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Friday, June 30, 2017, 07:01 by Jacob Borg

## Malta misses deadline on money laundering

### New directive was held up by general election



New EU rules were meant to be implemented by June 26 but some Member States, including Malta, have not done so yet. Photo: Matthew Mirabelli

Malta is among a number of EU countries that missed a June 26 deadline to implement stricter anti-money laundering rules, the *Times of Malta* has learnt.

The government has yet to transpose into legislation the European Union's fourth anti-money laundering directive, which imposes stricter client controls on banks and other financial intermediaries.

Under the new rules, intermediaries must carry out ongoing risk assessments of their customers in a bid to combat money laundering and the financing of terrorism. The directive also broadens the definition of a politically exposed person, meaning that more people will be subjected to stricter checks.

Finance Minister Edward Scicluna said the government would seek to push through the new rules before Parliament rises for the summer recess.

Asked whether there could be any repercussions as a result of the delay, Prof. Scicluna said there would not be any issues once the European Commission was assured the new legislation would go to Parliament.

He said the Commission would know the delay was a technicality due to Parliament having been dissolved early because of the June 3 election.

*Delay was a technicality due to Parliament being dissolved*

The European Commission would have been concerned if the new anti-money laundering rules did not make it to Parliament, Prof. Scicluna said.

Heralding the coming into force of the directive, European Commission vice president Frans Timmermans said last week that laundered money was oxygen to crime, terrorism and tax-avoidance.

The Commission has been given renewed impetus to combat money-laundering ever since last year's Panama Papers leak re-vealed widespread tax evasion and money-laundering.

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Amendments to the fourth anti-money laundering directive are already under way at EU level.

Greens MEP Sven Giegold on Wednesday accused EU Member States of putting national interests above the fight against financial crime after the European Parliament and European Council, which Malta chaired in the first half of this year, failed to agree on plans to tighten regulations on trusts.

"The European Council even demanded to weaken rules for politically-exposed persons so that Maltese members of government would potentially no longer be subject to enhanced customer due diligence," Mr Giegold said in a statement.

Both Tourism Minister Konrad Mizzi and the Prime Minister's chief of staff, Keith Schembri, were found to have opened companies in Panama.

Their financial advisers, Nexia BT, unsuccessfully tried to open accounts for these companies that would have required annual deposits of close to \$1 million.

The government also took its time in getting a specialised unit, tasked with recovering the proceeds of organised crime, off the ground.

The Asset Recovery Bureau was set up in 2015. However, what the Justice Ministry described as long-term board appointments were only made earlier this year.

A Justice Ministry spokesman said last March that the bureau's regulations would come into force once the groundwork was fully established.

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**Mario s.** • a year ago

Ghalhekk tajba l-eu ghax kieku kollox taht it-tapit!

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**John Cassar** → Mario s. • a year ago

Ahjar l-EU-Raba' Reich Ġermaniż jiġu nvestigati huma għal biljuni li jisparixxu bla ma hadd jaf fejn imorru mill-istituzzjonijiet tagħhom stess.

3 ^ | ▾ • Share &gt;

**Joe Borg** → John Cassar • a year ago

Mela Leo Brincat x'inhu jghamel? Jorqod?

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**Wally Vella-zarb** → Joe Borg • a year ago

Tista, jekk jogħġbok, tispjegalna x'għandu x'jaqsam Leo Brincat? Grazzi bil-quddiem.

^ | ▾ • Share &gt;

**Carmel Ellul** → John Cassar • a year ago

Germany has 205 times the population of Malta.  
by the same ratio imagine if in Germany a Minister is found out to have opened up a secret account where he will deposit 205 x 1 million euro every year. But then you have no proof of what you are saying. But there is proof of what I am quoting from documents found at nexia BT .

2 ^ | ▾ • Share &gt;

**Ramon Saguna** → Carmel Ellul • a year ago

Since when investors capitalize money as a ratio of the population in their country?

1 ^ | ▾ • Share &gt;

**A Camilleri** → John Cassar • a year ago

Anything to defend our home-grown crooks!

2 ^ | ▾ • Share &gt;

**Frances Pap** → John Cassar • a year ago

Yes that would be good too. In the meantime we should try to keep OUR hands clean! Then you can bother about who is washing his hands next door. Or washing something else.

^ | ▾ • Share &gt;

**Joseph Bonello** • a year ago

'Malta misses deadline on money laundering' - Why am I not surprised, considering that Labour, (sorry, Schembri, Muscat, Mizzi and bella compagna - in that order) has hijacked all law enforcement agencies in the country, with the possible exception of the Courts, - at least for now - into obfuscating its nefarious deeds in this regard?

5 ^ | ▾ • Share &gt;

**chal cachia** → Joseph Bonello • a year ago

Kemmm tistaghageb biex xejn. Taf jew insejt li kien hawn elezzjoni? Hallik mill-fantasiji ta hijacks! Ma l-ewwel cans, Edward qal li se tkun quddiem l-parliament.

^ | v • Share >



**Joseph Bonello** → chal cachia • a year ago

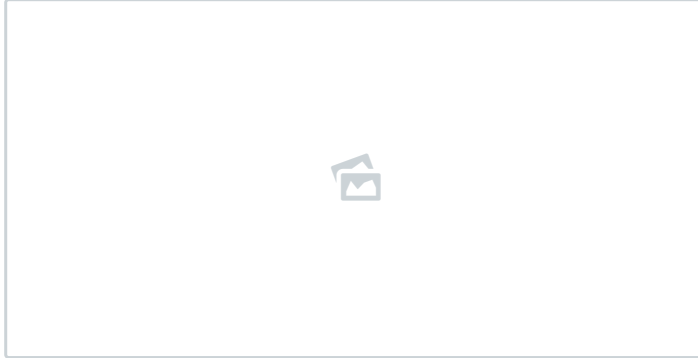
Just for the record - The implications of my contribution are that I am NOT surprised, rather than the opposite, so that I am not really sure what exactly you are saying.

^ | v • Share >



**I Mercieca** → chal cachia • a year ago

Nissugerilek tara it-3 episodji tal-film kolossali THE GOD FATHER, wara li tkun rajthom tibda tifehem ahjar is-sitwazzjoni ta' pajjizna.



^ | v • Share >



**chal cachia** → I Mercieca • a year ago

qed tghix x'imkien li mhux malta. ghalanqas ejja hawnhekk qabel 'titkellem'.

^ | v • Share >



**Alfred Aquilina** → Joseph Bonello • a year ago

"Asked whether there could be any repercussions as a result of the delay, Prof. Scicluna said there would not be any issues once the European Commission was assured the new legislation would go to Parliament."

"He said the Commission would know the delay was a technicality due to Parliament having been dissolved early because of the June 3 election."

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**Gerald Goodwin** → Joseph Bonello • a year ago

They HAVE indeed also hijacked the courts by altering the constitution, meaning they can disdpose of any Judge at any time and that judge cannot make any appeal ,walk back in to the courts at any time or have any arbitration court, we are, give or take, becoming a dictataship state under PL, once again.

^ | v • Share >



**peter spiteri** → Joseph Bonello • a year ago

"the Commission would know the delay was a technicality due to Parliament having been dissolved early because of the June 3 election."

Get your facts right instead of giving vent your dilemma for having lost AGAIN the election by an even HIGHER number.

^ | v • Share >



**S. Schembri** • a year ago

First they need to finalize all transfers then they implement!

1 ^ | v • Share >



**Joseph Ellul** → S. Schembri • a year ago

Do not try to be smart. Labor do not like smart people like you to tell others.

^ | v • Share >

^ | v • Share ›



**Jonathan Mercieca** → S. Schembri • a year ago

They have not finished pocketing yet, KM has to negotiate other "transparent" agreements!!!!!!!

^ | v • Share ›



**Alfred Aquilina** • a year ago

"Asked whether there could be any repercussions as a result of the delay, Prof. Scicluna said there would not be any issues once the European Commission was assured the new legislation would go to Parliament."

"He said the Commission would know the delay was a technicality due to Parliament having been dissolved early because of the June 3 election."

Anything for a headline though....

^ | v • Share ›



**Fred Laferla** • a year ago

Shame that this will seal our bad reputation internationally. Looks like Castille Inc. have won the day. Isthu.

^ | v • Share ›



**Gerald Goodwin** • a year ago

Why is no one surprised to read an article such as this , under this leadership.

^ | v • Share ›



**James Dewar** • a year ago

It won't be in the interests of those who control the various Maltese financial empires to adhere to more strict rules..hence the delay!

^ | v • Share ›



**Albert Bonnici** • a year ago

"FIAU Head of Compliance fired". No wonder. I am sure it has nothing to do with not meeting the June 26th deadline though.

^ | v • Share ›



**Pippo De Marco** • a year ago

I hope the scope of this legislation extends to those facilitating foreigners to buy purpose designed and built money-laundering properties in Malta. - Our children's environmental futures depend on it.

We clearly cannot rely on this government to regulate such abuses, because that would mean cutting its umbilical chord. So, as ever, we must look to the EU for clear legislation and (hopefully) justice.

^ | v • Share ›



**P Sciberras** • a year ago

The non interesting factor where did the money came is not that important. For example, were did an ex PN Minister Deposited 3 € Millions in 3 Swiss bank if not important. For example. HOW an ex PN Minister in the race for a PN Deputy leader who became also a Millionaire is not of any Interest these Hypocrites. BUT tax avoidance my god is.

^ | v • Share ›



**Paul Schembri** • a year ago

I think ToM should inform her esteemed readers the results shown on Politico. The cause for the Money Laundering Deadline being missed is "What they didn't: An unfortunate series of legislative hostage-taking situations by the Czech finance ministry stopped Malta from completing two tax files. The first would have tackled fraud within the EU's value-added tax setup, while the second would have reduced

