FIAU Financial Intelligence Analysis Unit Malta

AML/CFT SUPERVISORY PLAN 2026 – 2027

August 2026

WHY DOES THE FIAU CARRY OUT AML/CFT SUPERVISION?

Products and services offered by subject persons can be attractive to criminals, who may misuse them to launder money obtained from illicit sources or to finance terrorism. Therefore, subject persons play a fundamental role in preventing illicit money from entering the financial system. As gatekeepers of the financial system, it is important that subject persons understand the ML/FT risks their business may be exposed to, and which measures should be implemented to build a robust anti-money laundering/combating the financing of terrorism (AML/CFT) control framework to mitigate the identified risks. As the AML/CFT regulator in Malta, the Financial Intelligence Analysis Unit (FIAU) is committed to supporting subject persons in the understanding and implementation of their AML/CFT obligations and monitoring their compliance with these obligations.

THE COMPLIANCE MONITORING PLAN

The FIAU carries out its AML/CFT compliance monitoring responsibility through the Supervision Section. In its strategy for the period 2023-2026, the FIAU committed to further strengthen its compliance monitoring function by ensuring that supervisory initiatives are focused not only on high-risk sectors/subject persons but also on the more prominent risk aspects and trends identified from national, sectoral and subject person-level risk assessments. The FIAU also aims to implement a risk-based compliance monitoring plan which is proportionate, effective and consistent.

The FIAU reviewed the Maltese national and sectoral risk assessments, as well as the risk assessments carried out by other European and international bodies and assessed the subject persons' risks through the CASPAR system[1]. Based on this, a five-year compliance monitoring plan was developed, commencing in July 2024 and running until June 2029. The plan aims to effectively monitor the mitigation of the identified money laundering and terrorist financing (ML/TF) risks, through proportionate supervisory interventions.

The FIAU also strives to synchronise guidance and outreach initiatives with the areas to be supervised according to the plan. This reflects the FIAU's overarching objective of strengthening subject persons' compliance culture and risk understanding.

[1] The Compliance and Supervision Platform for Assessing Risks (CASPAR) is a system which supports the FIAU in the collection of relevant risk data from multiple sources for the purpose of carrying out subject persons' risk assessment.

TYPES OF SUPERVISORY INTERVENTIONS

The FIAU monitors compliance by subject persons with their AML/CFT obligations through different types of supervisory interventions. These may be carried out on-site, at the subject person's premises, or off-site through desk-based reviews. The choice of which supervisory intervention to apply is informed by the FIAU's risk analysis and aims to ensure that supervision remains proportionate to the risks identified.

TYPES OF SUPERVISORY INTERVENTIONS[2]	DESCRIPTION
AML/CFT returns	This generally consists of regular or ad hoc requests to subject persons for quantitative and/or qualitative data and information relating to key ML/TF risk indicators and AML/CFT controls. This also includes the mandatory annual Risk Evaluation Questionnaire submitted by the individual subject persons.
Annual Risk Data Analysis	The analysis of risk data collected through the Risk Evaluation Questionnaires. The scope of this analysis is to compare individual subject persons' risk data and identify specific inherent risk indicators or control measures that stand out when compared to peers within the same sector. This risk data analysis is carried out on a yearly basis and helps determine the population of low-risk subject persons that will be subject to supervisory meetings or policies and procedures reviews.
Supervisory meetings	These are less intensive interventions that may be carried out on-site and/or remotely. The purpose of these meetings is to discuss the subject person's implementation of specific AML/CFT obligations and/or the adequacy of controls relating to particular risk areas. The focus of each supervisory meeting is determined by the subject person's risk profile, relevant sectoral risks-including findings from the National Risk Assessment, as well as the outcomes of the FIAU's annual risk data analysis.
Policies and procedures review	A desk-based review of a subject person's policies and procedures to assess whether the design of AML/CFT controls is adequate, while also considering its business model and the ML/TF risks to which it is exposed.
Full-scope on-site inspection	An inspection that takes place on-site (at the subject person's premises). It is the most comprehensive type of inspection and involves examining compliance with all AML/CFT and Targeted Financial Sanctions (TFS) Obligations. The testing phase may place additional emphasis on specific risk areas to which the SP or the respective sector is exposed, taking into account the findings of the National Risk Assessment.
Thematic on-site inspection	An inspection that takes place on-site (at the subject person's premises). Thematic Inspections are generally conducted on a number of SPs focusing on one or a limited number of AML/CFT obligations and/or risk areas.

[2] FIAU supervisory interventions also cover the implementation of obligations relative to Terrorist Financing alongside the evaluation of Money Laundering risks and related control measures. Additionally, the FIAU assesses the implementation of obligations relative to targeted financial sanctions (TFS) and Proliferation Financing (PF) risks on behalf of the Sanctions Monitoring Board.

Thematic off-site review	These thematic reviews are similar in scope to thematic on-site inspections but are carried out through desk-based reviews and/or remote meetings with subject persons. They are generally less intensive, involving the review of a reduced sample of files.
Follow-up inspection	An inspection which serves to comprehensively assess whether weaknesses in the subject person's AML/CFT systems and controls framework identified during a previous inspection have been remedied. These inspections are triggered once a subject person confirms that it has implemented an FIAU mandated remediation program. The inspection may be conducted on-site, remotely, through a desk-based review or a combination of these methods, depending on the extent and type of remedial action to be assessed.
Ad hoc Targeted inspection	These are reactive type of inspections that may be triggered by specific events, such as adverse information received from prudential supervisors or other FIUs, whistleblowing reports, media and other relevant sources. They may also be initiated by a significant or sudden increase in a subject person's risk exposure (e.g. a substantial rise in customer volumes or the launch of a higher risk product). These inspections may be full scope or focused on specific AML/CFT obligations or risk areas and are conducted on-site at the subject person's premises.

THE SUPERVISORY INTERVENTION PROCESS: WHAT TO EXPECT FROM THE SUPERVISOR AND WHAT IS EXPECTED FROM A SUBJECT PERSON?

COLLABORATION

Where a subject person is selected for a supervisory intervention, the FIAU expects timely and constructive collaboration throughout the process. The FIAU will notify the subject person of the nature and scope of the supervisory intervention and establish a single point of contact, i.e., the Money Laundering Reporting Officer (MLRO) or, where applicable, the principal liaison of the AML/CFT compliance function, for the exchange of information and documentation. Depending on the scope and circumstances, the assessors may also need to engage with other relevant employees.

While all efforts will be made to ensure the least possible disruption to subject persons selected for supervisory interventions, the following considerations should be kept in mind:

1. Requests for significant changes to scheduled dates may be challenging to accommodate, as supervisory interventions are planned and conducted throughout the year
2. A change in, or prolonged absence of, the principal AML/CFT liaison will not ordinarily justify a substantial postponement where the subject person continues to operate and remains exposed to ML/TF risk. Subject persons should therefore maintain appropriate business continuity and handover arrangements to support timely engagement with the FIAU.

CONTRIBUTION

Prior to commencing a supervisory intervention, the assessor will ask the subject person to provide preliminary information and documentation required for an initial assessment. While the nature and extent of information and documentation requested will vary according to the scope and type of the supervisory intervention, this would typically include the subject person's customer list and AML/CFT policies and procedures.

The FIAU may request additional information and/or documentation during the intervention to allow the subject person to demonstrate compliance with AML/CFT obligations. This may include copies of customer risk assessments (CRA), records of customer due diligence (CDD) measures and other supporting evidence. While assessors will guide subject persons on what information and/or documentation should be provided, the subject person is responsible to provide the necessary information and/or documentation demonstrating compliance with its AML/CFT obligations.

Documents should be sent electronically via a secure platform as guided by the assessor. It is important that the documents requested are made available to the assessor in a timely manner for the supervisory intervention to be carried out efficiently. If the subject person encounters any difficulties in complying with stipulated deadlines, it should be discussed immediately with the assessor. Not providing the information and/or documentation may lead to enforcement action.

FEEDBACK AND COMMITMENT

The outcome of a supervisory intervention is based on a number of considerations, such as the overall approach to complying with AML/CFT obligations and the nature, seriousness and extent of potential breaches identified by the FIAU of a subject person's AML/CFT obligations . The supervisory intervention may result in one of the following:

Outcome A: A closure letter is issued where no deficiencies are identified during the supervisory intervention. The letter may include observations relating to areas where further enhancements may strengthen the effectiveness of the subject person's AML/CFT control framework.

Outcome B: A remediation letter is issued where deficiencies are identified during the supervisory intervention. The letter requires the subject person to undertake appropriate remedial actions within a timeframe stipulated by the FIAU to address all the deficiencies identified. The subject person is expected to implement those actions within the stipulated timeframe. Where appropriate, the FIAU may provide guidance and support during the remediation process. Failure to implement the required remedial actions may result in enforcement action by the FIAU.

Outcome C: A potential breaches letter is issued where serious, systematic, or repetitive deficiencies that may constitute breaches of AML/CFT obligations are identified during the supervisory intervention. The FIAU invites the subject person to submit representations within a specific timeframe. The potential breaches letter, together with any representations received, is subsequently referred to the Compliance Monitoring Committee for its consideration. This process may result in the imposition of administrative penalties and/or administrative measures.

More detailed information on the supervisory intervention process can be accessed through the link: https://fiaumalta.org/news/https-fiaumalta-org-event-aml-supervisory-examinations-what-to-expect-fiau-malta/.

EXPECTED FREQUENCY OF SUPERVISORY INTERVENTIONS

How often should a subject person expect some level of supervision? Beyond the mandatory annual AML/CFT returns, the other types of supervisory interventions listed above are utilised to ensure the adequacy and effectiveness of AML/CFT frameworks across all sectors supervised by the FIAU.

While the frequency of these additional supervisory interventions is determined on a risk-sensitive basis, a subject person may generally expect to undergo at least one such intervention during the five-year compliance monitoring plan. Depending on its risk profile, sectoral and thematic priorities, information available to the FIAU and emerging risk developments, a subject person may be selected for further interventions at any time.

THE AML/CFT COMPLIANCE MONITORING PLAN FOR THE 2026/2027 ANNUAL CYCLE

The plan for the third year of the five-year compliance monitoring period sets out the supervisory work that the FIAU intends to carry out during the 2026/2027 annual supervisory cycle in respect of the selected sectors.

Under Article 27(3)(b) of the Prevention of Money Laundering Act (PMLA), the FIAU may request other supervisory authorities to conduct compliance examinations on its behalf or jointly with it. Accordingly, certain supervisory interventions will be carried out by the Malta Financial Services Authority and the Malta Gaming Authority on behalf of or jointly with the FIAU. Concurrently, by virtue of a Memorandum of Understanding, the FIAU assesses compliance with Targeted Financial Sanctions (TFS) obligations and Proliferation Financing (PF) risks on behalf of the Sanctions Monitoring Board.

The FIAU adopts a risk-based approach to supervision and consults the relevant national, supranational and sectoral risk assessments to ensure that its supervisory interventions are appropriately targeted and proportionate to the risks identified. The selection, scope, intensity and topic of supervisory interventions are informed by:

1. **The ML/TF risk exposure of the relevant sector**
2. **The risk profile and exposure of the subject person**
3. **Specific risk areas, typologies, supervisory priorities and emerging developments identified at national and European level**

The 2026/2027 plan also takes account of the strategic direction set out in AMLA's[3] Single Programming Document 2026–2028, including its emphasis on the development of consistent supervisory approaches across the EU and the focus on sectors presenting significant and evolving ML/TF risks, including the crypto-asset service providers (CASPs) sector. In this context, the FIAU will be working closely with AMLA to support greater supervisory convergence going forward, including through closer coordination on supervisory priorities and topics.

It should be noted that certain topics presented in previous supervisory plans may recur where this supports the objectives of the FIAU's five-year compliance monitoring plan, enabling continued assessment of material or evolving risks. The FIAU may also address supervisory topics beyond those set out below when warranted by material risk-related information or other national and EU supervisory priorities.

[3] The Authority for Anti-Money Laundering and Countering the Financing of Terrorism

THE AML/CFT COMPLIANCE MONITORING PLAN FOR THE 2026/2027 ANNUAL CYCLE

SECTOR	TOPIC[4]
Credit Institutions, Financial Institutions	STR/SAR reporting and compliance with related regulatory obligations.
	Application of the Risk-Based Approach and alignment with risk factors identified through national, sectoral and subject person risk assessments.
Financial Institutions	Application of appropriate controls and risk mitigating measures in relation to virtual IBAN services.
Crypto Asset Service Providers	STR/SAR reporting and compliance with related regulatory obligations.
	The effective implementation of the Travel Rule and wallet- related verifications.
Remote Gaming Operators, Land Based Casinos and Investments	Transaction monitoring, source of wealth and source of funds checks on customer deposits and compliance with STR/SAR reporting obligations.
Notaries	Financing of real estate acquisitions through means other than bank loans.
Real Estate Agents	The application of CDD measures in relation to the letting of immovable property where the monthly rent amounts to ten thousand euros (€10,000) or more.
Company Service Providers	Transaction monitoring associated with directorship services and compliance with STR/SAR reporting obligations.
Trustees and Fiduciaries	Risk-based ongoing monitoring of assets held under trust, including compliance with STR/SAR reporting obligations.
Auditors and Accountants and Investment Services Providers	STR/SAR reporting and compliance with related regulatory obligations.
Across all sectors	STR/SAR reporting and compliance with related regulatory obligations.
	A cross-sectoral assessment of exposures to Voluntary, Non-Profit Organisations, as defined by FATF Interpretive Note to Recommendation 8.

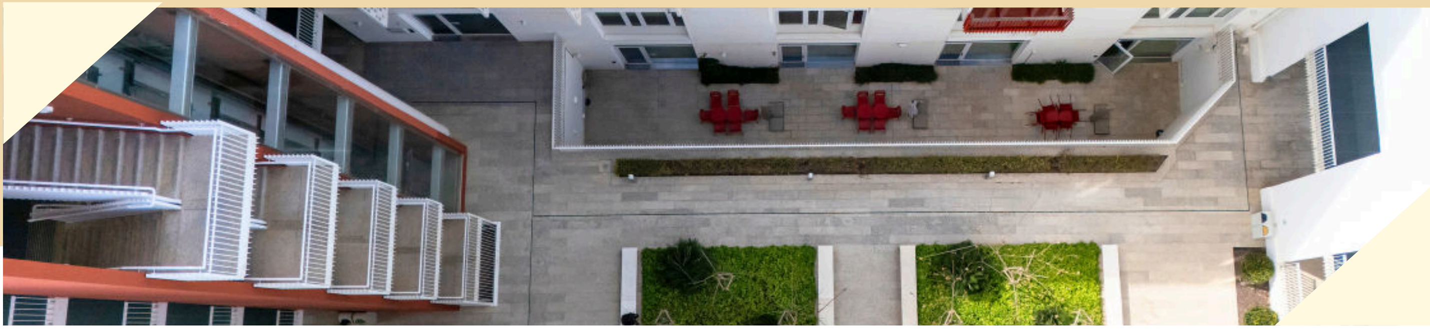
[4] All topics include an assessment of how the Subject Person identifies, understands, and addresses terrorist financing (TF) risks within its AML/CFT control framework.

RECURRING THEMES

Terrorist Financing (TF): Irrespective of the supervisory scope or the topic set, FIAU supervisory interventions consistently assess the subject person's framework for identifying, understanding, and mitigating risks related to TF alongside the evaluation of money laundering risks and related control measures.

Supervisory engagements include testing the adequacy and effectiveness of the subject person's inclusion of TF within its risk assessment processes and mitigating controls. This may also include assessing whether such risks are appropriately reflected in the subject person's policies and procedures and ongoing monitoring controls. Subject persons may also be expected to explain how TF risks are relevant to their sector, business model and how those risks are mitigated.

Travel Rule Obligations: Irrespective of the supervisory scope or the topic set, FIAU supervisory interventions also routinely assess compliance with Travel Rule Obligations, including the effectiveness of the implementation framework and the quality of the information transmitted or received through relevant messaging systems. While particularly pertinent to crypto-asset service providers, such assessments may extend to any subject person subject to these requirements.



CONTACT US

Subject persons are guided to contact the Supervision Section by email at compliance@fiaumalta.org should they have any queries regarding the supervisory process.

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