



**MEMORANDUM OF UNDERSTANDING**

BETWEEN THE

**FINANCIAL INTELLIGENCE ANALYSIS UNIT  
("FIAU")**

**THE MALTA FINANCIAL SERVICES AUTHORITY  
("MFSA")**

**THE MALTA GAMING AUTHORITY  
("MGA")**

AND THE

**SANCTIONS MONITORING BOARD  
("THE BOARD")**

CONCERNING THEIR COOPERATION IN

**COUNTERING TERRORISM, FINANCING OF TERRORISM AND FINANCING OF PROLIFERATION  
OF WEAPONS OF MASS DESTRUCTION**

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This Memorandum of Understanding is being entered into between the FIAU, MFSA, MGA and the Board, each of which is hereinafter individually referred to as "the Party" and all collectively as "the Parties".

The Parties share a common goal of safeguarding the Maltese financial, gaming and other sectors from being misused for criminal purposes, including terrorism, funding of terrorism and the financing of proliferation of weapons of mass destruction.

The cooperation and exchange of information between the Parties is specifically provided for under the Prevention of Money Laundering Act (Cap. 373 of the Laws of Malta), hereinafter referred to as 'the PMLA', and the National Interest (Enabling Powers) Act (Cap. 365 of the

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Laws of Malta), hereinafter referred to as 'the NIA', collectively referred to as 'the relevant laws'.

The Parties, wishing to implement the provisions of the relevant laws concerning cooperation, are willing to enter into this Memorandum of Understanding in order to formalise their cooperation, including the rendering of assistance to each other and the exchange of information, and the allocation of responsibilities in ensuring compliance by subject persons with their relevant obligations under the PMLA and NIA.

All the terms used in this Memorandum of Understanding shall have the meaning assigned to them in the relevant laws.

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**WHEREAS:**

The FIAU is a government agency set up by the PMLA and is responsible for the collection, collation, processing analysis and dissemination of information with a view to combating money laundering and the funding of terrorism and supervising subject persons for compliance with their AML/CFT obligations under the PMLA and any legislation issued thereunder.

The MFSA and MGA are supervisory authorities mandated, under the PMLA, with the responsibility of assisting the FIAU in the AML/CFT supervision of subject persons that fall under their respective regulatory competence.

The Board is an entity established under the NIA tasked, amongst other functions, with monitoring the implementation and operation of sanctions imposed by regulations made under the NIA, Regulations of the Council of the European Union, and United Nations Security Council Resolutions and with proposing persons or entities to be designated by the United Nations Sanctions Committees, or by the Council of the European Union or for a designation by order under the NIA;

**AND WHEREAS:**

The FIAU is authorised in terms of the PMLA to co-operate and exchange information with competent authorities, including the Board, where the FIAU believes that such cooperation and exchange of information is of interest and relevance to a competent authority in pursuing its functions.

The FIAU is also empowered to demand from any person or entity, including competent authorities, any information it deems relevant and useful for the purpose of carrying out its functions under the PMLA, particularly the analysis of reports or other information relating to suspicions of money laundering, funding of terrorism or proceeds of crime.

The FIAU may request from a competent authority information on the use made of any transmitted information or documentation and on the outcome of any action undertaken on the basis of such transmitted information.

The Board is empowered to request from any person or authority, including the FIAU, any information it deems relevant and useful for the purpose of pursuing its functions under the NIA.

Subject persons, as defined in the Prevention of Money Laundering and Financing of Terrorism Regulations (Subsidiary Legislation 373.01) ('PMLFTR'), are required in terms of Article 17(6) of the NIA to have measures and systems in place to screen prospective clients



and client databases against the relevant lists of designations to determine whether any prospective or current customer or beneficial owners, or any party to a transaction is a designated person, and that the systems allow for the detection of customers and beneficial owners that are subject to targeted financial sanctions on terrorism and proliferation of weapons of mass destruction;

The Board requires the cooperation and assistance of a number of authorities including the FIAU, MFSA and MGA in order to be able to fulfil its responsibilities of ensuring that orders issued under the NIA, Regulations of the Council of the European Union, and United Nations Security Council Resolutions related to terrorism, financing of terrorism, and financing of proliferation of weapons of mass destruction are implemented and complied with by subject persons, and for the purpose of identifying individuals or entities to be proposed for designations under sanction listings.

**NOW THEREFORE** the Parties agree as follows:

## **1. COOPERATION AND EXCHANGE OF INFORMATION**

The Parties shall cooperate with and assist each other in carrying out their functions under the respective laws, as follows:

### **1.1 SUPERVISORY CO-OPERATION**

#### **(a) Supervision**

When carrying out AML/CFT compliance examinations in terms of their functions under the PMLA and in accordance with their supervision procedures, the FIAU, MFSA and MGA shall:

- i) Monitor that subject persons have in place and effectively implement internal controls and procedures (including policies and procedures prohibiting employees and officers from disclosing the fact that a freezing order is to be applied), to ensure full compliance with their obligations arising from Article 17(6) of the NIA in relation to UN Resolutions, EU Regulations or orders issued by the Prime Minister with respect to individuals or entities linked to terrorism or financing of proliferation of weapons of mass destruction;
- ii) Monitor that subject persons have measures and systems in place to screen prospective clients and client databases against the relevant lists of designations to determine whether any prospective or current customer or beneficial owners, or any

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party to a transaction is a designated person, and that the systems allow for the detection of customers and beneficial owners that are subject to targeted financial sanctions on terrorism and proliferation of weapons of mass destruction;

- iii) Enquire and take note of whether subject persons have identified cases where a potential or current customer or beneficial owner was a designated person or entity;
- iv) Enquire and take note of whether any targeted property has been identified and frozen by a subject person and whether relevant reports were filed with the Board as required under the NIA;

Any reference to a “designated person/s or entity/ies”, or “targeted property” is to be construed as referring to persons and entities designated under, or property targeted under UN Security Council Resolutions, EU Regulations and orders made under the NIA in relation to terrorism and the financing of proliferation of weapons of mass destruction.

#### (b) Reporting and Sanctions

- i) In case of any identified potential breaches by subject persons, the FIAU, MFSA and MGA shall report their findings under 1.1.1 above to the Board in writing in a timely manner upon the conclusion of an inspection. Relevant information gathered by the FIAU, MFSA and MGA under 1.1.1 (iii) and iv) above shall be reported to the Board.
- ii) The MFSA and the MGA shall inform the Board of any supervisory sanctions issued.

## 1.2 OTHER FORMS OF COOPERATION

The FIAU, MFSA and MGA, in accordance with the relevant laws and any other laws regulating their operations, shall, spontaneously or upon request, disclose to the Board information and/or documentation which is in their possession and which is considered to be of interest and relevance to the Board in carrying out its function, under the NIA, of proposing persons or entities to be designated by the UN Sanctions Committees, the Council of the European Union, or to be designated by a national order under the NIA, in connection with terrorism, or the financing of proliferation of weapons of mass destruction.

The Board shall, in accordance with the relevant laws, spontaneously or upon request, disclose to the to the FIAU, MFSA and/or MGA, information and/or documentation which is in the Board’s possession and which is of interest and relevance to the FIAU, MFSA and/or MGA in carrying out their functions at law.



## **2. REQUESTS FOR INFORMATION**

2.1 The Party receiving a request for information in pursuance of this Memorandum of Understanding ('the requested Party') shall acknowledge receipt of the request, and shall respond to such request in a timely manner. The requested Party shall further use its best efforts to provide interim or partial responses where there may be a justified delay in providing a full response.

2.2 In order to ensure the timely, efficient and complete execution of requests, the requesting Party shall provide the following information when making a request:

- a. Relevant factual and legal information, including a description of the transaction or case forming the basis of the request;
- b. The reason for the request;
- c. The purpose(s) for which the information will be used; and
- d. An indication as to the urgency of the request.

2.3 The requested Party shall provide the requested information and/or documentation to the extent that it is permitted to do so in terms of the relevant laws and in view of any other obligations under domestic or international law or any agreements or restrictions. Where the requested Party has come into possession of the information subject to non-disclosure conditions, it shall, on a best efforts basis, request from the third party having posed such conditions, the necessary permission.

2.4 In transmitting information pursuant to a request, the requested Party may, where necessary, impose conditions relating to the processing of the data, including on the further transmission, dissemination, retention and erasure of data.

2.5 Without prejudice the above provisions, the requested Party may not refuse to provide the requested information and/or documentation without justification.

## **3. SPONTANEOUS TRANSMISSION OF INFORMATION**

Where a Party determines that information in its possession is of direct relevance and utility to the other Party in fulfilment of its specific functions and responsibilities under the relevant laws, the Party may of its own motion transmit such information to the other Party, subject to any conditions or restrictions that the transmitting Party may impose.

## **4. FEEDBACK**

The Party providing information in the manner provided for in this Memorandum of Understanding, may request feedback from the Party receiving that information on the use made thereof and on the outcome of any investigation or any other action undertaken on the



basis of that information, and the receiving Party shall, reply to such requests in a timely manner.

## 5. DISCLOSURE AND USE OF INFORMATION

5.1 Any information obtained pursuant to a transmission made in accordance with this Memorandum shall not be disclosed to any third party or used for purposes other than those for which the information was sought or provided.

5.2 Any dissemination of the information to other authorities or any use of the information beyond those originally approved shall be subject to the prior express written consent of the requested Party, and may also be subject to any conditions and restrictions that may need to be imposed.

## 6. CONFIDENTIALITY

The Parties agree and understand that information that may be exchanged in pursuance of this Memorandum of Understanding is of a confidential nature. The Parties shall thus ensure that they apply appropriate and effective measures in order to safeguard the confidentiality of information exchanged in pursuance of this Memorandum of Understanding.

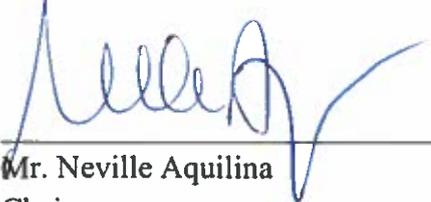
## 7. TERM AND AMENDMENTS

7.1 This Memorandum of Understanding shall become effective upon the signature of all the Parties and shall remain in force until such time as it is terminated by written notice of any of the Parties.

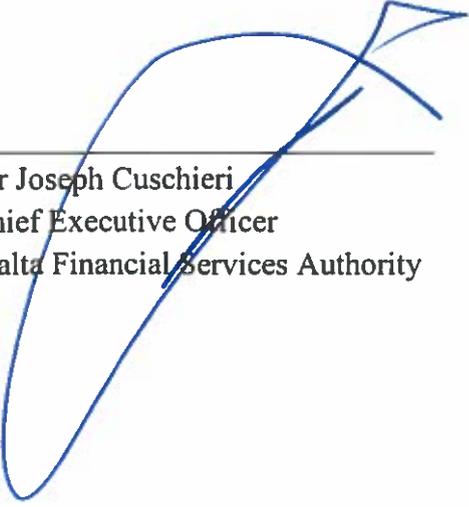
7.2 This Memorandum of Understanding shall not be amended unless with the written consent of all the Parties.

Signed this 31<sup>st</sup> day of the month of May of the year 2018.

  
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Dr. Peter Grech  
Chairman  
Financial Intelligence Analysis Unit

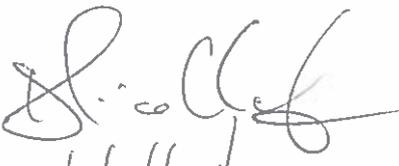
  
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Mr. Neville Aquilina  
Chairman  
Sanctions Monitoring Board

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Mr Joseph Cuschieri  
Chief Executive Officer  
Malta Financial Services Authority



on behalf of

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Mr. Healthcliff Farrugia  
Chief Executive Officer  
Malta Gaming Authority

