Settlement Agreement Publication Notice

This Notice is being published by the Financial Intelligence Analysis Unit (the 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 Penalties and 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 ON WHICH SETTLEMENT WAS CONCLUDED:

31 August 2026

SUBJECT PERSON:

EM@NEY P.L.C.

RELEVANT ACTIVITY OR FINANCIAL BUSINESS CARRIED OUT:

Financial Institution

SUPERVISORY ACTION:

Centralised Bank Account Register (CBAR) Timeliness Reporting

SETTLED AMOUNT:

€97,622

DETAILS OF THE ADMINISTRATIVE MEASURES IMPOSED:

An administrative penalty of €162,704, in terms of Regulation 8 of the Centralised Bank Account Register Regulations (the CBAR Regulations) (Subsidiary Legislation 373.03), was imposed on EM@NEY P.L.C. (the Company) for its failure to satisfy the requirements in terms of Regulation 4(2) of the CBAR Regulations as well as the FIAU's notice entitled '*Notice: CBAR System – Go-Live Date and Submission of the XML File*' (the Notice)[1]. It should be noted that the aforementioned Notice was issued pursuant to Regulation 5 of the CBAR Regulations and was published on the FIAU's website on 21 October 2020, the contents of which are to be considered as binding.

A settlement agreement was entered into by the Company and the FIAU in accordance with Regulation 9 of the CBAR Regulations, as further elaborated in the Settlement Agreement Policy issued by the FIAU in April 2026[2]. By means of the execution of the settlement agreement, the Company adhered to all the conditions set out in the aforementioned Settlement Agreement Policy. Accordingly, the original

[1] https://fiaumalta.org/news/notice-cbar-system-go-live-date-and-submission-of-the-xml-file/
[2] https://fiaumalta.org/app/uploads/2026/04/Settlement-Agreement-Policy.pdf

administrative penalty of €162,704 was reduced by forty percent (40%), resulting in a revised administrative penalty of €97,622.

LEGAL PROVISIONS BREACHED:

- Regulation 4(2) of the CBAR Regulations
- The FIAU's Notice of 21 October 2020, issued pursuant to Regulation 5 of the CBAR Regulations

INTRODUCTION

The Centralised Bank Account Register was introduced in October 2020 pursuant to Directives (EU) 2018/843 (the 5th AML Directive) and (EU) 2019/1153 and transposed through the CBAR Regulations. CBAR is a searchable database containing bank and payment accounts identifiable by an international bank account number (IBAN), safe custody services (SCS), and safe deposit boxes (SDB) held with credit and financial institutions (reporting entities). The FIAU is responsible for establishing and administering the Register and, in terms of Regulation 4(2) of the CBAR Regulations, requires reporting entities to submit prescribed data and information every seven (7) calendar days. This rolling seven-day period commences on the day following a successful submission.

The data stored on CBAR enables competent authorities to identify relationships between reporting entities and specific individuals, entities, or legal arrangements for analytical and investigative purposes. Its effectiveness relies on timely, accurate, and complete data submissions by reporting entities.

REASONS LEADING TO THE IMPOSITION OF THE ADMINISTRATIVE MEASURE:

<u>Failure to Adhere to Regulation 4(2) of the CBAR Regulations and the FIAU's Notice of 20 October 2020</u>

The Company qualifies as a reporting entity under the CBAR regime and, as such, is required to submit a report on CBAR every seven (7) calendar days. However, in mid-2024, the Company was effectively restricted in accessing its own data as a direct consequence of the departure of key officials who had been (directly or indirectly) responsible for managing, maintaining, and controlling the relevant information. These issues had a significant impact on the Company's compliance with its reporting obligations for CBAR purposes for an extended period of time - a period amounting to over 1 year and 3 months.

In this respect, once it became evident that the Company was no longer in a position to submit the required data and information on the CBAR system using the prescribed XML format and to meet the applicable CBAR submission deadlines, it notified the FIAU's Data Management and Analytics (DM&A) Section, which is responsible for the administration of CBAR, without undue delay. The Company also explained the circumstances that had led to this situation and sought guidance from the FIAU on the matter.

In late 2025, following the exchange of various communications and the efforts undertaken by the Company, it was able to make two valid and approved CBAR submissions. Whilst these constituted only partial submissions for reasons explained above, a few weeks later, these submissions were followed by a full and valid submission on CBAR, thereby bringing to an end the period of the aforementioned breach.

The Compliance Monitoring Committee (the "Committee"), in its deliberations, noted that the eventual restoration of compliance and reinstatement of CBAR reporting was attributable to a complete change in management, including the reconstitution of the Board of Directors, and the resulting improvements in the Company's corporate governance framework. The Committee also positively considered the efforts undertaken by the newly appointed Board members, which enabled the Company to focus on rebuilding data that had previously been rendered inaccessible due to circumstances beyond its control. The transparency exhibited by the newly appointed management in the handling of the remediation process was also considered. It was noted that the engagement of a third-party provider to support CBAR reporting processes and enhance data quality further contributed to such remediation. Lastly, positive consideration was given to the fact that, following the aforementioned full and valid CBAR submission, the Company continued to effect similar valid submissions up to the date of this publication.

THE COMMITTEE'S REASONS FOR ENTERING INTO SETTLEMENT

The Committee considered that the departure of certain key officials from the Company, and the resulting impact on the Company's access to key data and systems, constituted the principal factor that led to the Company's inability to comply with its CBAR reporting obligations in a consistent and timely manner. The Committee also recognised that the changes to the Company's governance structure post mid-2024, including the appointment of a new Board of Directors and senior management, demonstrated a genuine commitment to restoring compliance and strengthening its governance and control framework. Moreover, the Committee recognised that the breaches stemmed from historic deficiencies which have since been sufficiently addressed through enhanced governance arrangements and strengthened oversight.

Having considered the foregoing, the Committee assessed whether it could offer a settlement agreement in accordance with Regulation 9 of the CBAR Regulations, as further elaborated in the FIAU's Settlement Agreement Policy. Whilst the Committee is of the view that the breach involved is serious and systematic, warranting the imposition of an administrative penalty, it also took into account the successful efforts undertaken by Company's new Board of Directors to remediate the CBAR failings, coupled with the reinforced governance framework now in place.

Taking into consideration all relevant elements, the Committee decided to impose an administrative penalty of €162,704. By means of the execution of the settlement agreement, this penalty was reduced by forty (40%):

- Admission of breaches following the receipt of the potential breaches letter, up to the submission of the Representations (15%); and
- Remediation implemented before the intervention carried out by the FIAU (25%).

This resulted in a revised administrative penalty of €97,622.

<u>Key Takeaways</u>

- Subject persons are reminded of the seriousness and impact of CBAR reporting failures. This is particularly important in view of the Register's indispensable role in in supporting the functions of the various national authorities listed under Regulation 6(1) of the CBAR Regulations.

- Consequently, subject persons are to ensure that appropriate oversight mechanisms are duly in place to identify, escalate, and promptly rectify any reporting deficiencies, data quality issues, or operational weaknesses that may affect CBAR reporting obligations.

- Subject persons are required to ensure effective record-keeping arrangements, as these are essential for compliance with the CBAR Regulations and the broader AML/CFT regulatory requirements. Maintaining accurate, complete, and readily accessible auditable records is the responsibility of all subject persons, including those falling under the scope of the CBAR regime. A failure to do so may hinder their ability to submit accurate and timely CBAR reports and to support the information reported therein.

- To support full compliance with all legal obligations, especially those related to AML/CFT, it is incumbent upon subject persons to maintain an effective Board of Directors and a robust governance structure, with adequate checks and balances in place.

4 September 2026