



# From Policy to Practice: The Dynamic Essence of Administrative Enforcement

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# The Enforcement Process

## Potential Breaches Letter

- Supervisory review carried out
- findings identified
- potential breaches of the law communicated to subject person
- Right of representations

## Representations

- Right for written representations
- Right for oral representations
- Right to provide further evidence
- Right to provide actions aimed at addressing findings

## CMC Determination

- Internal Committee tasked with determining breaches of the law
- Composed of 5 most senior officials members
- Decide breaches of the law and administrative measures to impose
- Guided by internal policies and procedures

## Sanction Letter

- CMC determination is communicated to subject person
- Directive to take remedial actions
- explaining the quantum of the administrative penalty and the considerations taken
- explaining how the representations have impacted the CMC's decision

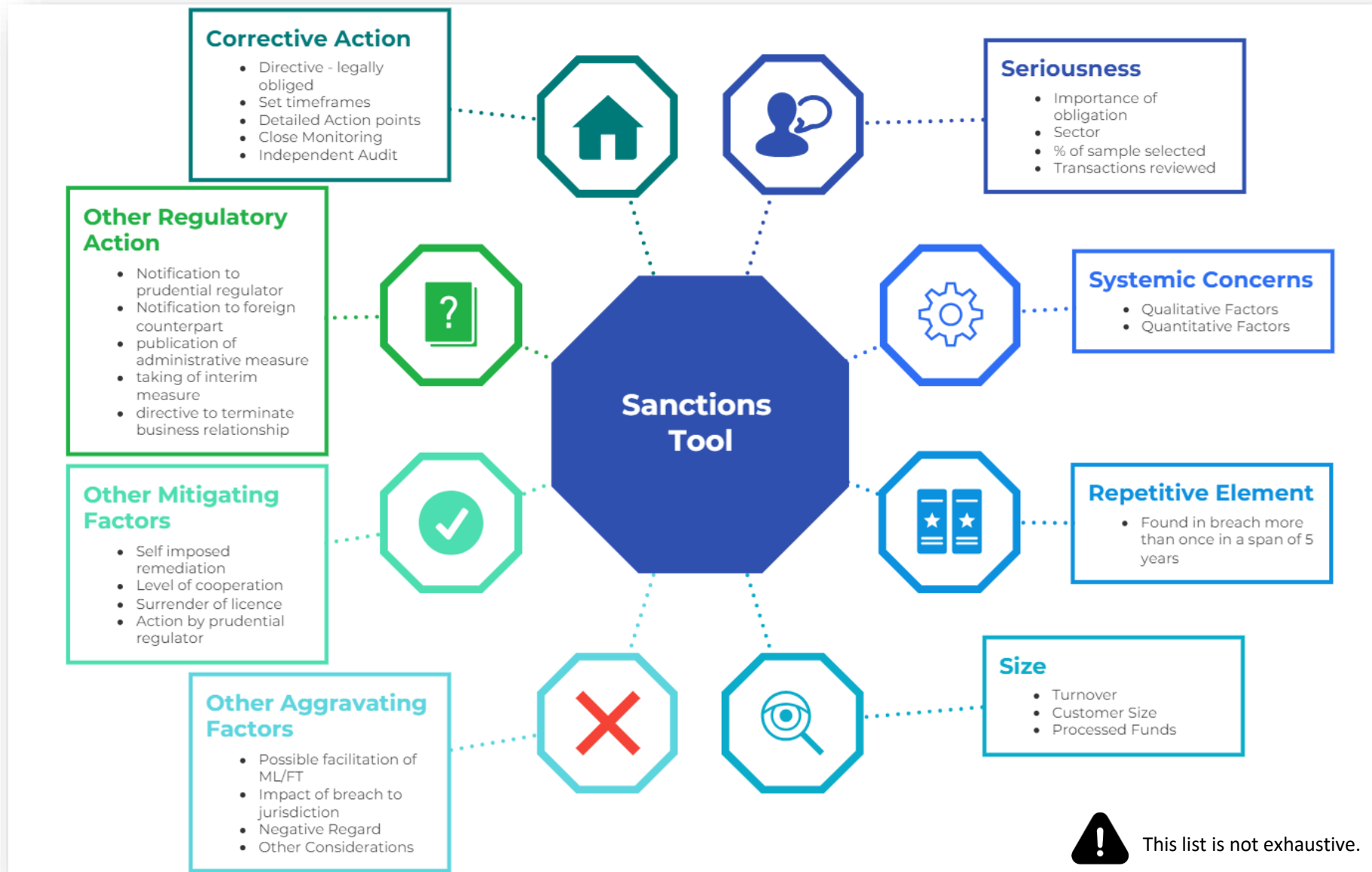
## Publication

- Administrative Measures are published on the FIAU Website
- Provide summary of the Enforcement Action
- Includes identity of the subject person if it exceed Eur 50,000
- Includes details of directives imposed
- Includes Key takeaways





# CMC Tools: Sanctions Tool





# Settlement Proposal:

- **Decrease** of the administrative penalty:
  - Admission of Breaches
  - Remediation of Breaches
- **Conditions:**
  - SP declares its **agreement** with the determination of the Committee
  - **Renounce its right to appeal**



- n) Ensure that the CNS makes more frequent use of its power of non-anonymous publication of sanctions in order to make them more dissuasive. It should also review its proportionality criteria to better take into account the seriousness of the breaches in determining the amount of the fine.
- o) Ensure that self-regulatory professions make use of the full range of sanctions made available by the CMF when AML/CFT breaches are identified.

g) The UAE authorities should re-consider their approach to enforcement for all supervisors and particularly follow-up and completion times for mitigation/remediation plans to ensure that the regime becomes effective, proportionate and dissuasive. The UAE should particularly ensure that the full range of sanctions are appropriately used, ensuring that greater breaches of the requirements are subject to proportionate and dissuasive action – which should include particular focus on the use of fines and banning orders proportionate to the relevant breach.



### 3. Enhance remedial actions and sanctions

- a) The CSSF should ensure that public statements on enforcement measures contain sufficient information for FIs to understand the nature of deficiencies and should publish sanctions on individuals on a case-by-case basis.
- b) The CAA should make use of the sanctions available for non-compliance including sanctions on individuals where appropriate.
- c) The AED, should increase remedial actions for the DNFBPs it supervises to ensure that they are effective, proportionate and dissuasive and CdN should consider using all remedial actions that are available to them, including fines to ensure that they use the appropriate tool in all cases.

c) All authorities, and in particular the GFSC and the GGC, should re-evaluate the proportionality test used in analysing the AML/CFT breaches and penalise such in a more dissuasive manner. The publication of such penalties (where necessary preserving the anonymity of those in breach) should be considered.

d) All authorities would benefit from improving their statistics on outcomes of supervisory activities and other regulatory actions.

## FATF close monitoring of enforcement and publication of administrative measures





# Thank You

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