



FINANCIAL INTELLIGENCE ANALYSIS UNIT

Administrative Penalty Publication Notice

This notice is being published by the Financial Intelligence Analysis Unit in terms of Article 13A of the Prevention of Money Laundering Act (Cap. 373) and in accordance with the policies and procedures on the publication of AML/CFT penalties established by the Board of Governors of the Financial Intelligence Analysis Unit.

This notice provides select information from the Financial Intelligence Analysis Unit's decision imposing the administrative penalty, and is not a reproduction of the actual decision.

DATE OF IMPOSITION OF THE ADMINISTRATIVE PENALTY:

03 November 2017

SUBJECT PERSON:

Sparkasse Bank Malta plc

REASONS LEADING TO THE IMPOSITION OF THE ADMINISTRATIVE PENALTY:

Failure by Sparkasse Bank Malta plc (the Bank) to:

- i. Collect all the information necessary to satisfactorily determine the client's business profile, and in particular detailed information to allow the Bank to ascertain the client's source of wealth. The information obtained by the Bank in relation to the client's source of wealth when establishing the business relationship in 2009 was found to be too generic and no additional information was requested either at that point or at any other point in time until the termination of the business relationship in 2015.
- ii. Adequately scrutinize a transaction of a substantial amount that took place in 2009 to ensure that this was in line with the information available to the Bank on the client and on the intended purpose of the business relationship established with the client.
- iii. Submit a suspicious transaction report to the FIAU concerning the aforementioned transaction even though the Bank had sufficient information in its possession throughout, but in particular prior to the termination of, the business relationship, which information should have led the Bank to suspect that the funds were proceeds of crime and that the relative bank account was used in an illegitimate manner.

LEGAL PROVISION / GUIDANCE BREACHED:

Regulation 7(1)(c), Regulation 7(1)(d) as further explained in Regulation 7(2)(a), Regulation 15(6) of the Prevention of Money Laundering and Funding of Terrorism Regulations.

TOTAL VALUE OF ADMINISTRATIVE PENALTY:

Thirty Eight Thousand Seven Hundred and Fifty Euro (€38,750)

09 November 2017