THE AFC RADAR

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

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BANK MALTI GĦALL-IŻVILUPP
MALTA DEVELOPMENT BANK

In This Edition

Risk Management and Compliance Function

Sanctions Developments

11th June 2026

The Sanctions Monitoring Board (SMB) published an important judgement concerning the inclusion of a customer on a US sanctions list and the refusal to open a bank account with basic features (Case C-81/24).

In 2022, a Slovenian bank refused to open a Basic Payment Account for a customer listed in the US OFAC list. The customer was never convicted of a criminal offence and was not subject to UN, EU or Slovenian sanctions.

The Court stated that any consumer residing legally in the EU has the right to open and use a payment account with basic features. However, that right is subject to compliance with rules relating to the prevention of money laundering and the countering of terrorism. Such refusal is possible only following an individual assessment, carried out by the bank, of the risk of money laundering and terrorist financing.

https://curia.europa.eu/site/upload/docs/application/pdf/2026-06/cp260084en.pdf

FIAU

Guidance & Publications

13th April 2026

CBAR & the Road Ahead:The Impact of AMLD6

The Centralised Bank Account Register (CBAR), introduced in October 2020 under AMLD4, is Malta's national data collection and retrieval system for information on accounts, safe deposit boxes and safe custody services, accessible exclusively to the FIAU and other designated national competent authorities for investigation purposes.

The AMLD6 (Directive (EU) 2024/1640 Article 16) will have a two-fold impact:

(i) Expanded scope of reportable products by 10 July 2027
All payment accounts (regardless of IBAN), virtual IBANs, securities accounts, crypto-asset accounts, safe deposit boxes and safe custody services for both credit/financial institutions.

(ii) EU-Wide Access via BARIS by 10th July 2029
National registers will be connected through the Bank Account Registers Interconnection System (BARIS), enabling designated authorities across the EU to access account information across borders.

CBAR & the Road Ahead: The Impact of AMLD6

27thApril 2026

The FIAU published Amendments to the Implementing Procedures Part I

Main changes:

Amended Definition of Beneficial Owner (Section 4.2.2), stating **'the beneficial owner, where there is one, must always be a natural person'**. This overrides previous versions in which exceptionally in the context of trusts and similar legal arrangements, whereby if the settlor, protector and/or trustee was not a natural person, the subject person could limit itself to considering that legal person as the beneficial owner.

Amendments to Employee Screening and Record-Keeping Obligations (Section 7.5, 9.2 and 9.3.6). **Subject persons are now obliged to periodically assess, both upon recruitment and on an ongoing basis, whether employees are of good repute, honesty and integrity. A risk-based approach must be applied in determining the appropriate screening measures, including whether to request and review a police conduct certificate, proportionate in the circumstances.** So, it is no longer mandatory to obtain and retain police conduct certificates as part of the employee screening program. Screening records and outcome shall be kept for a minimum period of 5 years from the termination of employment.

https://fiaumalta.org/app/uploads/2026/06/Implementing-Procedures-Part-1-2026-1.pdf

29th April 2026

The FIAU published Europol's Annual Internet Organised Crime Threat Assessment (IOCTA) 2026.

The report focuses on cybercrime enablers, the criminal infrastructure behind online fraud schemes, cyber-attacks, and online child sexual exploitation. **It sheds light on how cybercriminals are increasingly leveraging advanced technologies, especially AI, to broaden the scope, increase their efficiency, and the reach of their illegal operation.** In addition to automating key steps in criminal processes, these tools make it harder to distinguish between legitimate and malicious applications of technology.

Europol IOCTA 2026

22nd June 2026

The FIAU published a Strategic Analysis on Organised Crime in Malta

The report analysis the key trends, typologies and risk indicators associated with organised criminal groups from a total of 540 STRs received between 2021 and 2024. **Prominent predicate crimes are fraud, drug trafficking, and tax-related offences, with criminals continuously relying on financial systems to launder illicit proceeds.** The report identifies **concerns relating to source of wealth/source of funds and unusual transactional behaviour as key indicators of potential money laundering activity.**

From a sectoral perspective, **the remote gaming operators and credit institutions are amongst the main contributors in identifying organised crime-related activity**, reflecting their level of exposure.

The Landscape of Organised Crime in Malta: An FIAU Perspective

23rd June 2026

The FIAU has published its 2025 Annual Report. Rooted by the principle that **behind every euro laundered lies a victim**, the Report reflects the FIAU's continued commitment to safeguarding Malta's financial system, protecting society from the proceeds of serious crime, and ensuring that financial intelligence and preventive action translate into meaningful impact.

FIAU 2025 Annual Report

23rd June 2026

The FIAU published the latest FATF Public Statements – dated 19th June 2026

Outcome:

- **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 (grey-listed):**

New inclusions are **Bosnia and Herzegovina** and **Iraq**. Added together with Angola, Bolivia, Bulgaria, Cameron, Côte d'Ivoire, Democratic Republic of Congo, Haiti, Kenya, Lao PDR, Lebanon, Monaco, Nepal, South Sudan, Syria, Venezuela, Vietnam, Virgin Islands (UK) and Yemen

- **Jurisdictions no longer subject to increased monitoring:**

Algeria and **Namibia**

The suspension of the Russian Federation's membership in FATF remains in effect.

Outcomes FATF Plenary, 17-19 June 2026

AMLA

Updates

12th May 2026

AMLA published a reporting package designed to support national FIUs in identifying provisionally eligible **obliged entities that may fall under AMLA's direct supervisory remit as from 2028.** AMLA's first selection cycle is scheduled for 2027. **Financial institutions or groups operating in six or more EU Member States may be considered eligible for selection.**

https://www.amla.europa.eu/amla-takes-next-step-toward-2027-selection-entities-direct-supervision_en

10th June 2026

AMLA launched a **public consultation on draft Guidelines outlining the principles for the ongoing monitoring of business relationships**, including the monitoring of transactions and activities carried out in the context of those relationships.

Ongoing monitoring is a key obligation under the AML/CFT framework, aimed at ensuring that obliged entities maintain a clear and current understanding of their business relationships after they have been established. This includes **keeping customer information up to date and monitoring transactions and activities over time to identify any unusual or suspicious activity where it arises.**

https://www.amla.europa.eu/amla-consults-draft-guidelines-ongoing-monitoring-business-relationships_en

30th June 2026

AMLA published an **advisory note on ML/TF risks associated with the end of the transitional period under the Markets in Crypto-Assets Regulation (MiCAR).**

Following 1st July 2026, firms will be required to obtain authorisation as MiCAR-compliant crypto-asset service providers (CASPs) to continue providing crypto-asset services within the EU.

The end of the transitional period is expected to result in significant changes within the EU crypto-asset sector, as unauthorised virtual asset service providers (VASPs) exit the market and customer relationships previously maintained with such providers are either terminated or transferred to a smaller number of authorised CASPs. AMLA emphasises that during this migration period, **CASPs should conduct appropriate individual risk assessments and apply proportionate customer due diligence measures in line with the risk-based approach, rather than adopt blanket de-risking practices.** Such measures contribute to the safeguarding of the integrity of the EU financial system.

https://www.amla.europa.eu/advisory-note-money-laundering-risks-micar-transitional-period-ends_en