Notice to Financial Services Licence Holders

FATF identifies jurisdictions with strategic deficiencies

The MFSA would like to draw the attention of licence holders to the recent publication of two public documents by the Financial Action Task Force (FATF) which have identified countries considered to have strategic deficiencies regarding anti-money laundering and combating the financing of terrorism (AML/CFT).

1. High-risk and Non-cooperative Jurisdictions:

FATF Public Statement – 22 February 2019 - identifies jurisdictions with serious strategic AML/CFT deficiencies. They are classified as:

(a) Jurisdictions that have strategic AML/CFT deficiencies and to which counter-measures apply; and

(b) Jurisdictions with strategic AML/CFT deficiencies that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the FATF to address the deficiencies. Additionally, the FATF calls on its members to consider the risks arising from the deficiencies associated with each jurisdiction.

2. Jurisdictions which have strategic AML/CFT deficiencies for which they have developed an action plan with the FATF:

Improving Global AML/CFT Compliance: on-going process – 22 February 2019 - identifies jurisdictions with strategic AML/CFT deficiencies that have provided a high-level political commitment to address the deficiencies through the implementation of an action plan developed with the FATF. The situation differs in each jurisdiction and therefore each presents different degrees of ML/FT risks. In addition, jurisdictions no longer subject to the FATF's on-going global AML/CFT compliance process are also identified within this document.

Licence holders should give consideration to the abovementioned documents and are directed to implement the measures set out under the FIAU Implementing Procedures (Part I) - especially Chapter 8, Section 8.1 – when undertaking any business with any of the jurisdictions listed in the public statements.

Communications Unit