

# PRESS RELEASE

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## Good governance should take centre stage

The Malta Chamber believes that now is again the time to prioritise the national debate and engagement on good governance actions. The Chamber is of the opinion that businesses cannot operate fairly, ethically and successfully without the proper checks and balances. It has made its opinions amply known to the country and society at large, in a regular and consistent manner, not least by publishing a good governance manifesto last January with over 60 tangible recommendations.

Malta faces a stern test by the Council of Europe's Evaluation of Anti-Money Laundering measures, better known as MONEYVAL. Our Country cannot risk failing this test since it does not deserve to be in the company of the so-called 'grey-list jurisdictions'. This would heavily impact the viability of the Maltese financial sector, trading, tourism and general services, especially as the country's plight with correspondent banks is expected to intensify further.

In addition, the country should not risk compromising the economic recovery measures currently being taken to combat covid-19.

The Chamber is aware and appreciative of the efforts being undertaken by a number of regulators such as the MFSA, the National Coordinating Committee on Combating Money Laundering & Funding of Terrorism (NCC), the FIAU and the Ministry of Finance. However, more is required if we are to be successful in achieving this national priority. Whilst the country awaits some further hard decisions, the Chamber acknowledges that good governance does not lie exclusively within the realm of Government. The Chamber is not sitting idle and is collaborating closely with the authorities to inform its members and external parties of all developments and priorities, including training and information sessions organised for this purpose.

The Chamber urges all stakeholders, including professional practitioners such as lawyers, accountants, the credit sector and businesses, such as service providers (CSPs), to support this ambition collectively.

The annual report published by the FIAU yesterday clearly shows that in terms of submission of so-called Suspicious Transaction Report (STRs), Malta is still lagging behind other jurisdictions, with remote gaming companies taking the lion's share. Such reporting needs to be followed by expeditious and tangible actions as well as the associated legal proceedings. Our national reputation is to be restored to the expected high levels in the shortest period of time.

Hence ongoing important investigations must be expedited in order to raise the bar and express the general good will by one and all that the country means business and wants to put these episodes behind it.

Throughout the years, Malta and its people have been renowned for professionalism and integrity. We must not allow the country's long-term prospects and reputation to be tarnished by the few who have allowed their standards to drop for their short-term interests.

The Chamber believes that the country needs to nurture a culture where the reporting of any questionable dealings of any new clients at the due diligence stage becomes the norm. The country therefore needs to champion the ambition of embracing the highest ethical standards. In addition, there is no doubt that the resources at the disposal of the country's regulators need to be bolstered further by making the necessary technical resources available and fostering a climate of transparency.

Combatting financial crime, money laundering and the financing of terrorism is not the sole realm of the public authorities. The Chamber is committed to doing its part in raising awareness and informing the broader business community of the dangers financial crime could pose to the whole economy. Short-term gain can bring long-term pain for the whole economy. Good governance is a very important economic value and no stone should be left unturned to champion honest business and the highest ethical standards at a national level.

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