

THE AFC RADAR

*Your quarterly update on Anti Money Laundering,
Counter-Terrorism Financing and Sanctions.*

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EU AML Package Implementation Timeline



The implementation of the new EU AML Package is moving forward. **What's next?**

July 2025

Anti-Money Laundering Authority (AMLA) commenced operations.

July 2026

AMLA to publish Regulatory Technical Standards (RTSs), Implementing Technical Standards (ITSs), and Guidelines.

July 2027

AML Regulation (AMLR) and 6th AML Directive (6AMLD) become applicable across the EU, repealing previous directives.

2028

AMLA commences direct supervision of approximately 40 selected high-risk financial institutions.

Both the AMLR and 6AMLD will introduce harmonised obligations and stricter due diligence measures across EU Member States. As 6AMLD is transposed nationally, the MDB will monitor developments and provide updates on Malta-specific requirements.



Source: (Everaert et al., 2025)

[EU-anti-money laundering package alert: EBA publishes final response](#)

EU Sanctions Against Russia: Recent Updates



On the 23rd October, the EU adopted its 19th package of sanctions against Russia.

Amongst the new measures adopted, there are:

- The sanctioning of more individuals, including crypto providers
- A ban on imports of Russian liquefied natural gas (LNG) into the EU
- A ban on transactions with an additional five Russian banks and other banks from third countries
- Further bans on exports of goods and services

Trade measures imposed on Russia were also adopted against Belarus.

On the 22nd December, the EU renewed economic sanctions against Russia until 31 July 2026 in view of its continuing actions to destabilise the situation in Ukraine.

The latest updates on EU and UN sanctions can be found on the Sanctions Monitoring Board website: <https://smb.gov.mt/news/latest-updates-in-eu-and-un-sanctions/>

Details on EU sanctions can be found on the following EU sanctions map: <https://www.sanctionsmap.eu/>





A) FATF Public Statements (29 October 2025)

The FIAU published the latest FATF (Financial Action Task Force) Public Statements, dated 24 October 2025.

- **High-risk jurisdictions subject to a Call for Action:** Iran, Democratic People's Republic of Korea (DPKR) and Myanmar (no change from last update)
- **Jurisdictions under increased monitoring:** Algeria, Angola, Bolivia, Bulgaria, Cameroon, Côte d'Ivoire, Democratic Republic of Congo, Haiti, Kenya, Lao PDR, Lebanon, Monaco, Namibia, Nepal, South Sudan, Syria, Venezuela, Vietnam, Virgin Islands (UK) and Yemen
- **Jurisdictions no longer subject to increased monitoring:** Burkina Faso, Mozambique, Nigeria and South Africa

[Outcomes FATF Plenary, 22-24 October 2025](#)





B) AML/CFT Guidance for Instant Payments (3 December 2025)

The FIAU, in collaboration with the Central Bank of Malta, published Q&A guidance on AML/CFT obligations under Regulation (EU) 2024/886 (Instant Payments Regulation - IPR).

Key Requirements for Payment Service Providers (PSPs):

General Principles

- High-risk customers cannot be automatically excluded from instant payments; each transaction must be assessed individually
- Pre-transaction monitoring is obligatory despite the 10-second processing deadline
- Risk-based approach recommended for higher-risk transactions
- Terms & Conditions should note potential delays beyond 10 seconds for compliance purposes

Operational Guidance

PSP on Sending Side (or Both Sides): If AML/CFT concerns arise regarding payer or payee:

- Notify both parties that the transfer cannot be completed within 10 seconds (without disclosing reasons)
- Restore payer's balance if already debited
- File Suspicious Transaction Report (STR) where suspicion exists

PSP on Receiving Side Only: If AML/CFT concerns arise:

- May credit payee within 10 seconds and notify payer's PSP
- Block funds until checks are completed
- File STR and follow FIAU instructions on fund release/retention where ML/TF suspicion exists

Q & A Document: AML/CFT Clarifications under Regulation (EU) 2024/886 (IPR)



Progress Report to the EU Parliament



02nd December 2025

AMLA Chair Bruna Szego presented to the European Parliament's ECON and LIBE Committees, detailing the Authority's progress, priorities, and responding to MEPs' questions. She reiterated AMLA's five long-term goals: ambition, cooperation, technology, communication, and good leadership. The 'start-up authority' has established core governance, staffing, and cooperation structures while building foundations for a unified, risk-based European AML/CFT system.

2026 Priorities

- Prioritising the development of the Regulatory Technical Standards (RTS) and Implementing Technical Standards (ITS) with the biggest impact on industry
- Preparing for AMLA's direct supervision for 2028
- Developing standards and tools to strengthen FIU effectiveness and cross-border cooperation
- Building an internal risk-analysis function to steer risk-based approaches at EU and national levels

Direct Supervision Framework (18 December 2025)

AMLA takes major step toward harmonised EU supervision

From 2028, AMLA will directly supervise 40 high-risk EU financial institutions. New instruments set a common EU methodology for assessing ML/TF risk and for selecting entities for direct supervision, with draft RTS defining the required data and criteria. Once approved by the European Commission, the rules will apply directly in all Member States.

AMLA has also opened a public consultation (closing 27 January 2026) on draft ITS covering cooperation with national FIUs and supervisors during entity selection and the transfer of supervisory powers.

[Press Release](#)

2025 Enforcements & Penalties



2025 has been a watershed year for the enforcement of AML/CFT regulations. The sector that became the primary target for regulators and incurred the highest fines is the Cryptocurrency sector whose fines exceeded **USD1billion!**

Other sectors that incurred huge fines were:

- Banks and Building Societies – USD200million+
- Payments and Fintech – USD160million+
- Trading and brokerage – USD50million +
- Gambling – USD22million +

Financial penalties issued by the FIAU in 2025:

- OKcoin Europe Ltd (virtual asset service provider) - EUR1,054,269
- C2D Payment Solutions Ltd - EUR243,537
- A land-based casino - EUR26,498
- A corporate services provider (CSP) - EUR15,938

Remediation Directives were issued by the FIAU to a lawyer, a remote gaming operator, two CSPs and four collective investment schemes (CISs).

Common main findings which were highlighted throughout the FIAU reviews:

- Business Risk Assessments that did not take major threats into consideration
- Deficiencies in the Customer Risk Assessment methodology, application and timing
- Inappropriate level of customer due diligence/enhanced due diligence
- Inadequate ongoing monitoring of business relationships

