Cash (Restriction) Regulations (S.L. 373.04) as empowered under Article 16(1) (m) of the PMLA (Chapter 373 of the Laws of Malta) and Regulation 10(1) of the Regulations.

The Regulations prohibit making or receiving payments or carrying out transactions in cash amounting to, or exceeding €10,000 when purchasing or selling the below high-value goods:

- Motor-vehicles
- Immovable property
- Sea-craft
- Works of art
- Antiques
- Jewellery, precious metals, precious stones, and pearls

The limit for cash transactions when purchasing or selling the items listed above is, therefore, €9,999.99.

Critical Achievements

Since its inception, the Cash Restriction Section focused its efforts on setting up internal policies and procedures to ensure the effective monitoring of compliance with the Regulations. The primary focus of the section was to establish a comprehensive framework for regulatory compliance by implementing measures to inform and educate the public to prevent breaches in the first place, have the necessary monitoring tools to detect any potential breaches, conduct investigations when necessary and impose sanctions for established breaches.

The number of reports of known or suspected cash breaches received during 2023 was significantly higher when compared to the previous year. Whilst the nature of all the reports is similar, the content of every report is unique and diverse. As a result, the policies and procedures were enhanced accordingly to ensure that the Section can conduct effective investigations for every scenario.

During the last quarter, the Section issued guidance in relation to a new type of report introduced known as the **Suspicion of Cash Restriction Breach Report (SCRBR)** which was created

on goAML. The main purpose of the SCRBR is for subject persons to report directly to the Cash Restriction Section through goAML. Whilst the layout and components of the SCRBR are like those included in the more common reports (such as the STR or the SAR), the SCRBR has been carefully modified to suit this type of report, being clear and concise, whilst providing all necessary data required by the Section. The identity of the reporting entity and the source of information contained in the SCRBR will be treated as intelligence. The SCRBR will go live on goAML as of 1st January 2024. After receiving the SCRBR together with any relevant documentation, the Cash Restriction Section will process the information, prioritise, and investigate accordingly.

Due to the significant increase in the number of reports received, related to known or suspected cash breaches, the Section researched and explored various options of case management systems which could be adopted. This would allow the Section to operate more efficiently by having a robust case management system to eliminate the various manual inputting of information and enhance its day-to-day operations. After due consideration and testing, the Cash Restriction Section opted to adopt goCASE as its case management system. Various discussions took place during the year in preparation for its development and implementation in 2024. The adoption of such a case management system will bring various benefits within the Cash Restriction Section such as improved organisation, easier tracking of cases, and enhanced collaboration among team members.

Recruitment

As per the FIAU's strategy for growth, the Section increased its staff complement during 2023 and plans to grow further. This increase in workforce allows the Section to operate more effectively, and to better perform its duties of monitoring and ensuring compliance with the Use of Cash (Restriction) Regulations.

Awareness Campaigns

In July 2023, the Cash Restriction Section launched the **Stay Legal – Go Cashless** Campaign in collaboration with Transport Malta. This campaign was designed to reach the public and raise awareness about the restriction on cash payments in Malta with respect to high-value goods transactions.



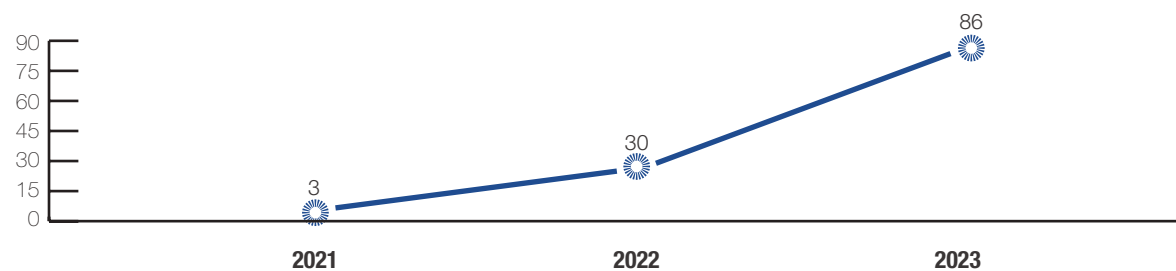


Chart 10: Number of reports received by year

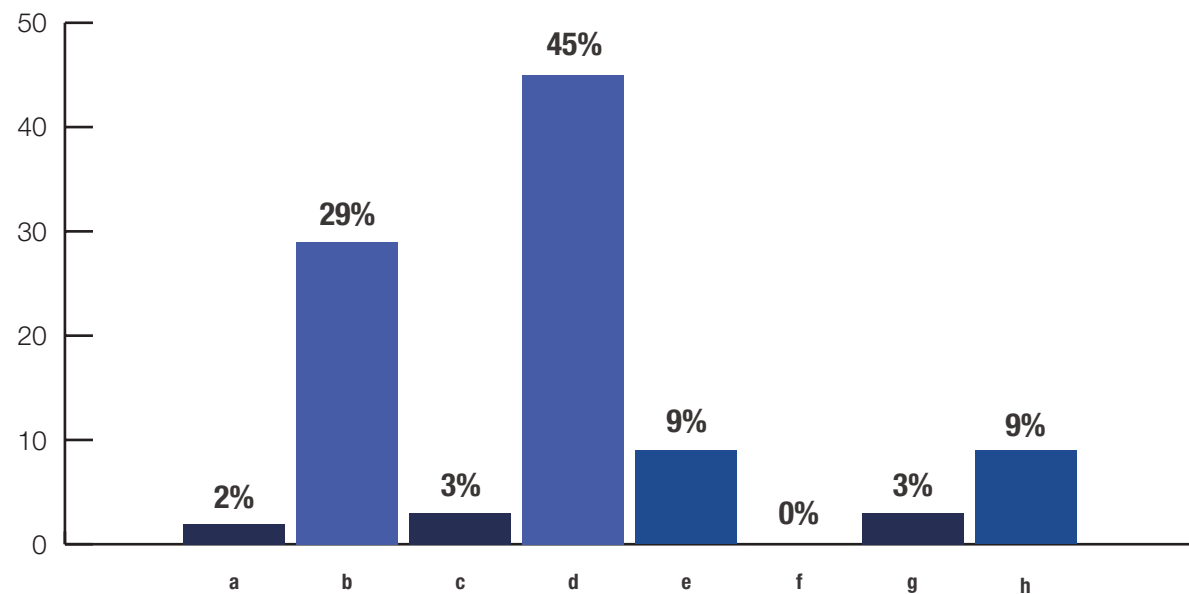


Chart 11: Reports received by high-value goods (2021 to 2023)

- a. antiques
- b. immovable property
- c. jewellery, precious metals, precious stones and pearls
- d. motor vehicles
- e. seacraft
- f. works of art
- g. other goods or services not falling under the Use of Cash Regulations
- h. high value goods not yet determined

The above bar chart represents the reports of known or suspected cash breaches received to date since the inception of the Section in relation to various high-value goods.

Most of the reports received were related to immovable property and motor vehicles, with these amounting to 74% of the total cases. These were followed by reports relating to the transfer of seacrafts, making up another 9%. Similarly, 9% of the reports received did not clearly specify which high-value goods the suspicion was connected to, whilst 5% related to jewellery, precious metals, precious stones, pearls and antiques. Moreover, 3% of the reports received pertained to other goods or services not falling under the remit of the Use of Cash (Restriction) Regulations.

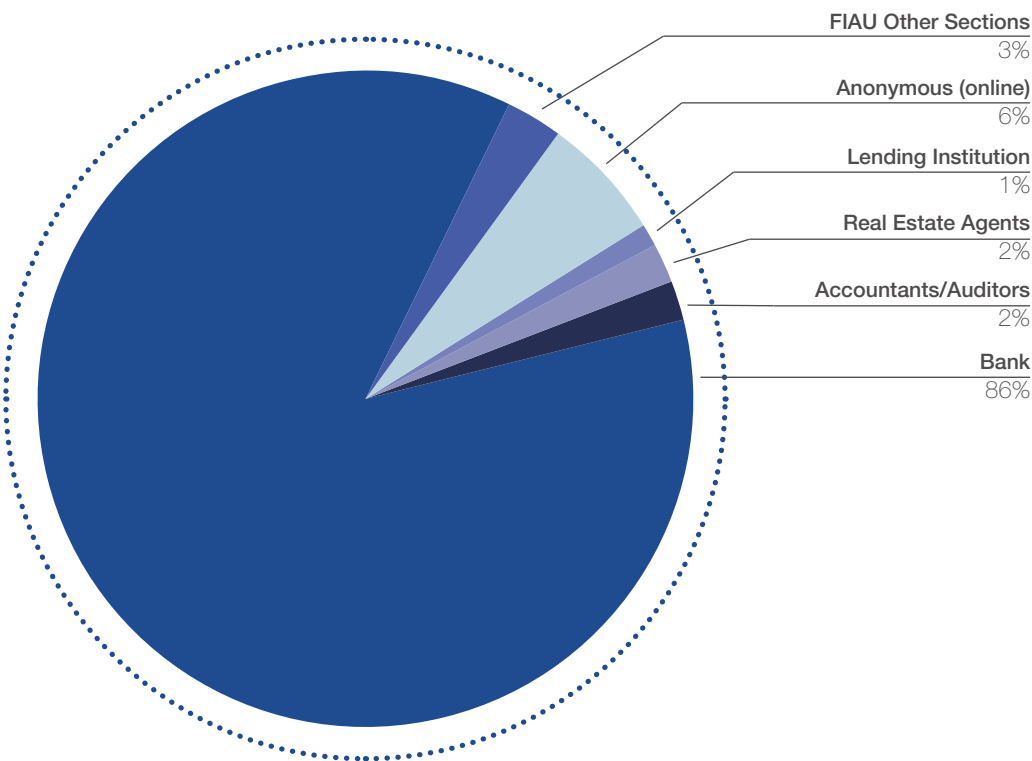


Chart 12: Reports received by reporting entity type (2021 to 2023)

The above chart represents the reports of known or suspected cash breaches received from various types of reporting entities to date.

Most of the reports received were from banks, amounting to a total of 86%. Another 6% of the reports of suspicious or known cash breaches were received anonymously through the FIAU website whilst 3% were communicated internally from other FIAU sections. The remaining 5% of reports were received from accountants/auditors, real estate agents and lending institutions.

Table 15: Number of requests for information sent by the Cash Restriction Section

Requests for information sent to	Number of requests sent
Banks	147
Other national authorities	34
Total RFIs	181

During 2023, the Cash Restriction Section sent 181 requests for information to banks to other national authorities. The replies to all of these requests were received by the stipulated deadline.

STRATEGY, POLICY & QUALITY ASSURANCE

The Strategy, Policy & Quality Assurance Section was set up in late 2020 and currently consists of six team members. In 2023, the work of this function revolved around two main domains:

- ☀ providing guidance and facilitating the implementation of strategy through programme management and quality assurance, and
- ☀ ensuring continuous professional development through training opportunities.

Strategy, Programme Management and Quality Assurance

Strategy: The team steered a bottom-up approach and capitalised on subject-matter expertise and tenured experience to assist the management in the formulation of The 2023-2026 Strategic Plan in support of the new Vision and Purpose statements. The team actively participated and contributed to initiatives driven by national strategy-setting bodies such as the National Coordinating Committee on AML/CFT and the Malta Financial Services Advisory Council Strategy, to align and synergise where possible, while coordinating with internal stakeholders.

Programme Management: The team coordinates and monitors the timely roll-out of all FIAU projects and initiatives, including the FIAU's Strategy Programme for 2023-2026. In doing so, the team sustainably aligns the various supporting resources required to work towards achieving the desired outcomes. The interplay between the FIAU's operations and other external initiatives, such as national strategies, the strategy of other authorities, as well as recommendations by evaluators, is also factored in for easier tracking and reporting. The main project undertaken by the Programme Management Team during 2023 was the coordination of all aspects related to the completion of the FIAU's new office at Trident Park that accommodates the ever-increasing staff complement. The office move took place in May 2023.

Quality Assurance: The objective of this team is to provide assurance and advisory services designed to add value and improve the FIAU's operations. In the role of third line defence, it supports the management in the review of systems and operations, aimed at identifying how well risks are managed, and whether effective control processes are in place, ensuring that governance, risk management and compliance practices are aligned with organisational objectives.

TRAINING & DEVELOPMENT

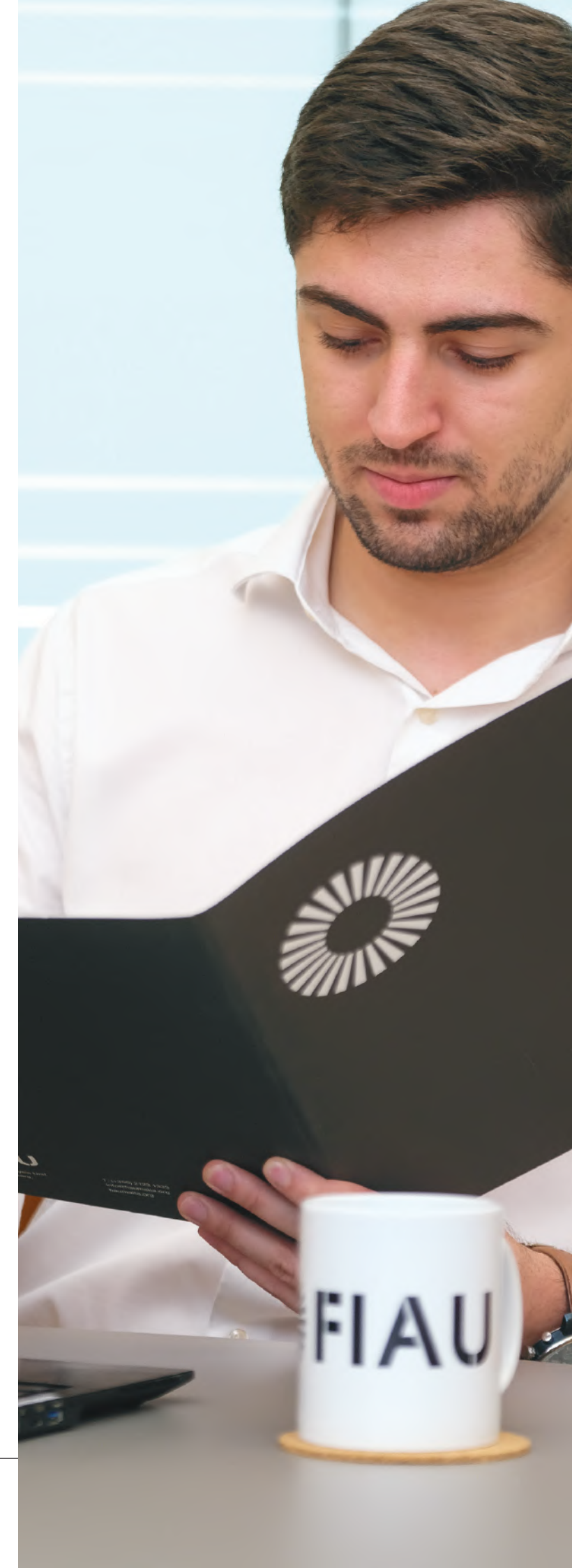
This team was purposefully created within the Strategy, Policy & Quality Assurance Section to reinforce the connection between human capital development and the organisation's long-term success, providing a proactive approach to building a skilled and resilient workforce.

The FIAU is firmly committed to the concept of continuous professional development, and the training and development initiatives for the year 2023 were carefully designed to be in harmony

with the strategic objectives of the authority. The Unit recognises the significance of nurturing a highly skilled workforce, with a specific emphasis on developing capabilities that contribute directly to its long-term goals. In pursuit of this objective, a comprehensive Learning Needs Analysis was conducted at the beginning of the year to identify the training requirements of employees, ensuring a direct link between their professional growth and the strategic goals of the Authority alongside the yearly compliance plan.

Throughout the year 2023, FIAU employees underwent a comprehensive training regimen, accumulating a total of **10,355 hours** from both local and international institutions. This averaged **62 hours of training per employee** and encompassed both technical subjects and soft skills development. Notably, half of the total training duration was specifically devoted to Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) topics, including dedicated sessions on predicate offences, customer due diligence, and other AML obligations. The remaining hours covered various topics, including crypto-currencies, sanctions, GDPR, accounting, taxation, and payments. Besides technical training, the staff also attended training on public speaking, mental health, first aid, and leadership.

The effectiveness of a training and development function relies heavily on the active involvement of employees. To foster a culture of learning and nurturing, and a supportive environment, during the summer, FIAU employees had the opportunity to share their knowledge with colleagues during a 12-week work placement. Besides the value of knowledge transfer, this also served the intent to further enhance the links and synergies between sections. Moreover, an internal training portal was launched to serve as a repository for training material which can be easily accessed by staff when required.



Sixty-seven training opportunities were organised abroad, where employees had the opportunity to be trained by leading international bodies such as the Centre of FIU Excellence and Leadership, (ECOFEL), United Nations Office on Drugs and Crime (UNODC), Association of Certified Anti-Money Laundering Specialists (ACAMS), International Compliance Association (ICA), the Association of Anti Money Laundering Professionals (AMLPP), European Union Agency for Law Enforcement (EUROPOL), Academy of European Law (ERA), European Union Agency for Law Enforcement Training (CEPOL), Organisation for Economic Co-operation and Development (OECD) and Financial Action Task Force (FATF). This provided employees with the opportunity to network with international counterparts and obtain direct exposure to the work performed by standard-setting bodies.

Employees were also encouraged to facilitate training sessions on topics they were well-versed in. This allowed them to share knowledge with their peers. This approach was driven by the recognition that many individuals within the FIAU possess extensive technical knowledge of the industry and its regulations.

Moreover, the Unit extended sponsorship agreements to 18 employees who expressed a desire to pursue a recognised qualification relevant to their job responsibilities. The most requested qualifications relate to AML/CFT, with ACAMS, ICA and LEAD being the most popular awarding bodies.

The FIAU's dedication to align the Training and Development function with the regulator's strategy is showing positive results. The development of our employees' skill sets is pivotal in ensuring an effective compliance regime and intelligence analysis capabilities. The Unit remains committed to evolving its training and development programmes to address its dynamic needs in line with emerging national and sectoral risks and typologies.

LEGAL AFFAIRS

Legal Affairs Section

The year 2023 did not see any amendments being carried out to the key AML/CFT legislation but this does not mean that the Legal Affairs Section was inactive on this front. The section has been working on future amendments to the PMLA, especially, the PMLFTR to align it with the changes resulting from the Markets in Crypto-Assets Regulation (MiCA) and the recast of the Funds Transfer Regulation. It has also contributed to a series of other legislative initiatives being undertaken by the Government which may impact subject persons' obligations under the PMLFTR.

During the year under review, work was carried out with regard to legislative proposals at the European level. The Section's efforts remained focused on the AML Package and its four proposals. While discussions at the council level were concluded in 2022-2023, these were characterised by intensive negotiations between the Council, Parliament, and the Commission to come to an agreement on the final text of the proposals.

As each Presidency sought to conclude negotiations during its tenure, a series of compromise proposals had to be analysed and discussed within very tight timeframes to provide feedback and suggest possible amendments within the time allowed. The aim of the Legal Affairs Section was to achieve as much clarity as possible in the text of the final regulation or directive, while also ensuring that the obligations being provided for would be feasible and effective. By the end of the year, agreement had been reached on two of the four proposals within the AML Package, with an agreement on the AML Rulebook being reached early in 2024.

While the AML Package consumed considerable time and effort, the Legal Affairs Section was also called upon to provide feedback on other legislative proposals at the European level that have an impact from an AML/CFT perspective. Amongst others, these included proposed amendments to the Directive on the Use of Financial Intelligence, proposed amendments to the SEPA Regulation providing for the introduction of instant payments and the proposal for a digital EURO.

The Legal Affairs Section was active in AML/CFT legislation even beyond the European sphere. With the FATF conducting a series of exercises to revise the FATF Recommendations, the team provided input during consultation exercises focused on revising Recommendation 24 and Recommendation 25, which deal with beneficial ownership, as well as their associated Guidance, and on revising Recommendation 8, which focuses on NGOs.

TECHNOLOGY & INFORMATION SECURITY

Establishment of a New IT Backbone Infrastructure

Due to the FIAU's ongoing digital development, its core IT infrastructure needed to be re-designed to support the ever-increasing demand for computing power, whilst ensuring compliance with Information Security Standards.

Hand in hand with its technology partners, a fully redundant virtualised server environment has been developed to support the business continuity requirements and reduce operational risk, ensuring the continuity of its AML/CFT operations. The new computing power has been set up on 2 different sites while also making use of the latest private cloud infrastructure for specific tasks.

Part and parcel with this project, was the transition of the FIAU to its new premises, where extensive effort was invested to establish new systems to enable secure connectivity to its data centre, configuring security systems and local area networks that provide a highly secure environment for the FIAU employees to conduct their work securely.

Upgrading Core Applications

To ensure that the core applications of the FIAU run securely without any vulnerabilities, this section together with our technology partners, deployed the latest application versions

following rigorous testing on the new functionality of the core applications. Furthermore, the applications were subject to Security Penetration Testing by a 3rd party to ensure that no vulnerabilities were left unaddressed.

Integration and Automation

As per the FIAU strategy, further investments have been made to develop integrated and automated solutions to reduce the administrative work of its employees. However, special focus was placed on what data sources matter most. One of the recent and most important data integrations was done in-house, within one of the core EU FIU systems that disseminate information to our EU counterparts. This integration has allowed faster collaboration with other EU member states, which may result in shorter timeframes to close intelligence cases locally and internationally.



PEOPLE AND
CORPORATE
SERVICES

Human Resources

In 2023, the FIAU’s People, Performance & Culture (PPC) supported the Unit and worked closely with all sections to implement the FIAU’s development plan. The year saw the FIAU’s staff complement increase by a further 39 employees. Such growth doesn’t come without its challenges, and the PPC team engaged with all sections and new staff members to ensure a smooth onboarding into their roles, while fully embracing the FIAU’s values, which all staff clearly identified by our staff members during a team-building exercise and which are embraced in full as may be seen from the testimonials in this report.

Recruitment and onboarding initiatives take up a significant amount of time of the FIAU’s PPC, however, the team dedicated substantial time and resources towards implementing the FIAU’s strategic objectives within the HR context. One such task was the carrying out of a comprehensive staff-wide survey followed by discussions with the management team to identify possible areas for improvement.

Another project, with longer-term benefits, was that of raising awareness on AML matters and on the FIAU’s roles and potential career opportunities in secondary and post-secondary educational bodies, including the University of Malta and MCAST, which was done in cooperation with the Communications and PR team.

The PPC team also participated in multiple career fairs, with employees from various sections interacting with students and providing them with the knowledge they needed to better understand the FIAU’s mission, core values, and requirements for joining our team.

Our hiring processes were strengthened by these events, which also presented potential candidates with an opportunity to learn more about our Unit’s culture, values, and career development prospects.

To enhance the FIAU’s recruitment process, the Unit worked to introduce an applicant tracking system (ATS) to further automate recruitment procedures.

With a steadfast dedication to cultivating an inclusive work culture, our HR team has meticulously refined and introduced new policies and procedures to tackle evolving challenges and HR demands and champion equity and openness throughout the Unit. The team’s goal has been to uphold the Unit’s core principles while adapting to the dynamic changes accompanying the FIAU’s. As a tangible example of our efforts, we have revamped the performance review procedure, ensuring it reflects a commitment to fairness and transparency, whilst fostering an environment where every employee feels valued and empowered. This proactive approach underscores an unwavering commitment to creating a workplace where diversity is not just acknowledged but celebrated, and where everyone has equal opportunities to thrive and succeed.

Payroll & Finance

During 2023, this team handled all the necessary financial needs of the FIAU. Payments made in 2023 met the 30-day window. The finance team handled the annual financial audit and the routine audit performed by the Internal Audit and Investigations Department. It also provided the necessary information to reply to parliamentary questions and freedom of information requests.

Logistics, Procurement & Administration

During the year under review, the administration and logistics team played a crucial role in ensuring that all the logistical, procurement and administrative needs of the unit were met. This included the successful organisation of various events, including staff meetings, the FIAU-FAST roundtable discussion, and three AML/CFT sector-specific outreach events.

Collaborating with the British High Commission and MFSA, the team organised a training session on ML/FT typologies. The team was heavily involved in the preparations for a large-scale international event, with an expected attendance of over 400 worldwide delegates. The event required extensive logistical needs due to very specific meeting setups, large concurrent meetings, and high-security needs. In May, the administration team facilitated the move to the FIAU premises, which involved major logistical planning and coordination together with security requirements. The team oversaw the completion of new offices, meeting rooms, and a canteen. This effort was supported by the procurement team, which handled the purchase of necessary supplies and the engagement of numerous services whilst adhering to public procurement regulations.

Communications & PR

In 2023 a key focus was to enhance overall partner experience through strategic communication initiatives. As part of the broader strategy goal, the Communications & PR team focuses on fostering improved communication channels and raising awareness of crucial updates, events, and information via social media platforms.

A significant milestone in achieving this goal was the planned launch of a new website in the first quarter of 2024. The website features an advanced search engine and user-friendly design, making it more accessible and self-intuitive for users. This endeavour also aligns with the FIAU's commitment to transparency and efficient information dissemination.

To bolster the team's capabilities and ensure a holistic approach, a new team member joined in October, bringing design matters in-house. This addition has led to improved branding, creating more readable and visually appealing documents that contribute to an enhanced partner experience and image for the Unit, together with increased visibility on social media platforms.

In tandem with these efforts, the team started developing a comprehensive PR plan for 2024. The plan's key aim is to enhance the FIAU outreach, reinforcing its commitment to providing valuable information to partners and the public. In addition, other elements of the plan aim to inform stakeholders, subject persons and the public about the risks and dangers of ML/FT and associated crimes. Furthermore, the team continues to work on individual PR campaigns such as that on the Use of Cash.

Career marketing initiatives and working closely with the HR team were a highlight, actively participating in Freshers' Weeks at the University, career fairs and conducting talks in secondary schools. In 2023, the team took part in 9 student-based events and engaged with 16 schools, reaching over 600 students. These efforts focus on explaining the value of the FIAU's work and showcasing its attractiveness as a meaningful career option. By highlighting the importance of financial intelligence in combating crime and emphasising the rewarding aspects of a career with the FIAU, the team contributes to creating a positive image in the eyes of future professionals.

4.2 INTERNATIONAL & DOMESTIC ENGAGEMENTS

The FIAU has always acknowledged that cooperation and collaboration with its domestic counterparts are key to ensuring a robust and effective national AML/CFT framework. In this regard, work was carried out to conclude an MOU with the Asset Recovery Bureau as well as to revise existing MOUs with the MFSA and the CBM. The focus in all three instances is to ensure better sharing of data, information, and expertise, as well as to outline clearly how the different counterpart authorities are to work together. Equally important are knowledge and expertise sharing which is why the FIAU cooperates with the National Coordinating Committee on Combatting Money Laundering and Funding of Terrorism (NCC) and provides speakers for the different training sessions held for public authorities.

International engagement is an aspect that has received particular attention in the FIAU's strategy. Building bridges, sharing experiences and know-how, and developing areas of cooperation and collaboration with counterpart authorities and supra-national bodies are of great importance in combatting cross-border phenomena like ML/FT. It is in this spirit that the FIAU has increased its engagements in this area.

The FIAU has taken part in a series of meetings and engagements with the counterpart authorities of a number of countries. Bilateral meetings were held with the Finanzmarktaufsicht of Liechtenstein, the Central Bank of Ireland, and the Finanzmarktaufsicht of Austria. Discussions focused on best practices in the areas of risk assessment, AML/CFT supervision and enforcement, as well as preparations for the EU's very own Anti-Money Laundering Authority (AMLA). In December, the FIAU hosted a delegation from the FIU of Armenia for two days of talks on AML/CFT supervision of DNFBPs and best practices in intelligence analysis. An FIAU delegation visited the UAE during the UAE's grey listing period to share Malta's experience and the actions taken to ensure the country's delisting within a year.

Always conscious of the European dimension, the FIAU continued with its engagement with EU bodies and Supervisory Authorities. Officers from the FIAU were active in various drafting teams led by the EBA and responsible for drafting Guidelines or Opinions in AML/CFT, including the EBA's own 2023 AML/CFT Risk Opinion. The AML Package has significantly impacted the EBA's work around AML/CFT. Not only does it have a mandate to draft guidelines under the recast of the Funds Transfer Regulation, but it is also assisting with work in preparation for AMLA taking over responsibility for AML/CFT at the EU level. With its experience in supervising crypto-asset service providers and the significant developments in its supervisory processes, the FIAU was well-placed to assist with all the mandates and is actively taking part in all three fora.

The significant improvements that the local AML/CFT framework has undergone, not least where the FIAU is concerned, are nowadays widely recognised. Because of this positive reputation, the FIAU is regularly contacted to have its officers take part in technical missions to assist the authorities in other jurisdictions improve their own AML/CFT framework. This takes

place not only through the Council of Europe but also through the EU's own AML/CFT Global Facility. Amongst the countries assisted in this manner were Bulgaria, Panama, and the UAE.

Engagement with counterparts also requires the necessary means to manage reciprocal expectations. And it is in this context that MOUs play an important role. As in previous years, the FIAU continued to conclude MOUs with counterpart FIUs. An MOU signed with the Office of the European Public Prosecutor (EPPO) is of note and importance to enhance local collaboration. This MOU provides for a structured framework of cooperation, including facilitating the exchange of information, to make the fight against ML and associated predicate offences, which adversely affect the EU's financial interests, as efficient as possible.

**INTERNATIONAL
ENGAGEMENT**

Intelligence - Exchanges of Information

International cooperation especially in the case of intelligence is high on the international agenda when it comes to addressing the fight against ML/FT. Therefore, it remains at the forefront of the FIAU's operations. During 2023, over 100 spontaneous intelligence reports which were received from foreign FIUs formed part of cases which led to further disseminations to both national and foreign counterparts.

Likewise, the FIAU ensured that in line with international expectations, timely and valuable support was provided to its foreign counterparts. The FIAU handled **265 requests for information from foreign FIUs** with an average initial response time of 6 days. This is in addition to a significant number of other requests which are received from other counterparts both locally and abroad on a regular basis and which are also handled with similar priorities and timeframes.

Similarly, the volume of requests for information and spontaneous intelligence reports sent out by the FIAU to its foreign counterparts reflects the level of detail which the FIAU goes into when carrying out its own analytical function.

Table 16: Requests for cooperation and information received from counterpart FIUs and sent to

	2019	2020	2021	2022	2023
number of requests received by the FIAU	227	250	290	217	265
Number of requests sent by the FIAU	711	749	928	789	1389

Table 17: Requests for information received and sent by zone

	Africa	Americas	Asia	EU/EEA	Europe non EU/EEA	Oceania
Requests for assistance received 2023	6	10	14	185	44	6
Requests for assistance sent 2023	54	111	110	988	120	6

Table 18: Top 5 sending and receiving countries (international requests for information)*

	Request for assistance received by the FIAU	Percentage of total		Request for assistance sent by the FIAU	Percentage of total
Germany	24	9%	Lithuania	137	10%
Italy	19	7%	United Kingdom	109	8%
United Kingdom	19	7%	Italy	93	7%
Finland	18	7%	Germany	65	5%
Norway	18	7%	Switzerland	54	4%

* Refer to Annex 2 for the full list

Table 19: Total number of spontaneous intelligence reports sent and received by the FIAU*

	2019	2020	2021	2022	2023
Number of spontaneous intelligence reports sent by the fiau to foreign counterparts	1547	4101	7295	6953	5964
Number of spontaneous intelligence reports received by the fiau from foreign counterparts	90	102	152	657	1726

* Refer to Annex 3 for the full list

Table 20: Spontaneous Intelligence Reports sent and received by the FIAU, by zone

	Africa	Americas	Asia	EU/EEA	Europe non EU/EEA	Oceania	TOTAL
Spontaneous Intelligence Reports sent	127	1408	504	3456	326	143	5964
Spontaneous Intelligence Reports received	1	6	1	1697	21	0	1726

Table 21: Spontaneous Intelligence Reports received and sent by the FIAU – Top 5 senders

	Spontaneous intelligence reports received	Percentage of total		Spontaneous intelligence reports sent	Percentage of total
Latvia	363	21%	United States	884	15%
Italy	340	20%	United Kingdom	436	7%
Belgium	257	15%	Germany	284	5%
Germany	190	11%	Lithuania	270	5%
Ireland	173	10%	Finland	236	4%

SUPERVISION

Co-operation with Foreign Authorities

In line with EU legislation, European Supervisory Authorities expectations and the FATF International Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation, the FIAU co-operates and exchanges information with other competent authorities in the EU. In 2023, the Supervision Section shared 8 items of information with Authorities established in the EU and outside the EU. This included both the exchange of information in relation to AML/CFT supervisory practices applied by the FIAU as well as information on specific SPs.

Cooperation with Foreign Authorities Through AML/CFT Colleges

In December 2019, joint guidelines were issued by the three European Supervisory Authorities – the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA), and the European Securities and Markets Authority (ESMA). These guidelines, outlined in Articles 50a, 57a, and 57b of Directive (EU) 2015/849, paved the way for the creation of AML/CFT colleges. These colleges serve as a permanent framework for cooperation and information exchange among supervisors from different member states and third countries responsible for the AML/CFT supervision of cross-border groups.

The primary objectives of these colleges include establishing a structured avenue for collaboration, enhancing information sharing, and fostering consistent and effective supervisory approaches to AML/CFT across the European Union. In 2023, the FIAU participated in four AML/CFT colleges, organised by EU supervisors, specifically addressing Maltese SPs operating within cross-border groups.

Cooperation with Foreign Authorities Through EuReCA

In January 2022, the EBA launched its central database for AML/CFT, namely, EuReCA, which is central to coordinating efforts by competent authorities and the EBA, to prevent and counter ML/FT risks in the EU. Its legal basis is set out in Article 9a (1) and (3) of the

EBA Regulation. On this basis, Competent Authorities are expected to submit to EuReCA any material weaknesses identified during compliance examinations performed, and upon an EBA request, submit to EuReCA any additional information or clarifications relating to the material weaknesses reported. Therefore, the FIAU established internal procedures to comply with the obligation to report material weaknesses to EuReCA. In 2023, the FIAU reported 11 material weaknesses to EuReCA identified from compliance examinations performed.

The Correspondent Banking (CoBa) Project

In 2022, the European Commission developed the CoBa project to enhance the understanding of the EU Member States of the ML/FT risks related to correspondent banking and the ways to mitigate these, commensurate with the exposure in the participating countries. The Supervision Section was actively involved in the project by providing information on this topic to the working group with the aim of providing information on Malta’s exposure to this sector.

ENFORCEMENT

The year under review also saw considerable collaboration and cooperation between this section and other authorities, information sharing, co-ordinating initiatives, such as training and bilateral meetings with foreign counterparts and working on joint strategy goals. Moreover, a number of enforcement officers were involved in bilateral meetings with foreign counterparts from Liechtenstein, Austria, Ireland, Latvia and Portugal, to share experiences and best practices in relation to the respective enforcement processes. These were also held to gain insights and explore other jurisdictions’ modus operandi in relation to settlement arrangements, with a view to introducing a resolution procedure between the FIAU and SPs in the future. These engagements reflect the section’s endeavours not only to enhance and improve its existing processes but also to develop new initiatives to further enhance the compliance culture and reduce the length of the overall enforcement process.

Table 22: Bilateral Meetings for sharing of best practices

	Date(s)
Financial Markets Authority (FMA) - Liechtenstein	15 & 16 February 2023
FMA - Vienna	25 - 27 July 2023
Central Bank Of Ireland	19 & 20 September 2023
Dubai AMLCFT authorities	12 - 15 June 2023
FIU Latvia	31 October 2023
Armenia FIU	20 & 21 December 2023

Disseminations

The Enforcement Section holds information that may be of direct relevance to other AML/CFT Supervisors, not least information on the outcome of supervisory examinations, of any remediation or follow-up directives issued and of any appeal filed against decisions of the Compliance Monitoring Committee. During 2023, apart from notifying relevant authorities of any information pertinent to them, 6 reports on concerns noted during the enforcement process and determined by CMC were disseminated internationally. The disseminations took place as per the below table.

Table 23: International Disseminations

Country	Germany	Liechtenstein	United Kingdom	United States	TOTAL
Number of disseminations	3	1	1	1	6

Technology & Information Security

To exchange information internationally effectively and securely, FIUs use secure platforms. Similarly, when engaging with other international stakeholders in the fight against ML/FT secure communication is indispensable. The FIAU applies its technical expertise to ensure a secure exchange of information and communication. This is achieved through a number of systems such as goAML and CASPAR.

During the year under review, the section took part in four meetings in relation to the EU FIU platform. The meetings which took place both virtually and in person involved all EU FIU members and the EU Commission and covered a number of topics which impact the secure and effective exchange of information. The Unit’s IT and Security Information Section is actively engaged in the User Interface and User Management Key User Group for the next generation of FIU.net, a secure communications network utilised by all EU FIUs. During one of these meetings the section presented their feedback about its activities. The section also led in the setting up of the New IT Security Working Group and reported on its progress.

Further international engagement during 2023 was in relation to the Unit’s core analytical system goAML, where the section took part in a three-day international FIU user workshop. This workshop brought together all the technical experts to discuss ongoing issues and prioritise the development of this core FIU system. In addition, the FIAU’s Technology and Information Security section together with the Data Management and Analysis sections, were asked to **showcase the FIAU systems to a team at the European Commission** tasked with the setting up of AMLA. FIAUs advanced technological achievements have been demonstrated and appreciated by the AMLA task force.

LOCAL ENGAGEMENT

Cooperation with the Malta Police Force

The FIAU and the Malta Police collaborated on the delivery of several intra-agency training and information-sharing sessions. The training provided by the FIAU was aimed at enhancing the knowledge of police analysts on the functions of the FIAU and improving ways in which the two entities collaborate in their respective roles.

Cooperation with the Malta Financial Services Authority and the Malta Gaming Authority

Collaboration with the MFSA and the MGA also takes place on a frequent basis whereby the FIAU shares information which is deemed to be of relevance to the respective authorities, both spontaneously and upon request. During 2023, the FIAU handled 29 requests for information from the MFSA and MGA combined and proceeded to share 41 spontaneous intelligence reports with the two authorities collectively.

Coordination with the National Coordinating Committee

During 2023, officers from all key sections of the FIAU participated in various working groups tasked with updating Malta’s NRA. The Unit’s sections contributed towards the NRA from within their area of expertise such as risk, intelligence, legal aspects and data management amongst other contributions.

Cooperation With the Central Bank of Malta

During the year under review, the Supervision Section shared information on 12 financial institutions with the CBM. This information exchange arises from the collaborative efforts established in 2020 through the signing of an MOU between the authorities. Additionally, the Supervision Section actively participated in **three** meetings organised by the Payment System Participation Review Board. This Board, established by the CBM, is tasked with evaluating whether potential participants in the ‘MTEUROPAY’ payment system overseen by the CBM, have the necessary governance arrangements, systems, and procedures to comply with the PMLA and PMLFTR.

Cooperation With the Malta Financial Services Authority and the Malta Gaming Authority

Article 16(1)(k) of the PMLA empowers the FIAU to cooperate and exchange information with other supervisory authorities. Collaboration between the authorities is also fostered through MOUs.

- Article 27(3)(b) of the PMLA authorises the FIAU to have compliance examinations performed on its behalf by other supervisory authorities. This resulted in **57** examinations delegated to the MFSA and MGA in 2023. The

Quality Control team supports the engaged authorities to ensure that the examinations are carried out in line with the FIAU's procedures.

- At an early stage during the authorisation process for new licensees, the FIAU collaborates with the MFSA, in a risk-based manner. In this respect, the FIAU provides feedback to the MFSA on the ML/FT risks stemming from the applicant's business model and on the adequacy of the proposed AML/CFT procedures. The Supervision Section's officers participate in meetings with both the MFSA and the applicant.
- The FIAU also collaborates in a risk-based manner with the MFSA and MGA in the approval process of MLROs. The Supervision Section's officers attended **60 interviews** in 2023, following which, feedback on the applicant's AML/CFT knowledge and readiness to undertake the role was provided to the respective authorities. However, the ultimate decision remains with the relevant authority.
- The Risk Team utilises information provided by the MFSA and MGA (**in total, 1164 SPs**) to build SPs' ML/FT risk profiles. The information provided by the respective authorities is analysed and inputted in the CASPAR system as part of the FIAU's risk assessment process.
- During compliance examinations, the FIAU conducts checks on trusts using the MFSA's Trusts Ultimate Beneficial Ownership Register (TUBOR platform - a system that facilitates the submission of beneficial ownership information electronically) to verify the accuracy of beneficial ownership information.
- Bi-weekly meetings are held with the MFSA and MGA to facilitate information exchange, consistency in interpretation of AML/CFT regulations, alignment of supervisory procedures, and sharing of best practices. Ad hoc meetings are held to address specific SP cases.

Cooperation With the Malta Business Registry

The FIAU and the MBR are united in their objective to safeguard Malta's financial system from being exploited for ML/FT activities. This shared commitment is particularly evident in the efforts to ensure compliance with beneficial ownership obligations. In 2021, the FIAU and the MBR formalised this collaboration through an MOU. In pursuit of this objective, extensive information is exchanged between the two entities to verify and ensure the accuracy and completeness of beneficial ownership data maintained by the MBR. As part of the compliance examinations conducted in 2023, a number of Maltese legal entities within the MBR database were scrutinised to assess the accuracy and comprehensiveness of the beneficial ownership information held in the registry.

Cooperation With the Sanctions Monitoring Board

In 2018, the FIAU, MGA, MFSA, and SMB formalised their collaboration through an MOU. The FIAU, MFSA, and MGA actively support the SMB in monitoring SPs' compliance with obligations outlined in the National Interest (Enabling Powers) Act (NIA), Cap. 365 of the Laws of Malta. The role of the respective authorities involves scrutinising SPs' adherence to sanctions screening obligations set out in Article 17(6) of the NIA by evaluating SPs' sanctions screening policies, and testing controls implemented by SPs in this regard. The FIAU, MFSA, and MGA directly report relevant findings to the SMB for further consideration and potential action. To this end, the shared 76 items of information on SPs' adherence to sanctions screening obligations with the SMB in 2023.

ENFORCEMENT

Following the instructions given by the Compliance Monitoring Committee, the Enforcement Section cooperated and exchanged information with local authorities to assist in monitoring compliance by specific subject persons. This section disseminated a total of 39 reports to local authorities; the disseminations took place as per the table below.

Table 24: Local Disseminations

Body informed	Number of disseminations
Malta Gaming Authority (MGA)	15
Malta Financial Services Authority (MFSA)	11
Central Bank of Malta	4
Chamber of Advocates	3
Commission for the Administration of Justice	3
Malta Business Registry (MBR)	1
Real Estate Licensing Board	1
Sanctions Monitoring Board	1
TOTAL	39

4.3 GUIDANCE & OUTREACH

The dedicated Guidance and Outreach Team (within the Legal Affairs section) ensures that the FIAU remains close to the subject persons it supervises. It achieves this through the provision of continuous assistance, hence supporting subject persons to appropriately and effectively implement their AML/CFT programmes. This commitment remained a top priority for the FIAU during 2023. This can be attested through the number of Public-Private Partnerships (PPPs) established by the Guidance and Outreach Team together with colleagues from other sections. The PPPs initiatives held included meetings with almost all categories of subject persons and sectorial representative bodies. Furthermore, a number of training events were held. These included three large-scale conferences:

- 1. September: **The AML/CFT Gaming Conference**
- 2. October: **The 2023 AML/CFT Conference for the Investment Services Sector**
- 3. November: **The AML/CFT Real Estate Conference**

These conferences had a full day agenda with speakers hailing from various internal sections of the FIAU, other supervisory and competent authorities and sector representative bodies, covering a wide array of topics and areas. The combined estimated outreach of the said conferences was of some 600 attendees.

To better assist subject persons to adhere with their AML/CFT obligations, the Guidance

and Outreach team and other Sections within the FIAU finalised and issued nine guidance documents during 2023:

- 1. Q&A document on AML/CFT obligations in relation to Investment Services Providers** – providing guidance to subject persons offering investment services on a number of aspects of their AML/CFT obligations, particularly highlighting and providing specific examples and scenarios on how to adhere with the same, on a risk-based approach.
- 2. The Israeli–Palestinian conflict Guidance note** – (issued jointly with the MFSA) – which reminds subject persons of their TF and sanctions obligations, and how sanctions may impact their obligations under the PMLFTR and FIAU IPs.
- 3. Guidance note on Mononymous Natural Persons** – providing guidance to subject persons on how to identify and verify the identity of natural persons bearing only one name on their identification documents, on a risk-based approach.
- 4. Guidance note - A Look Through the Obligation of Transaction Monitoring** – this paper focuses on the transaction monitoring requirements of institutions that process payments and similar transactions for and behalf of customers, including but not limited to, banks and other depository institutions, electronic money (e-money) institutions, payment service providers (PSPs) and merchant acquiring companies.
- 5. Compliance with Regulation 7(1)(c) by Company Service Providers when Providing Company Formation Services** – the document summarises the outcome of the thematic review conducted by the FIAU in the first quarter of 2023, to evaluate the level of compliance by CSPs with Regulation 7(1)(c) of the PMLFTR when providing company formation services.
- 6. AML/CFT Obligations in Relation to Investment Services Providers – Q&A** – the document aimed to provide examples of how the risk-based approach is to be applied in practice. Whilst the questions were those submitted to the FIAU by the Investment Services Providers' sector, it could also be of guidance to all subject persons.
- 7. New Report Type on goAML: Suspicion of Cash Restriction Breach Report (SCRBR)** – the guidance document provided detailed information on the purpose behind introducing the SCRBR, how the new process will work, and some examples of when one should submit an SCRBR.
- 8. FAQs - Requests for Information** – the purpose of this document was

Table 25: Public Private Partnerships engaged in throughout the year

AML/CFT Clinics (with credit institutions)	5
AML/CFT Consultants Forum	3
AML/CFT JOINT COMMITTEES:	
One-To-One AML/CFT Joint Committees	8 (total)
Joint Committee (MBA & FIMA)	7
Joint Committee (MIA, MIMA, AIB)	
Joint Committee (MCSB, MASA, MARSP)	
Joint Committee (IFSP, STEP)	
Joint Committee (MIA, MIT & COA)	
Joint Committee (MDA Real-Estate Subsection, Notarial Council)	
Joint Committee (MRGC, iGen, LBCs)	1
AML/CFT Joint Committee (General Meeting with Sectorial Representatives Bodies of SPs)	
Other ad hoc PPPs initiatives:	
British High Commission Training on ML/FT Typologies	
Finance Against Slavery and Trafficking (FAST) - Human Trafficking Roundtable Discussion	2

to highlight the importance of Regulation 15(8) of the PMLFTR, by providing salient points to keep in mind both when adhering to this obligation as well as when found to be in potential breach through failure to reply to requests for information within the timeframes stipulated by law.

9. FAQs – Risk Evaluation Questionnaire – the purpose of this document is to provide further guidance to subject persons on the REQ exercise as a legal requirement and its importance to the FIAU to be able to conduct its supervisory function in the most effective risk-based manner possible



Chart 13: Training & Other Outreach Events in Which FIAU Officials Participated

QUERIES

In line with its strategy aimed at more transparency, increased guidance and promoting better partnering with the subject persons, the FIAU is open to queries via various communication channels, including sectional dedicated inboxes and where necessary at times, face-to-face meetings.

The Guidance and Outreach Team replied to 235 queries via email across all sectors. The Intelligence Analysis section responds to numerous queries in relation to goAML and reporting via a dedicated inbox. Furthermore, in 2023 the team also held 24 meetings to support subject persons in their reporting obligations. Through, meetings and face-to-face presentations, the Enforcement Section supports subject persons to address compliance deficiencies and assists them with remediation measures.

The Supervision Section also plays an important role in supporting SPs and the public by providing guidance by way of replies to queries received through the dedicated Queries mailbox in relation to the application of AML/CFT obligations. The team handled **78 queries** received via email. Furthermore, around **670 REQ/CASPAR-related** queries were handled in 2023. These queries consisted of requests for clarifications related to CASPAR and the

REQ received in a dedicated CASPAR mailbox. The Supervision Section also assists with general compliance queries received in the dedicated Compliance mailbox. **3600 queries** were handled during 2023.

CONCLUSION

In conclusion, the FIAU's 2023 Annual Report highlights a successful and eventful year marked by significant achievements and impactful activities. The notable surge in Suspicious Transaction Reports (STRs) since 2019 underscores the enhanced vigilance and reporting culture within the financial sector. Through extensive guidance and outreach efforts, the FIAU has empowered stakeholders to navigate complex regulatory landscapes effectively. Moreover, the FIAU's robust international and local engagement initiatives have fostered collaboration and knowledge exchange on AML/CFT best practices. This comprehensive approach reflects the critical role played by the FIAU in safeguarding the economy, society, and individuals from the threats posed by financial crime. As we continue to adapt to evolving challenges, the FIAU remains committed to upholding its mandate:

To protect Malta's financial system and the community from serious crime by combating money laundering and funding of terrorism, through the generation and dissemination of useful intelligence, and the application of effective and proportionate preventative measures, in collaboration with our private and public sector partners.



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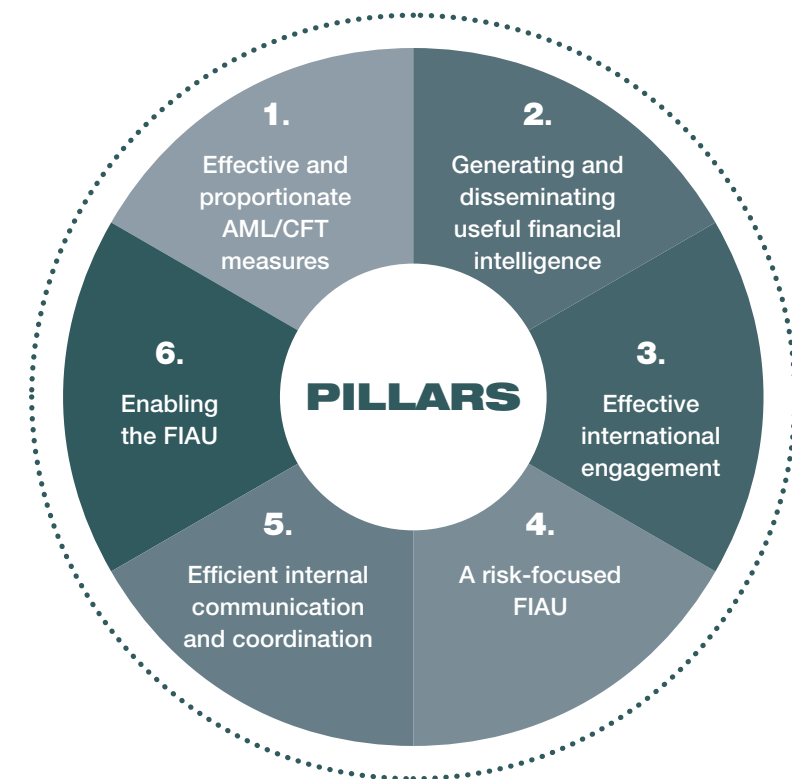
SPECIAL FOCUS



STRATEGY UPDATE

The first four pillars of our strategy seek to implement the applicable requirements of the 11 IOs which range from the application of proportionate AML/CFT measures, the use of financial intelligence and effective international engagement, to a solid understanding of ML/FT risk. The fifth pillar focuses on efficient internal communication and coordination, while the sixth pillar supports and enables the FIAU to conduct its functions.

* This update covers until June 2024.



The execution of the FIAU 2023-2026 Strategy kicked off with initiatives falling under each pillar. The following sub-sections provide a summary of the work performed under each pillar.

PILLAR 1

The FIAU is enhancing its risk understanding of products and services offered by the regulated sector. Through a comprehensive review of national and international papers dealing with ML/FT typologies and in-house knowledge, the Unit can get a clearer picture of risk. This has led to a review of the REQs to ensure adequate coverage of the identified risk indicators and scenarios.

In line with its strategic pledge to enhance transparency in its operations, the FIAU published its supervisory priorities for the supervisory cycle July 2023 to July 2024. Furthermore, work has also started on the drafting of a longer-term supervisory plan based on an enhanced risk understanding of sectoral and subject person ML/FT risk, and how their products, services and sectoral vulnerabilities may be exploited. Furthermore, efforts have already started to gradually synchronise the FIAU's guidance and outreach initiatives to its supervisory priorities so that subject persons are in a better position to self-assess and remediate where necessary before a planned examination.

The FIAU's supervisory plans also feed into the Unit's training needs analysis to ensure the most suitable training on specific topics or themes is provided to employees ahead of planned inspections. The training needs analysis has also been further strengthened through an internal quality control framework. The quality framework draws from a carefully curated list of criteria that help to identify both strengths and weaknesses in the examination lifecycle.

The FIAU also launched a project for the eventual procurement of a case management system for the FIAU's supervisory and enforcement functions. Ancillary work surrounding this included a detailed mapping of all the current AML/CFT obligations, the conversion of processes and policies into workflows, and the development of detailed templates through which examination findings can be logged.

PILLAR 2

The FIAU enhanced its mechanism for the triaging of incoming intelligence according to risk and materiality in line with national ML/FT risks. It also embarked on an initiative to review its analytical procedures to increase the quality of FIAU disseminations.

Improved planning of strategic and tactical analysis was also one of the initiatives undertaken by the FIAU during the year with a view to ensure that such analyses are more risk-based and result, where necessary, in the publication of further guidance to our stakeholders.

As part of this initiative, the FIAU also strengthened its relationship with the Asset Recovery Bureau (ARB) through a Memorandum of Understanding (MOU) which establishes a framework that defines how the FIAU can better assist the ARB, through the sharing of intelligence, in tracing and recovering proceeds of crime.

PILLAR 3

The FIAU embarked on several initiatives to improve its participation and standing in international fora. As a result, the FIAU assisted no less than eight countries in improving their AML/CFT programme, either directly or through engagements led by the European Commission's EU Global Facility on AML/CFT.

The FIAU has also increased its active participation in various international working groups, including those of the EBA, the EU FIU Platform and MONEYVAL. With regard to the latter, officers were involved in the evaluation process of other jurisdictions as evaluators, reviewers, or rapporteurs, while also other officers were involved in MONEYVAL-led studies and projects.

The FIAU also successfully hosted the Egmont Working and Regional Group Meetings in January 2024, for which all preparations for the meetings took place in 2023. This was the second of three events organised to enhance FIAU's and Malta's international footprint within the AML/CFT sphere. The first was EU-BAR (Bank Account Register) Conference in November 2022, and the third and most recent event held in June 2024 was entitled 'Charting the course in AML/CFT Administrative Enforcement'.

PILLAR 4

The Unit seeks to enhance its risk understanding through better use of data and has in fact launched a data warehouse project to centralise and integrate different datasets. A business

intelligence solution would then serve as a gateway to the data through which one can extract valuable insights in the form of reports, interactive dashboards, and visualisation. While the end-to-end project is underway, ad hoc projects in response to the national risk assessment and other internal studies have already been undertaken in a bid to produce meaningful information and delve deeper into the envisaged solution's use-cases.

PILLARS 5&6

Public relations initiatives enhanced the FIAU's presence in the local scene by actively informing and educating the public on AML/CFT through campaigns such as the one related to Malta's cash restriction policy.

Guidance Wednesdays have just recently been introduced and it has successfully achieved its objective of attracting more readers to the website. The campaigns extended to recruitment to attract new expertise by positioning the FIAU as an employer of choice and increasing its presence at the University, MCAST and Junior College. Students who demonstrated interest were also invited for an open day at FIAU's offices to learn more about the Unit's functions. These ventures were complemented with team-building activities, and the delivery of high-quality training and initiatives to improve work-life balance.

When it comes to internal training, the FIAU has also sought to align training opportunities with its compliance plan and other strategic objectives to ensure the workforce is in tune with the latest developments and typologies in the field of AML/CFT. Moreover, a central repository for training material has also been developed to promote self-paced learning among its workforce.

Other projects performed by the Unit's support functions included the design and procurement of a case management system for the Cash Restriction Section; improvements in CBAR functionalities following consultation with users; data enrichment; and the deployment of a project management tool.



PARTNER EXPERIENCE

In line with the goal to improve partner experience during the year under review, extensive work was carried out to redesign the FIAU's website. Being the main touch point and face of the Unit, the aim is to make it more self-intuitive, accessible and with a better search engine. The intention is to launch by the 1st quarter of 2024.

CBAR FUNCTIONALITY

To improve the Centralised Bank Account Register user experience, FIAU planned two surveys. The first one in 2023 targeted the Authorities. The team worked closely with the developers targeting January 2024 to go live with improvements, which will be followed by training. The second survey planned in 2024 will be focusing on the reporting entities.

HARMONISED REGULATORY REPORTING FRAMEWORK

Statutory reporting obligations are key to safeguarding market integrity and stability, ensuring transparency and enabling regulators to monitor the health and compliance of institutions. This reporting detects early problems, maintains public trust, and prevents financial crimes, fundamental for a fair and stable market.

TRANSPARENCY

For the first time ever, the FIAU has published the area it intends to review as part of its supervisory process for the period 2023/2024. This is one of initiatives to continuously improve transparency in how the FIAU approaches monitoring and enforcing AML/CFT measures. FIAU firmly believes that transparency promotes accountability and builds public trust and confidence in the FIAU's Compliance Monitoring and Enforcement Functions.





06.

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07.

GLOSSARY

ACAMS	Association of Certified Anti-Money Laundering Specialists
AML	Anti Money Laundering
BO	Beneficial Owner
BRA	Business Risk Assessment
CASPAR	Compliance and Supervision Platform for Assessing Risk
CBAR	Centralised Bank Account Register
CFR	Commissioner for Revenue
CFT	Counter Funding of Terrorism
CMC	Compliance Monitoring Committee
CRA	Customer Risk Assessment
CSP	Company Service Provider
DNFBP	Designated Non-Financial Businesses and Professions
ECOFEL	Egmont Centre of FIU Excellence and Leadership
EDD	Enhanced Due Diligence
EU	European Union
FATF	Financial Action Task Force
FIU	Financial Intelligence Unit
FT	Funding of Terrorism
IO	Immediate Outcome
IPs	Implementing Procedures
MBR	Malta Business Registry
MCAST	Malta College of Arts Science and Technology
MFSA	Malta Financial Services Authority
MGA	Malta Gaming Authority
ML	Money Laundering
MLRO	Money Laundering Reporting Officer
MONEYVAL	Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism
MoU	Memoranda of Understanding
MPF	Malta Police Force
NCC	National Coordinating Committee
NRA	National Risk Assessment
PMLA	Prevention of Money Laundering Act
PMLFTR	Prevention of Money Laundering and Funding of Terrorism Regulations
REQ	Risk Evaluation Questionnaire
SAR	Suspicious Activity Report
SP	Subject Person
SNRA	Supra National Risk Assessment
STR	Suspicious Transaction Report
TCSPs	Trust and Company Service Providers
TUBOR	Trust Ultimate Beneficial Ownership Register
UNODC	United Nations Office on Drugs and Crime
VFA	Virtual Financial Assets



08.

ANNEX

ANNEX 1

ANNEX 2

ANNEX 3

Annex 1 – Suspicious Transactions Reports Received All Sectors

TYPE OF REPORTING ENTITY	2019	2020	2021	2022	2023
Remote Gaming Company	1,445	2,485	4,822	5,049	4,205
VFAs	8	61	411	965	1,476
Credit Institutions	962	1,975	873	942	1,308
Financial Institutions – Electronic Money	22	115	191	565	1,042
Financial Institutions – Payment Services Providers	35	95	244	271	160
Casino Licensees	34	56	138	129	158
Company Service Providers	49	65	79	72	97
Auditors	16	21	36	53	68
Accounting Professionals	8	20	38	48	49
Investment Services Licensees	24	28	47	56	39
Real Estate Agents	7	15	20	36	36
Trustees & Fiduciaries	7	16	25	31	35
Insurance Licensees	2	5	10	17	25
Land-Based Operators (other than Casinos)	-	11	6	3	16
Independent Legal Professionals - Notaries	15	21	26	16	13
Collective Investment Schemes	6	7	2	1	12
Financial Institutions – Money Remitters	14	19	41	47	8
Retirement Scheme Administrators	-	1	3	-	5
Financial Institutions – Others	17	22	12	40	4
Independent Legal Professionals - Advocates	10	25	15	12	4
Recognised Fund Administrators	-	3	5	1	4
Tax advisors	2	1	2	3	2
Independent Legal Professionals	-	-	-	1	-
Real Estate Broker or Sales Representative	-	-	-	1	-
Other	8	20	18	-	-
Administrators of Private Foundations	1	-	2	-	-
Dealers in High Value Goods	-	2	1	-	-
Regulated Market Activities / Central Securities Depositories	1	-	1	-	-
Fund Administrators (of Collective Investment Schemes)	2	1	-	-	-
Supervisory Authorities	83	77	142	167	114
Competent Authorities	-	8	8	60	18
FIAU generated cases	35	32	105	154	259
TOTAL REPORTS FOR THE YEAR	2,813	5,207	7,323	8,740	9,157

Annex 2 – Requests for Information (RFI) Sent and Received

COUNTRY	RFI SENT	RFI RECEIVED
Albania	4	2
Algeria	1	-
Argentina	1	-
Armenia	1	-
Australia	2	-
Austria	18	-
Azerbaijan	1	1
Bahamas	2	-
Bahrain	1	1
Bangladesh	2	-
Belarus	-	2
Belgium	49	-
Belize	4	-
Bosnia and Herzegovina	2	-
Brazil	4	-
Bulgaria	27	4
BVI	18	-
Canada	8	-
Cayman Islands	11	-
Chile	1	1
Colombia	3	-
Costa Rica	2	-
Croatia	4	2
Curacao	7	-
Cyprus	42	1
Czech Republic	21	3
Denmark	6	2
Dominica	1	-
Egypt	4	-
Estonia	39	6
Finland	12	18
France	47	8
Gabon	1	-
Georgia	5	-
Germany	65	24
Ghana	3	-
Gibraltar	5	-
Greece	12	2
Guernsey	7	2

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Annex 2 – Requests for Information (RFI) Sent and Received *(continued from page 113)*

COUNTRY	RFI SENT	RFI RECEIVED
Hong Kong	13	-
Hungary	15	3
India	5	4
Indonesia	3	-
Ireland	43	4
Isle of Man	7	2
Israel	7	1
Italy	93	19
Ivory Coast	2	-
Japan	1	2
Jersey	4	2
Jordan	2	-
Kazakhstan	-	2
Korea	1	-
Latvia	33	13
Lebanon	5	-
Liechtenstein	5	1
Lithuania	137	8
Luxembourg	48	11
Macedonia	2	-
Malaysia	3	-
Mali	1	-
Marshall Islands	1	-
Mauritius	3	-
Mexico	4	2
Moldova	3	2
Monaco	8	3
Montenegro	1	6
Morocco	4	-
Netherlands	43	8
New Zealand	2	6
Nigeria	10	-
Norway	4	18
Panama	2	-
Paraguay	1	-
Philippines	1	1
Poland	23	4
Portugal	8	2
Romania	13	-

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Annex 2 – Requests for Information (RFI) Sent and Received *(continued from page 114)*

COUNTRY	RFI SENT	RFI RECEIVED
Saint Kitts & Nevis	6	-
Saint Vincent and the Grenadines	1	-
San Marino	1	1
Saudi Arabia	1	-
Senegal	-	1
Serbia	7	-
Seychelles	13	1
Singapore	9	-
Slovakia	13	3
Slovenia	6	2
South Africa	4	1
Spain	43	13
Sweden	19	6
Switzerland	54	2
Syria	4	-
Tanzania	1	-
Thailand	2	-
Tunisia	7	3
Turkey	23	-
United Arab Emirates	25	2
United Kingdom	109	19
United States	33	7
Uruguay	1	-
Uzbekistan	1	-
Cook Islands	1	-
Saint Martin	1	-
Holy See (Vatican)	-	1

Annex 3 – Spontaneous Reports Sent and Received

COUNTRY	REPORT SENT	REPORT RECEIVED
Albania	12	-
Algeria	5	-
Andorra	1	-
Angola	4	-
Argentina	8	3
Armenia	1	-
Australia	7	-
Austria	162	6
Azerbaijan	1	-
Bahamas	3	1
Bahrain	3	-
Bangladesh	3	-
Belgium	102	257
Belize	5	-
Benin	1	-
Bermuda	1	1
Bolivia	2	-
Bosnia and Herzegovina	4	-
Brazil	121	-
Bulgaria	54	-
Burkina Faso	1	-
BVI	23	-
Cameroon	4	-
Canada	222	-
Cape Verde	1	-
Cayman Islands	10	-
Chile	13	-
Colombia	5	-
Costa Rica	6	-
Croatia	38	-
Curacao	14	-
Cyprus	82	1
Czech Republic	53	2
Denmark	24	15
Dominica	2	-
Dominican Republic	1	-
Egypt	8	-
El Salvador	1	-
Estonia	89	-

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Annex 3 – Spontaneous Reports Sent and Received (continued from page 116)

COUNTRY	REPORT SENT	REPORT RECEIVED
Finland	236	13
France	129	-
Gabon	1	-
Georgia	9	-
Germany	284	190
Ghana	3	-
Gibraltar	13	3
Greece	22	-
Guatemala	1	-
Guernsey	4	4
Holy See (Vatican)	2	-
Hong Kong	31	-
Hungary	201	12
Iceland	9	-
India	177	-
Indonesia	3	-
Ireland	183	173
Isle of Man	11	-
Israel	25	1
Italy	226	340
Ivory Coast	14	-
Japan	9	-
Jersey	8	7
Jordan	37	-
Kazakhstan	6	-
Korea	3	-
Kuwait	11	-
Kyrgyzstan	2	-
Latvia	131	363
Lebanon	7	-
Liechtenstein	10	3
Lithuania	270	139
Luxembourg	102	130
Macedonia	3	-
Malaysia	5	-
Mali	2	-
Marshall Islands	3	-
Mauritius	12	-
Mexico	22	-

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Annex 3 – Spontaneous Reports Sent and Received *(continued from page 117)*

COUNTRY	REPORT SENT	REPORT RECEIVED
Moldova	6	-
Monaco	11	-
Mongolia	11	-
Montenegro	1	-
Morocco	9	-
Nepal	1	-
Netherlands	145	9
New Zealand	133	-
Nigeria	33	-
Norway	123	-
Panama	9	-
Paraguay	1	-
Peru	38	-
Philippines	7	-
Poland	130	8
Portugal	56	4
Qatar	2	-
Romania	28	-
Saint Kitts & Nevis	7	-
Saint Martin	1	-
Saint Vincent and the Grenadines	2	-
San Marino	1	-
Saudi Arabia	1	-
Senegal	2	-
Serbia	8	-
Seychelles	8	-
Singapore	9	-
Slovakia	43	-
Slovenia	34	2
South Africa	9	1
Spain	124	32
Sweden	72	-
Switzerland	89	4
Syria	3	-
Taiwan	5	-
Thailand	28	-
Tunisia	8	-
Turkey	53	-
Uganda	1	-

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Annex 3 – Spontaneous Reports Sent and Received *(continued from page 118)*

COUNTRY	REPORT SENT	REPORT RECEIVED
United Arab Emirates	36	-
United Kingdom	436	1
United States	884	1
Uruguay	2	-
Uzbekistan	25	-
Venezuela	4	-
Zambia	1	-

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