



## Administrative Measure Publication Notice

This Notice is being published by the Financial Intelligence Analysis Unit (FIAU) in terms of Article 13C of the Prevention of Money Laundering Act (the PMLA) and in accordance with the policies and procedures on the publication of AML/CFT administrative measures established by the Board of Governors of the FIAU.

The Notice provides select information from the FIAU's decision imposing the respective administrative measures and is not a reproduction of the actual decision.

### **DATE OF IMPOSITION OF THE ADMINISTRATIVE MEASURE:**

3 March 2026

### **SUBJECT PERSON:**

BNF Bank p.l.c.

### **RELEVANT ACTIVITY CARRIED OUT:**

Credit Institution

### **SUPERVISORY ACTION:**

Centralised Bank Account Register (CBAR) Timeliness Reporting

### **DETAILS OF THE ADMINISTRATIVE MEASURES IMPOSED:**

An administrative penalty of €69,000 in terms of Regulation 8 of the Centralised Bank Account Register (CBAR) Regulations for failure to satisfy the requirements in terms of Regulation 4(2) of the CBAR Regulations as well as the FIAU's Notice published on 21 October 2020, contents of which are to be considered as binding.

### **LEGAL PROVISIONS BREACHED:**

- Regulation 4(2) of the CBAR Regulations
- The FIAU's '*Notice: CBAR System – Go-Live Date and Submission of the XML File*' (the Notice)



## INTRODUCTION

The Centralised Bank Account Register was introduced in October 2020 and 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 CBAR Regulations (S.L. 373.03). As part of the local transposition, the FIAU has been vested with the responsibility to establish and administer the Register for Malta.

Consequently, in accordance with Regulation 4(2) of the CBAR Regulations, credit and financial institutions are to make available data and information in a specific format and with such frequency as may be prescribed by the FIAU. To this effect, on 21 October 2020, the FIAU through its Notice<sup>1</sup> '*CBAR System – Go-Live Date and Submission of the XML File*' notified credit and financial institutions that data is to be submitted once every seven calendar days. The seven-day period is a rolling period and therefore starts to run from the day following that on which a successful submission is made.

It is imperative to note that the data stored on the CBAR shall serve as a search engine by specified authorities for the purpose of carrying out analytical reviews or investigations. The system shall therefore serve as the basis for such Authorities to gain more insight as to the Reporting Entities that have relationships with specific individuals, entities or legal arrangements. The effectiveness of such a system is dependent on reporting entities, therefore it is imperative that submissions are conducted in a timely manner.

---

<sup>1</sup> [Notice: CBAR System – Go-Live Date and Submission of the XML File - FIAU](#)



## **REASONS LEADING TO THE IMPOSITION OF THE ADMINISTRATIVE MEASURE:**

### Failure to Adhere to Regulation 4(2) of the CBAR Regulations and the FIAU's Notice

BNF Bank Plc (the Bank) is a reporting entity under CBAR and as such it is required to upload a report on CBAR every 7 calendar days. It was however noted that from April 2025 to September 2025, the Bank experienced prolonged inability to meet its statutory obligation to submit CBAR reports as required in terms of Regulation 4(2) of the CBAR Regulations, specifically to submit a report every seven calendar days as outlined in the Notice. These reporting deficiencies emerged immediately following the launch of the Bank's new core banking system in April 2025, which formed part of a wider digital transformation project involving upgrades to its core infrastructure and digital channels. Although the Bank successfully submitted the report covering the data last generated from the previous system, significant technical and operational challenges surfaced shortly after the introduction of the new system, preventing the Bank from generating and submitting compliant XML files on a consistent basis. During such period, it is however acknowledged that the Bank was continuously trying to upload reports on CBAR but was experiencing numerous difficulties as shall be highlighted.

The Committee observed that, prior to the launch of the new core banking system, the pre-launch testing conducted was not sufficient enough to ensure that CBAR-related data fields, schema requirements, and reporting logic would function seamlessly following the transition. Such weakness was deemed to have contributed to the inability to submit the reports every seven (7) calendar days, which inability persisted for more than five months, as a result of missing or incomplete mandatory data fields and XML schema validation failures.

The Committee further noted that the FIAU's Data Management and Analytics (DM&A) Section, which section is tasked with administering CBAR, was not informed in a timely manner regarding the system change. Earlier engagement would have enabled the FIAU's DM&A Section to provide timely guidance to help mitigate reporting risks and to support the Bank in ensuring that CBAR submissions continued in an uninterrupted manner.

In response to the challenges faced, priority was placed on safeguarding the customer experience and ensuring the resumption of full banking services for anyone impacted by the migration to the new core banking system in the shortest time possible. Restoring access swiftly was essential to minimizing disruption, maintaining trust, and supporting customers in managing their financial needs during the transition. However, the Bank also immediately undertook a series of remediation measures aimed at restoring its reporting capability. These efforts included extensive data quality enhancement exercises, such as the implementation of a structured validation process using feedback generated by the CBAR portal.

These positive actions enabled the Bank to submit its first CBAR Report following a period of non-submission of over 100 days, and while 7-day reporting was still not possible, the delays in the next submissions continued to decrease until the Bank was able to uninterruptedly submit the required reports by end of September 2025.

The Bank also commissioned a new production server to support automated weekly data extraction, an enhancement that became operational in mid-September 2025 and proved beneficial in enabling the Bank to resume regular submissions.

In parallel, the Bank strengthened its internal resources by initiating the recruitment of a specialist to support ongoing regulatory reporting responsibilities and to enhance oversight of data quality controls. It also procured an external data analytics and validation tool to provide additional assurance over the accuracy of CBAR files prior to submission. These forward-looking measures were introduced to ensure that future reporting cycles would be supported by more robust technological and governance arrangements.

By late September 2025, following the implementation of these remediation steps and continuous dialogue and cooperation with the FIAU's DM&A Section, the Bank succeeded in restoring consecutive weekly submissions, with data quality returning to expected standards, and no further issues subsisted up to the present day. While the Committee acknowledged the Bank's cooperation and the eventual normalisation of reporting, the sustained period during which compliant submissions were not being made ultimately necessitated the imposition of an administrative measure.



## **ADMINISTRATIVE MEASURES TAKEN BY THE FIAU'S COMPLIANCE MONITORING COMMITTEE:**

Following its assessment of the case, the Committee concluded that the Bank had failed to meet its obligations under Regulation 4(2) of the CBAR Regulations and the FIAU's Notice of 21 October 2020. In particular, the Committee determined that, over a period spanning more than five months, the Bank did not consistently submit the required CBAR data within the prescribed seven-day timeframe, resulting in a substantial number of late submissions as well as missed reporting deadlines.

In determining the appropriate administrative measure, the Committee took into account the nature, duration, and extent of the non-compliance, including the number of delayed submissions, the frequency of missed deadlines, and the importance of CBAR reporting in supporting the functions of the FIAU and other competent authorities. The Committee also considered that new clients continued to be onboarded and allowed to transact during the period in which complete and timely CBAR reporting was not being achieved.

At the same time, the Committee gave due weight to a number of mitigating factors. These included the Bank's sustained efforts to progressively reduce delays in reporting, its cooperation and continued engagement with the FIAU throughout the remediation process, and the eventual restoration of consecutive weekly CBAR submissions. The Committee also noted the remedial measures introduced by the Bank to strengthen its reporting framework, together with the fact that the Bank had no prior history of CBAR reporting failures.

Having considered all relevant elements, the Committee decided to impose an administrative penalty of €69,000. The penalty reflects both the seriousness of the breaches and the mitigating actions undertaken by the Bank to restore compliance and reduce the likelihood of recurrence.

**The administrative penalty imposed is not yet final and may be appealed before the Court of Appeal (Inferior Jurisdiction) within the period as prescribed by the applicable law. It shall become final upon the lapse of the appeal period or upon final determination by the Court.**



### **Key Takeaways**

- Major system changes, particularly those involving core banking infrastructure, must be supported by comprehensive and targeted pre-launch testing to ensure uninterrupted compliance with all regulatory reporting obligations. Regulatory reporting requirements, including those relating to CBAR reporting, should be fully integrated into project planning, governance, and risk management framework from the earliest stages of any digital transformation initiative.
- Early, proactive engagement with the FIAU's DM&A Section ahead of any significant system changes is crucial, as it enables the FIAU to provide timely guidance, supports clearer alignment of expectations, and helps institutions anticipate and mitigate potential risks to the continuity and quality of regulatory reporting.
- Strong data quality controls, including validation of data mapping and XML schema compatibility are fundamental to ensuring accuracy and completeness of CBAR submissions. Moreover, continuous monitoring of post-deployment performance of any new core system is important to promptly identify and address any issues that may affect the timeliness or accuracy of regulatory reporting.

**6 March 2026**

