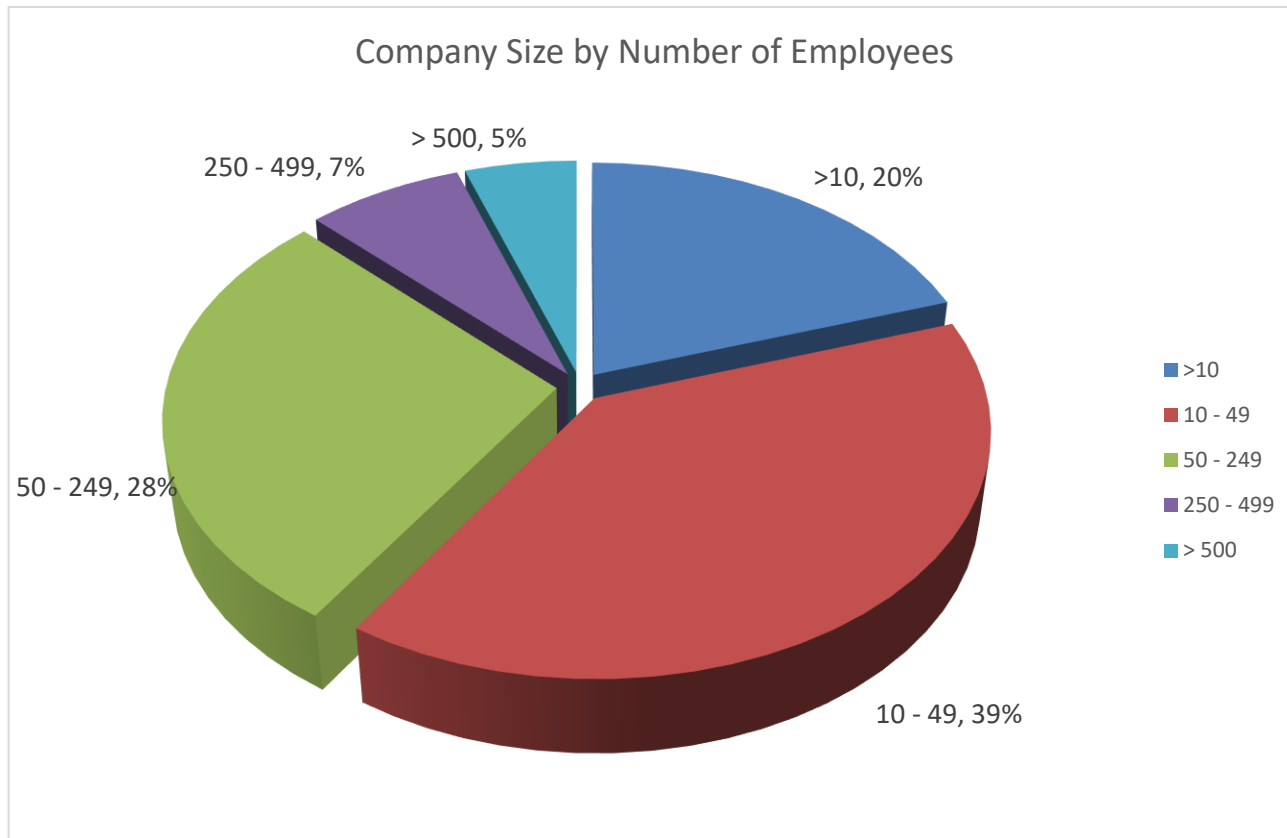


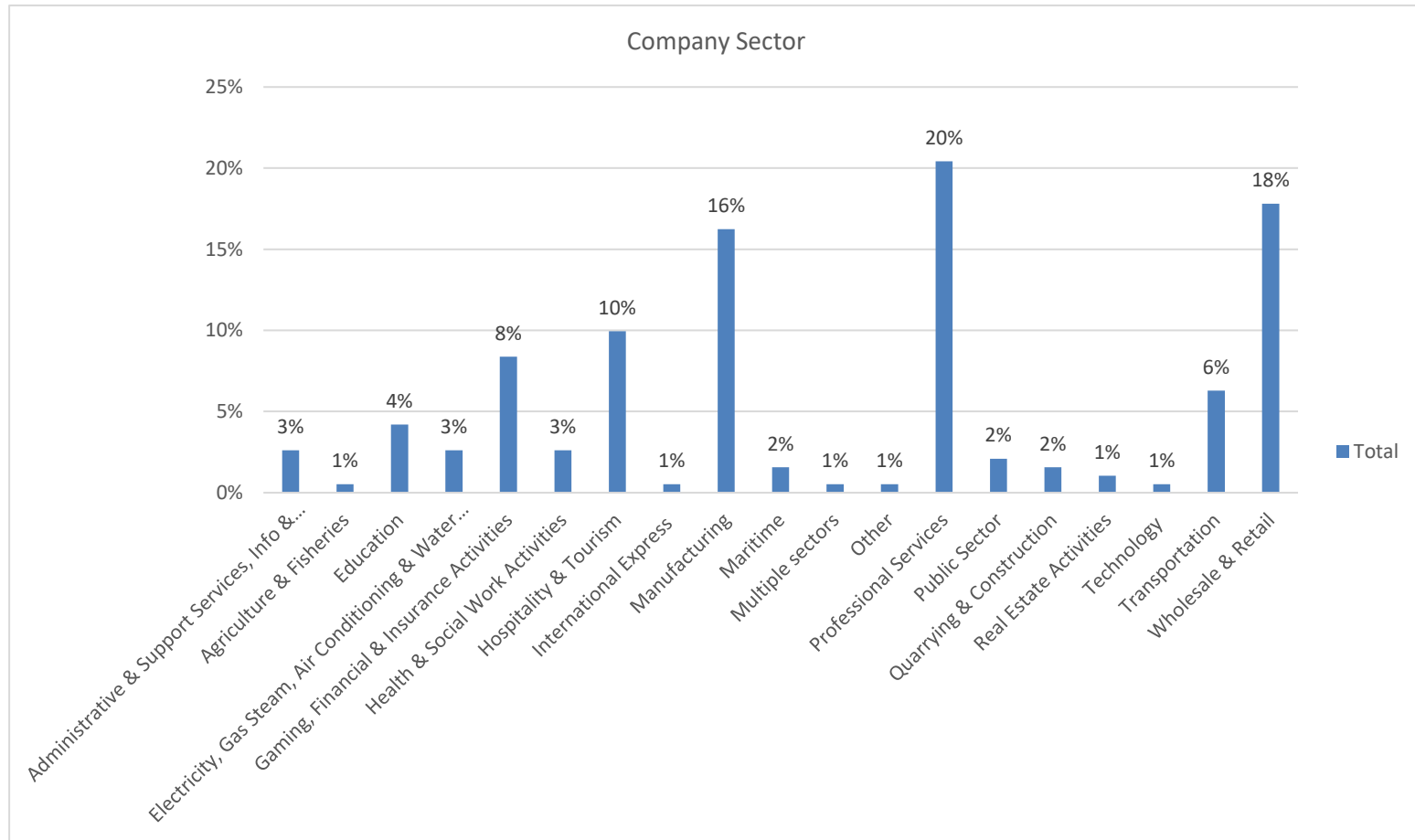
# **MALTA'S GREYLISTING BY THE FATF**

## **EMPLOYERS' PERCEPTIONS**

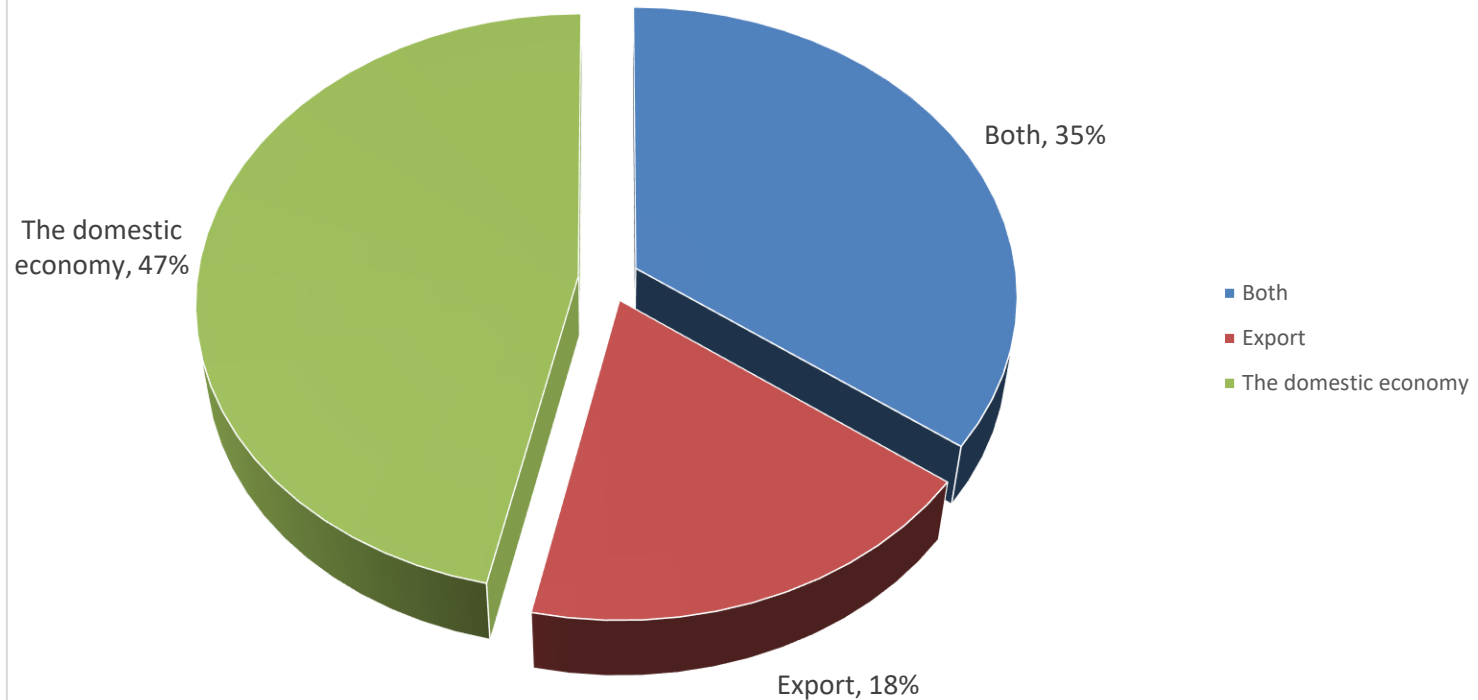
**Results of survey conducted by the Malta Employers'  
Association  
June 2021**

Presentation by Joseph Farrugia

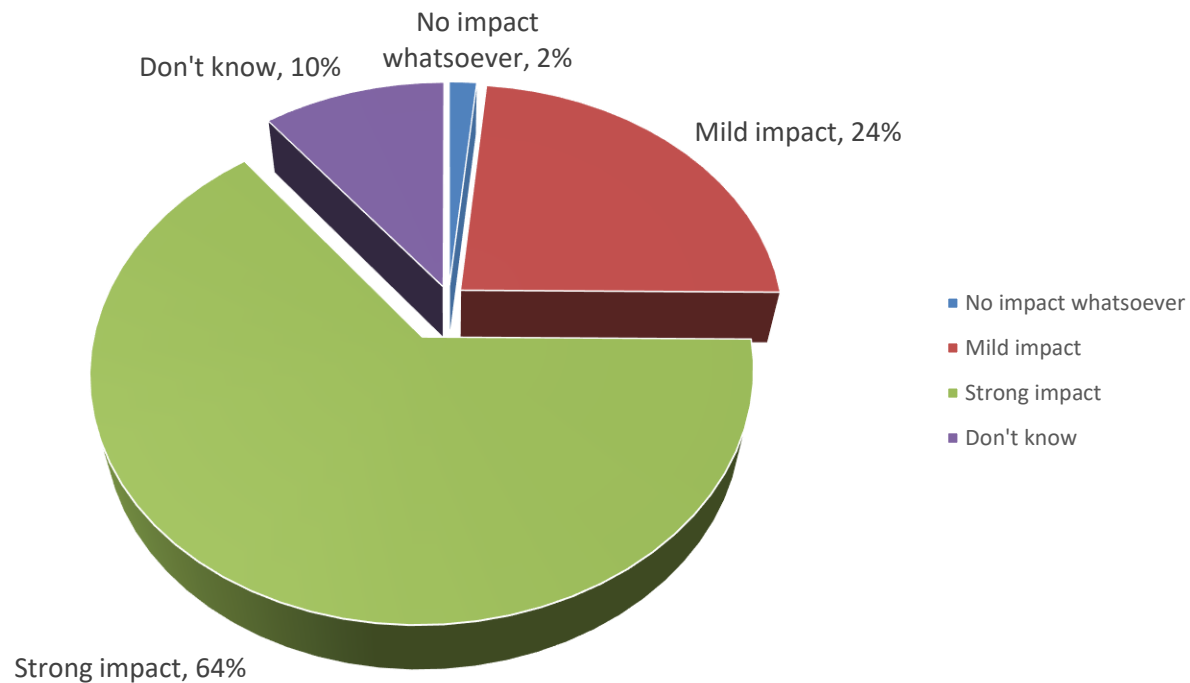




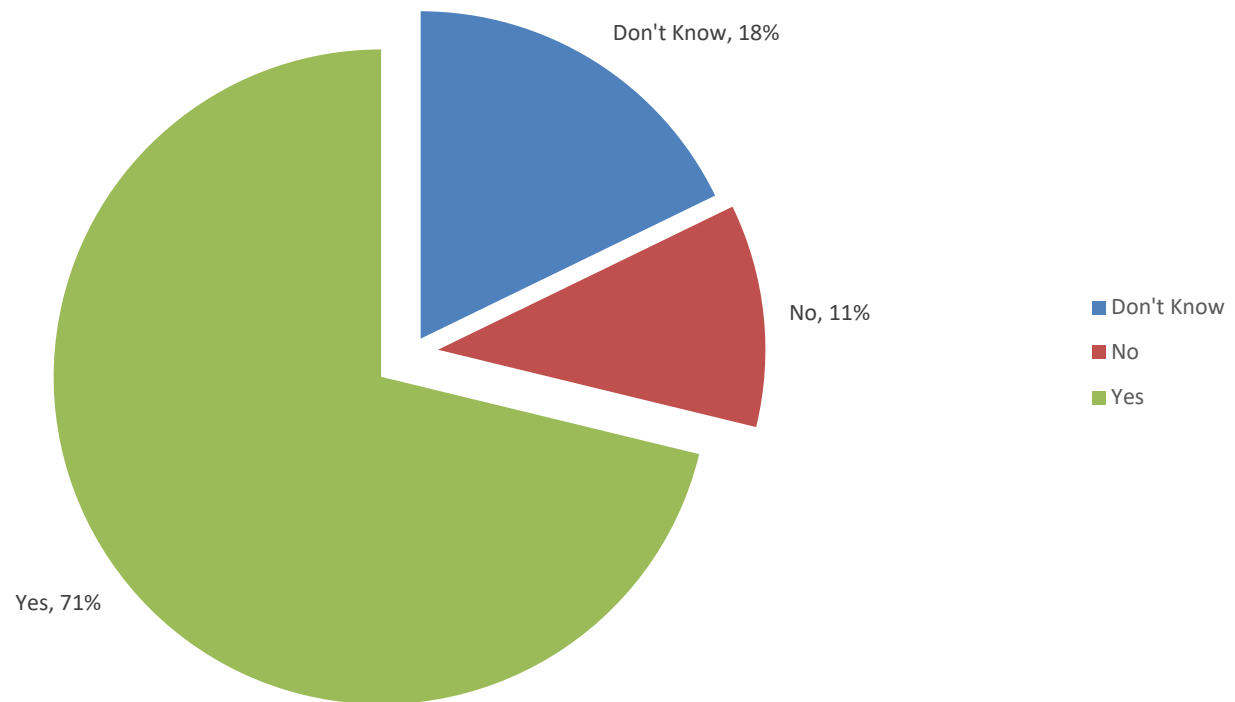
Is your business geared for:



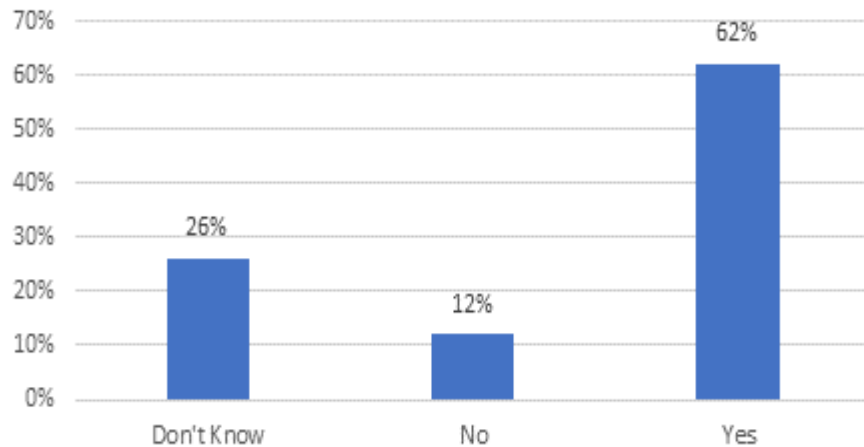
Q4: What impact do you think Malta's greylisting by the FATF will have on the Maltese economy?



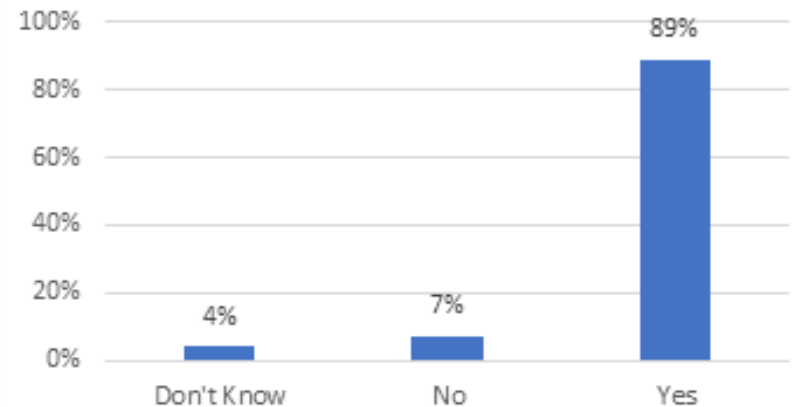
Q5: Do you anticipate that Malta's greylisting by the FATF will affect your business?

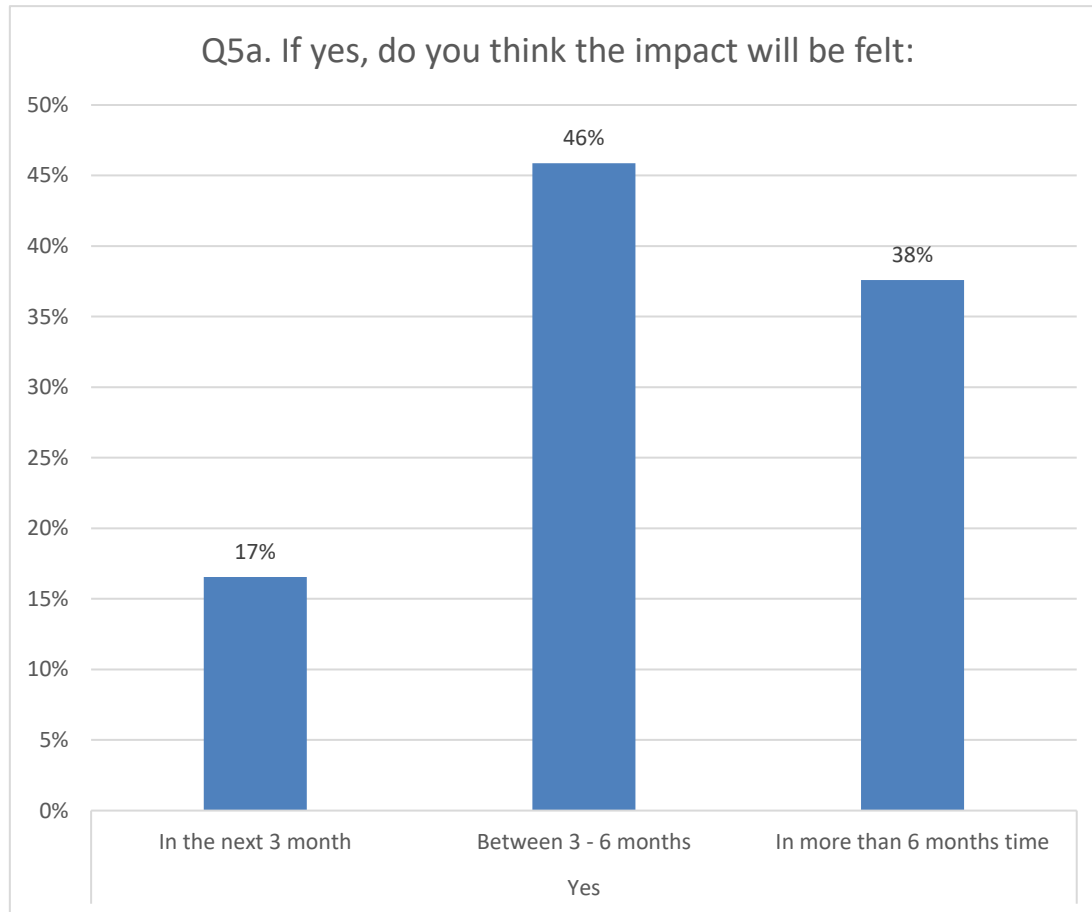


Q5: Do you anticipate that Malta's greylisting by the FATF will affect your business? - Hospitality & Tourism, Manufacturing, Wholesale & Retail in %

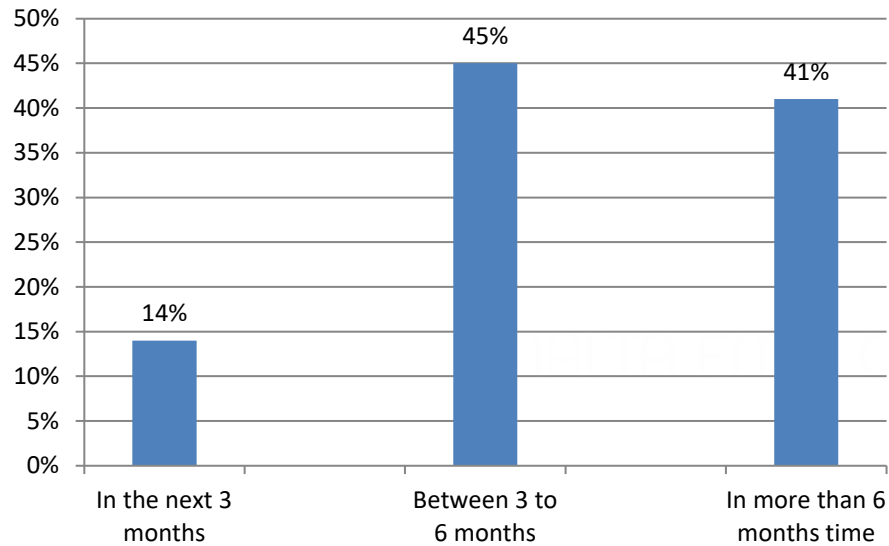


Q5: Do you anticipate that Malta's greylisting by the FATF will affect your business? - Gaming, Financial, Insurance & Professional Services in %

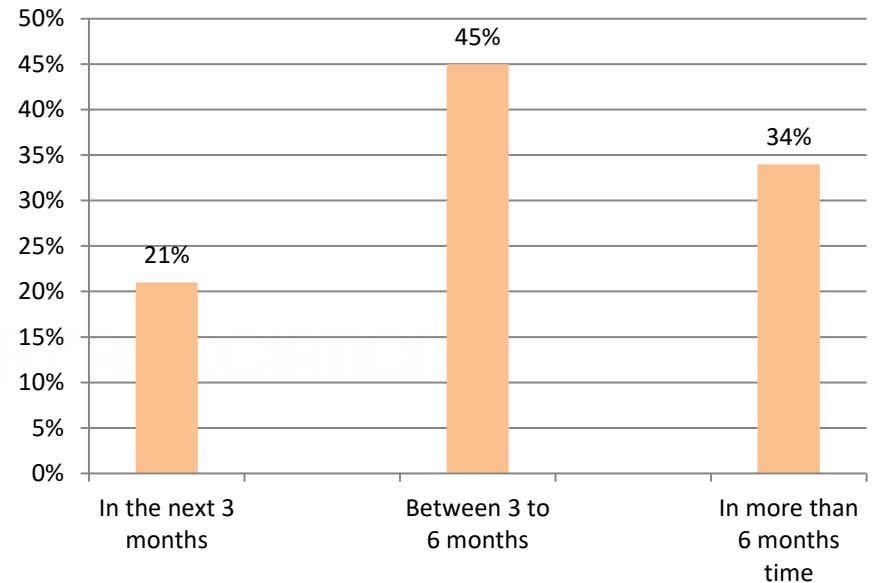






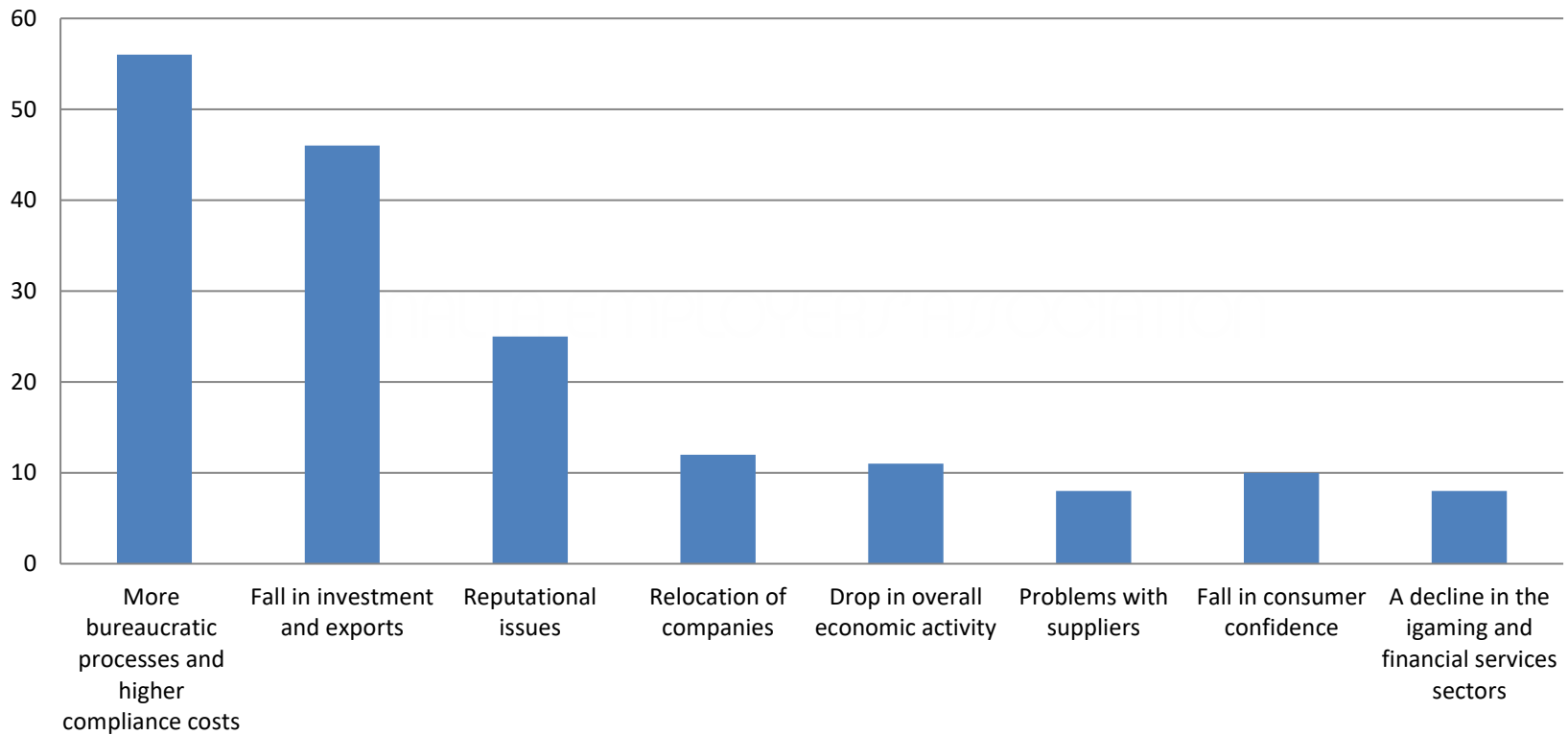


Q5a If yes, do you think the impact... Hospitality and Tourism, Manufacturing, Wholesale and Retail%

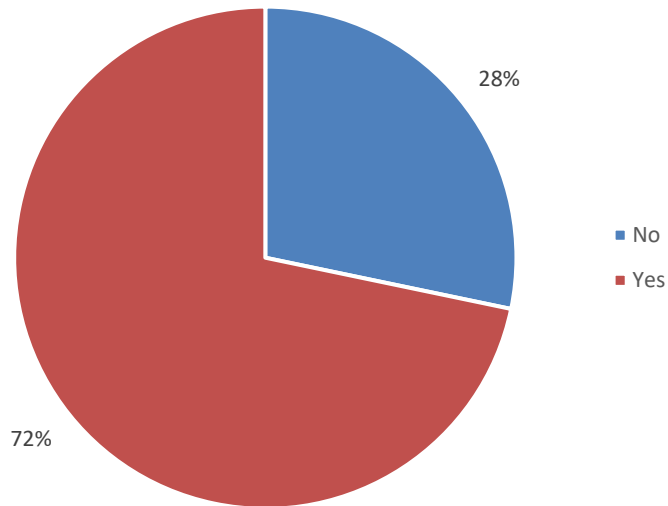


Q5a If yes, do you think the impact..Gaming, Financial and Insurance Activities, professional services %

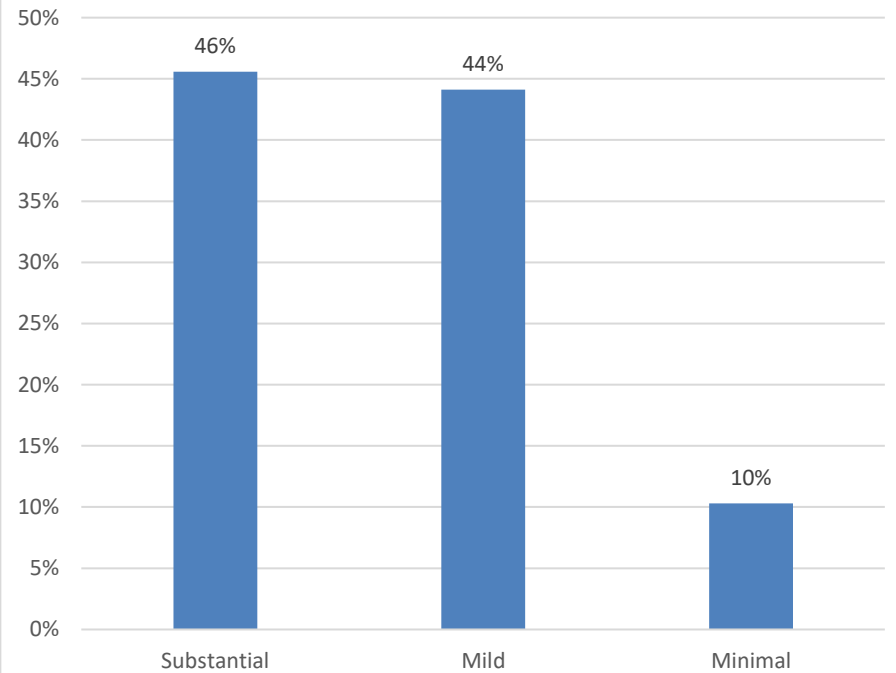
Q5b. If yes, what do you envision will be the challenges that you will experience due to grey listing?

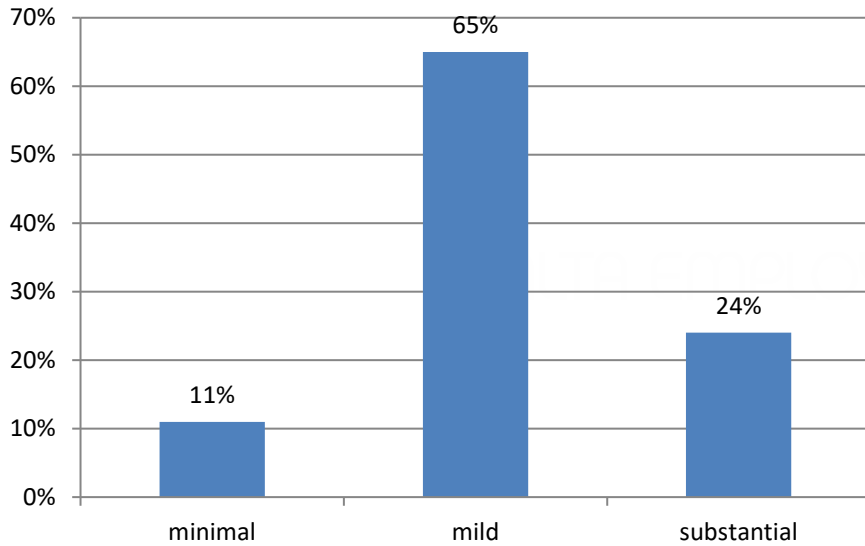


Q6: Have you experienced increased compliance costs due to more rigorous governance measures over the past year?

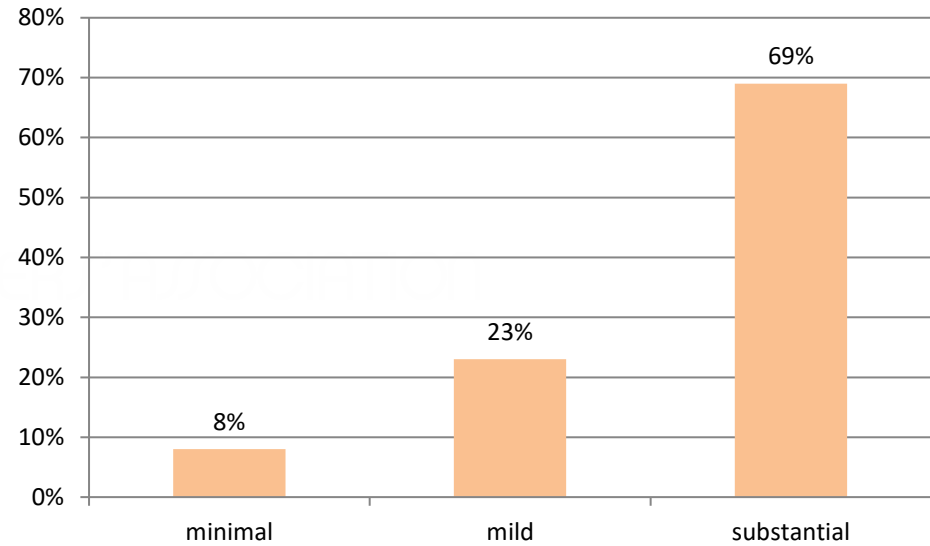


Q6a: If yes, are these costs:



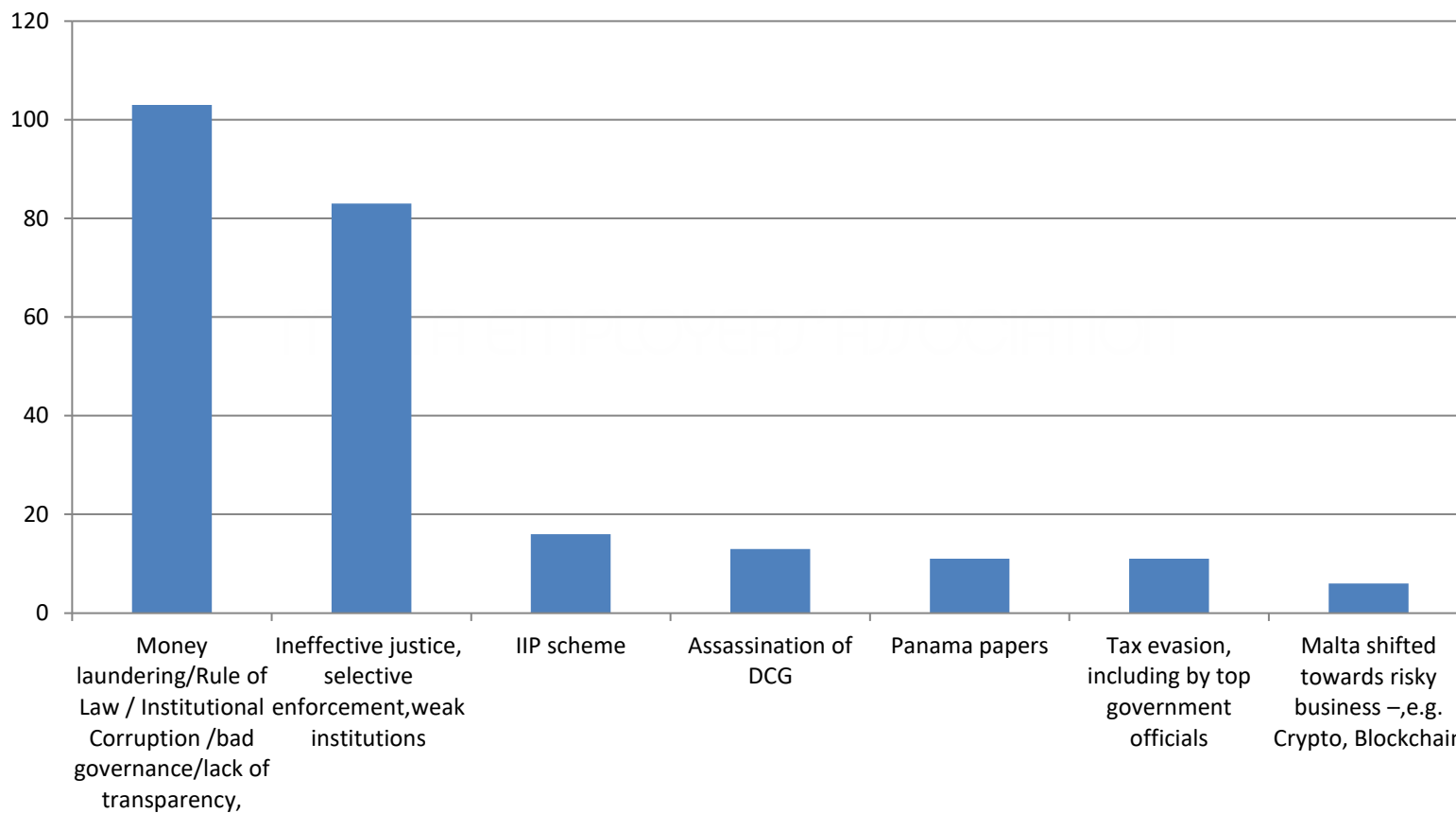


Q6a If yes, are these costs... Hospitality and Tourism, Manufacturing, Wholesale and Retail

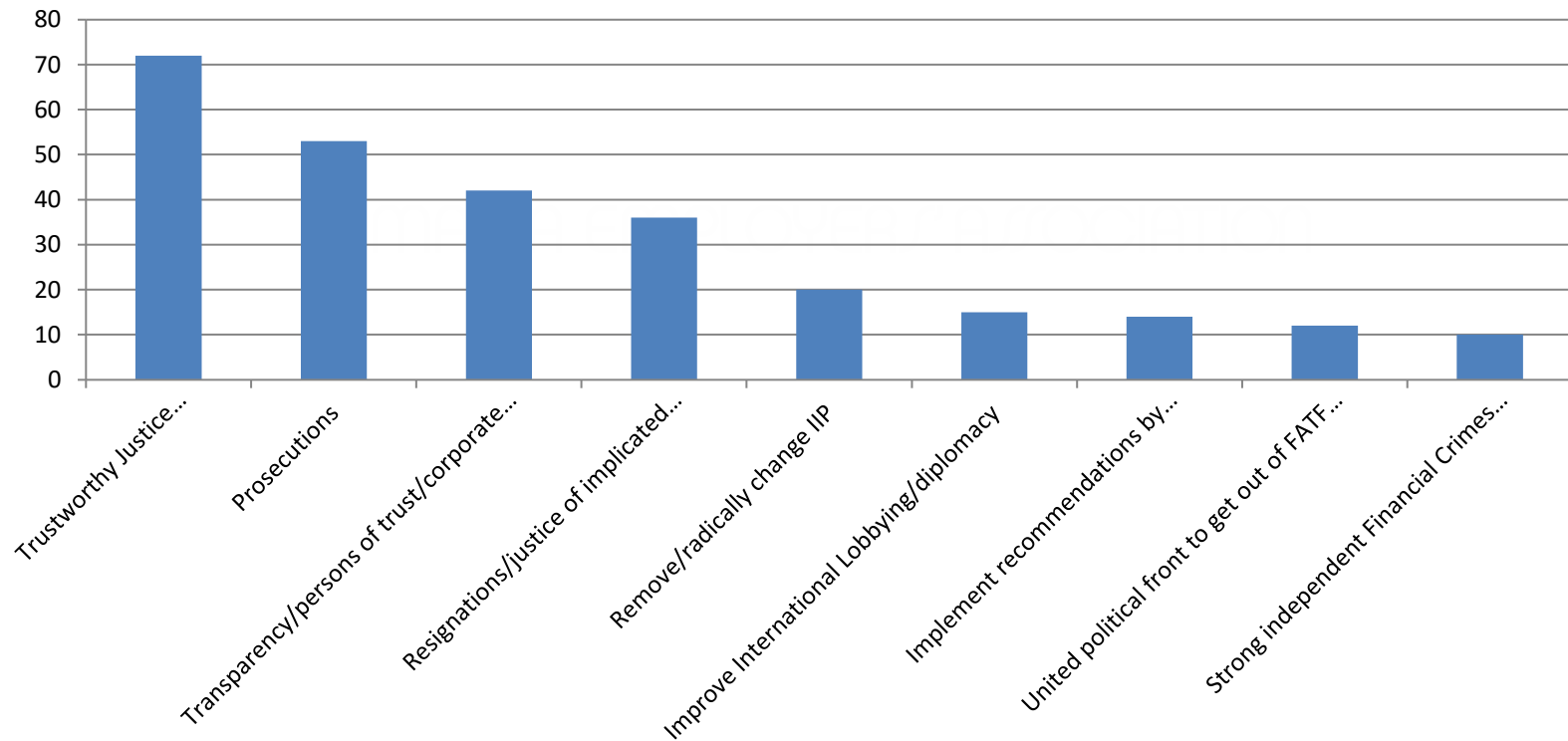


Q6a If yes, are these costs... Gaming, Insurance and Finance, Professional Services

## Q7. Mention 3 factors that you believe were critical in the decision to greylist Malta



8. List 3 recommendations to government that you believe are essential to restore Malta's status as a white listed country



## Conclusions

1. Malta's greylisting is perceived to be a real threat to many business organisations
2. 88% of businesses anticipate that the greylisting will have a negative impact on the economy. 64% replied that it will have a strong impact.
3. 71% of respondents replied that their business will be affected by the greylisting
4. We are on a clock: 63% anticipate that the greylisting will affect them within the coming 6 months
5. The level of uncertainty is not evenly distributed among sectors. It is higher in services sectors than in others.
6. 72% of respondents reported an increase in compliance costs over the past year. Some companies had to employ more people to deal with added bureaucracy of compliance

## Conclusions continued

7. The main reasons attributed to the greylisting are :

- Money laundering;
- defective rule of law and justice system;
- institutional corruption;
- lack of transparency
- weak institutions

8. Main recommendations to be removed from the greylisting include:

- an effective and efficient justice system;
- prosecution of corrupt politicians, PEPs and businesspeople;
- resignation of implicated politicians;
- implementation of FATF/Moneyval recommendations



## Final comments

- This survey is exploratory. Its purpose is not to quantify the impact of the grey listing on the economy. It is too early to determine this. However, the findings are highly indicative of the situation. The longer we remain greylisted, the more severe the damage and the longer the recovery
- The greylisting occurs at a time when businesses are trying to recover from the blow caused by the COVID pandemic. At this point in time, many employers are facing a shortage of people.
- MEA has been flagging governance issues for years. It was vociferous about the IIP scheme, it spoke out on numerous instances when shady deals involving politicians were exposed (e.g. the Montenegro windfarms), phantom jobs in the public sector.
- For years, MEA has called for better governance systems, for a parliamentary reform and has repeatedly warned the authorities about our deteriorating international reputation.
- As we have done in the past, although this problem is certainly not of our making, we offer our full commitment to our country to resolve the matter in the shortest time possible. However, the first step is to come to our senses and acknowledge that there is actually a very serious threat to the social and economic fabric of our society. The biggest threat is not the greylisting itself, but the conditions which caused it.