

Brussels,
Ares(2017)

Dear Members of the European Parliament,

Thank you for your letter to President Juncker regarding the enforcement of the Anti-money laundering and Capital requirements Directives in Malta to which he asked me to reply on his behalf.

The Commission's analysis of the transposition of the third Anti-money laundering directive in Malta has focused, in addition to the issues on Politically Exposed Persons that you refer to, on the legal provisions safeguarding the independence of the Maltese FIAU and supervisory bodies, their ability to perform core functions and the practical application of these provisions in the cases you refer to. Moreover, the Commission considers that Articles 14 or 23 of the Capital Requirements Directive are of accessory consequences in this case.

Based on the information available so far, there appear to be no grounds to suspect a systematic breach of Union law pertaining to the prevention of money laundering or a case of bad transposition of the Union law framework that would require launching an infringement procedure against Malta.

However, as part of its further assessment of the effective application of EU rules in this area, the Commission services have requested from the competent Maltese authorities further information on any investigative or procedural steps to follow up the FIAU reports you refer to in your letter.

Regarding the effectiveness of sanctions, especially given the involvement of Politically Exposed Persons, applied to a particular financial institution the FIAU appears to have identified serious deficiencies. The Commission has grounds to suspect that no further supervisory action seems to have been taken against the respective financial institution.

In this context it is worth noting that the European Banking Authority is called to play an important role in promoting convergence of supervisory practices to ensure a harmonised application of prudential rules. Regulation (EU) No 1093/2010 mandates it to investigate alleged incorrect or insufficient application of EU law by national authorities on issues that, amongst others, pertain to the anti-money laundering legislation. The relevant provisions are included in Article 17 of Regulation (EU) No 1093/2010.

Mr Sven Giegold, MEP
Ms Eva Joly, MEP
Ms Heidi Hautala, MEP
Ms Ska Keller, MEP
Mr Philippe Lamberts, MEP
Mr Jordi Sole, MEP
Ms Molly Scott Cato, MEP
Mr Ernest Urtasun, MEP

In the particular case mentioned above, the Commission will ask the European Banking Authority to make full use of its lawful competence of investigating alleged incorrect or insufficient application of EU law pertaining to the prevention of money laundering by national authorities.

I will keep you informed of any further steps undertaken in this procedure.

Allow me to also point out that, with the rules of the fourth Anti-Money Laundering Directive, the EU framework against money laundering and terrorism financing will be more effective. Let me assure you that the Commission continues to pursue a proactive enforcement of its provisions and remains committed to work with you towards a successful outcome of the ongoing trilogue negotiations on the revision of the 4th Directive.

Yours sincerely,



Věra Jourová