

**SPECIAL COMMITTEE ON FINANCIAL CRIMES,
TAX EVASION AND TAX AVOIDANCE (TAX3)
MONDAY 11 FEBRUARY 2019**

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PUBLIC MEETING

**“EXCHANGE OF VIEWS WITH THE MALTESE MINISTER OF
JUSTICE, MR OWEN BONNICI”**

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PUBLIC HEARING

**“ALLEGED FINANCIAL CRIMES, TAX EVASION AND TAX
AVOIDANCE IN MALTA”**

Stephen Grey, special correspondent at Reuters and investigative journalist

Matthew Caruana Galizia, investigative journalist and son of murdered Maltese journalist

Daphne Caruana Galizia

1-002-0000

IN THE CHAIR: PETR JEŽEK
*Chair of the Special Committee on Financial Crimes,
Tax Evasion and Tax Avoidance*

(The meeting opened at 19.04)

Exchange of views with the Maltese Minister of Justice, Mr Owen Bonnici

1-004-0000

Chair. – Good evening, dear colleagues, ladies and gentlemen. Let me start the meeting of the TAX3 Committee. First, we will have an exchange of views with the Maltese Minister of Justice, Mr Owen Bonnici, whom I welcome. Then we will have a separate hearing on alleged financial crimes, tax evasion and tax avoidance in Malta.

I have one announcement to make: at the last hearing, after the oral intervention of MEP Coburn, I was asked to review his intervention and whether it would constitute a breach of Rule 11 of the Rules of Procedure and whether he should be referred to the President under Rule 165, to apply Rule 166. Although the verbatim transcript of the hearing is not available yet, on the basis of the available information, reviewed carefully, I came to the following conclusion. Although in my view the language used was not appropriate and I expressed this at the hearing itself, I still think that it would fall rather within a Member's freedom of speech than an explicit breach of the standards of conduct. Therefore, no further action will be taken by me as the Chair. The intervention was clearly met with the negative reactions of some Members, which may have made the speaker realise that he probably went too far. I hope that the meetings of this committee will continue in a constructive and mutually respectful manner. That's the announcement.

Now back to today's business: as I said, I'm pleased to welcome the Minister of Justice Dr Owen Bonnici. He was first elected to the Maltese parliament in 2008 and re-elected in 2013. In March 2014, he was appointed Minister for Justice, Culture and Local Government for Malta.

The Minister will have a slot of up to 10 minutes for his introductory remarks. The floor is yours, Minister.

1-005-0000

Owen Bonnici, Minister for Justice, Culture and Local Government of Malta. – In the first place, I would like to thank you for the opportunity to have this exchange of views and to engage in a genuine dialogue about the topical issues considered by your committee.

The Maltese legal system, as you surely know, evolved over the centuries, embracing all the main legal developments on the continent and elsewhere. When Malta applied to join the European Union, the screening processes naturally found our legal system fully compliant with the Copenhagen criteria and with the principles of separation of powers and the rule of law. Since the election of the present government almost six years ago, Malta has been undergoing a continuous process of reform to keep improving our system. The reform momentum achieved in the past years has seen, for instance, the complete abolition of time barring by prescription in respect of crimes of corruption committed by politicians; a law regulating political party financing – a first for Malta; a gradual but continuous reform of the justice system; the enactment of a law on whistleblower protection; the establishment of a parliamentary screening committee; and the year 2016 marked the enactment of wide-ranging

constitutional amendments approved unanimously in Parliament, regarding the appointment and discipline of members of the judiciary, with a view to limiting the *vires* of the executive and the appointment of members of the judiciary and to underline the principle that judges and magistrates should be judged by their own peers. We also introduced a strong and improved financial package and a new service pension for the members of the judiciary in order to keep attracting the best legal minds to join the bench. We are committed in favour of a continuous process of reforms to strengthen the country's institution and good governance and to maintain an open dialogue with the European Commission and other institutions.

Honourable Members, today I stand in front of you as a holder of a political office. I am a politician, as you are. We politicians have very important responsibilities to shoulder. For instance, we must not allow that the most crucial institutions in a democracy be caught in the political crossfire. We have to act responsibly. We must not either allow crucial institutions to find themselves in situations where they are not in a position to properly defend themselves due to their roles and legal obligations, particularly confidentiality obligations with regard to case-specific information. It is normal that democratic institutions are sometimes subject to criticism, but they cannot for this reason act in a manner that seeks popularity or shelter from unfair criticism at the expense of the proper performance of their roles. Politicians should not be allowed to use political pressure to penetrate independent institutions. Political agendas, as we know, do not sit comfortably with impartiality. For instance, a request by MEPs to hold meetings with specific inquiring magistrates in Malta, with the aim of discussing targeted inquiries which are – or were at the time – still underway is not on. The role of the politician is, by all means, to raise issues, criticise, ask questions and trigger procedures if necessary, but we must also then have the prudence to stand back and let the institutions do their work.

Anti-money laundering. Malta has being accused of being practically indifferent to money laundering, or at least, this is the impression which some try to create. This is absolutely not the case. Like any other country, we certainly cannot claim to be perfect on all counts, but even where there are shortcomings, we are fully committed to remedying them, and our institutions work in good faith.

Malta is currently undertaking improvements in its capacity to supervise anti-money laundering compliance. A national risk assessment was carried out in November 2013 and was completed in 2015 and then updated in 2017, following an assignment by an international consultancy firm, Oliver Wyman. Following this risk assessment, the international firm came up with a strategic action plan. I wish to stress that this exercise was conducted on our own initiative, and without anyone telling us what to do. After conducting the national risk assessment to identify the main vulnerabilities and institutional weaknesses, in April 2018 the authorities adopted an integrated strategy to fight money laundering and combat the financing of terrorism. The strategy is to be implemented over the next three years. Not only has this action plan been made public, but the principle initiative of the strategy – that setting up a National Coordinating Committee to coordinate all this work which is being carried out – has been included in the law on the prevention of money laundering.

Our national strategy comprises seven key initiatives, and a number of measures have already been implemented. In addition, a memorandum of understanding between the Malta Financial Services Authority and the Financial Intelligence Analysis Unit has been set up in order to better integrate and coordinate their efforts together. This includes a joint team and the coordination of all phases of supervision on anti-money laundering and financing of terrorism.

As regards the transposition of the fourth anti money laundering directive by the end of 2017, this was adopted in parliament and five legal notices were published with respect to the transparency of beneficial ownership, including in foundations and associations. Provision

was also made for cooperation with institutions in other jurisdictions. Following issues raised by the Commission, and after a request from the Maltese authorities, technical meetings were ahead with the Commission services, wherein the Commission's queries on the transposition of the fourth anti-money laundering directive were practically all clarified, with only one issue concerning access to real estate business remaining to be ironed out between the experts on both sides.

With regard to the transposition of the fifth anti-money laundering directive, the National Coordinating Committee is spearheading the transposition, and work is already ongoing and the Government of Malta remains committed to transpose the directive before the deadline of 10 January 2020.

With respect to resources, it must be explained that in the last couple of years the budget allocated for investigating quadrupled. The problem here is not so much finding the money, but the challenge is to attract qualified, home-based personnel and experts in financial crime investigation. It is also relevant to note that the number of suspicious transaction reports (STRs) filed with the FIAU has increased substantially every year and has reached 1679 from 202 only four years ago. The number of FIAU reports sent to the police for further investigation has also increased from 27 in 2014 to 45 in 2018.

On financial supervision, it is recognised that the financial services sector is one of the main pillars of the Maltese economy, playing a major role and accounting for 11.2% of the total gross value-added and 10% of employment.

We acknowledge that instances of misconduct by licensed entities have an impact on the integrity and stability of the financial markets. We continuously strive to improve efficiencies in the structure, processes and methodology. The MFSA is currently revisiting its governance structure to take account of certain concerns expressed by stakeholders and to be in a better position to meet its key objective. To further strengthen the corporate governance, MFSA is introducing a risk committee, which will be responsible for the design, implementation and review of the risk management policies of MFSA.

I would like to say something about the individual investor programme. The Government of Malta is pleased to note that, in the recent reports on such programmes, the European Commission recognises the economic benefits of investment migration, a sector that has significantly boosted employment across the EU and beyond. The government endorses some of the key outcomes of the highly awaited report from the Commission to the European Parliament and other institutions. The report also raises a number of concerns and arguments on the residency and citizenship by investment industry's impact on the Union, focusing on the 20 Member States that offer investors citizenship and residency schemes in the EU. Malta supports many of the report's recommendations, while having reservations on a few issues raised. Malta has constantly been advocating for further cross-country collaboration in this area, and recognises that this is beneficial to both the country and the wider industry in general.

As regards alleged security risks, the Maltese Government disagrees with the report's statement that investor citizenship is granted under less stringent conditions than under ordinary naturalisation rights. Rather, in our case, it is the inverse. Persons given residency and citizenship rights in the EU via other avenues, which on average is estimated to exceed four million a year, do not undergo the rigorous due diligence checks and investigations in place for RCBI applicants.

Another concern for the report is physical presence. Malta is one of the few jurisdictions where physical presence is mandatory, and residency status is required before an application

can be granted. In its commitment towards transparency, Malta is one of the few European countries that publishes the names of individuals who obtained citizenship. The nature of due diligence checks is also public. Additionally, professional firms and practitioners who are subject persons under anti-money laundering legislation contribute an additional layer of good governance. Malta is also the only country that has a regulator as another dedicated institution that monitors the governance. Also, Malta has a monitoring committee, which involves the Prime Minister, the leader of the opposition, the Minister for Citizenship and the regulator in order to discuss the findings of the regulator.

While reiterating that the Malta RCBI programmes do not offer any tax benefits, the main concern highlighted in the recent Commission study points towards a risk of circumventing the common reporting standard. Malta as an EU State abides by the EU-agreed directive on automatic mandatory disclosures. As a proud member of the EU, Malta holds Union law in high regard and always acts in a spirit of good faith and will continue doing so. Malta is grateful to the European Commission for the hard work and great effort it has put in to understanding this relatively new and emerging industry.

Another claim is often made that Malta is a tax haven. This is not correct at all, and while asserting that this is a matter of predominantly national competence, I appeal to you to consider the facts objectively. Malta is committed to tax transparency. Malta applied automatic exchange of information on savings income from the start upon EU accession. Malta's general system of taxation was also subject to scrutiny, and undertook the required changes by the Code of Conduct Group on Business Taxation and the DG Competition upon accession. During 2012, Malta signed the joint OECD Council of Europe multilateral convention on mutual administrative assistance in tax matters, and the convention has now been in force as from 1 September 2013. Malta participates in the work of OECD Global Forum, and following the positive Phase 1 report in March 2012, Malta has successfully undertaken its Phase 2 peer review and has been ranked as largely compliant, similar to major Western economies.

In July 2013, Malta and the US have concluded negotiations concerning IGA in the relation to US FATCA relations. The IGA has been negotiated on the basis of a Model 1 IGA issued by US, and the IGA has been in effect from January 2014 and domestic legislation has also been put in place in 2014.

Before summer 2017, Malta joined the OECD BEPS Inclusive Framework and also recently underwent a screening of our CRS implementation by the OECD Global Forum on transparency and exchange of information.

The impression which is given that Malta does not investigate tax evasion is also particularly uninformed. The Swiss leagues have been investigating, resulting in a local tax revenue of EUR 12.5 million. The Compliance and Investigation Directorate of the Revenue carries out between 700 and 1400 investigations every year, which result in the generation of between EUR 27 million and EUR 37 million in tax, and EUR 7 million to EUR 12 million in VAT, apart from omission tax and interest. All cases of individuals, companies and trusts involved in the Panama Paper leaks – a total of 237 – are subject to tax investigations, and this exercise has to date, and whilst it is still ongoing, already generated EUR 5 million in tax, apart from omission tax and interest amounting to another EUR 4 million. Even here, the confidentiality obligations of the authorities are taken advantage of to paint a scenario of inaction by the authorities, which is not at all merited.

One final word about the justice system: it must be stated that the reforms to improve the efficiency and the quality of the justice system are ongoing. Work is also underway on constitutional reform, particularly – but not only – in the light of the Venice Commission opinion of last December, which we asked for and we welcome. Meetings between the

government and the opposition are already going on under the aegis of the President of Malta, and so far the exercise has been very positive. The government alone cannot implement the proposals – most of most of them need the support of a 2/3 majority in the House, and the opinion itself called for due analysis and discussion. Yet, we are confident that change will keep on happening and that our reformist agenda will keep gaining ground.

I thank you for your attention. I hope that I have explained Malta's position in the short time available to me, and that we can have an objective and fair dialogue based on facts in this political context.

1-006-0000

Chair. – Thank you, Minister. I should say that as the decision to hold this meeting was taken only a couple of weeks ago, we were not attributed one of the few meeting rooms with live broadcasting possibility, but this hearing is being pre-recorded and will be broadcast at 8.30 tonight.

Now we will enter into the discussion with the Minister. Questions, as always, are in slots of up to five minutes – one minute for the question, and the remaining time for the answer. First, S&D Ana Gomes.

1-007-0000

Ana Gomes (S&D). – Minister, the legal opinion of the Venice Commission is indeed quite critical of the system of checks and balances and lack of constitutional control by the court, and also about the separation of powers. I will nevertheless not focus on that; I would like you to answer why the two individuals that were clearly identified by this Parliament – the former Panama Papers Inquiry Committee – as corrupt, as having the scheme of offshore companies, are still in the government? How can that be compliant with the rule of law, and indeed the fight against corruption and tax evasion?

Then, why is the case of the assassination of the journalist Daphne Caruana Galizia blocked in justice? A number of us went there in June, spoke with judges and realised that the situation was blocked, and it is still until today. So today one important witness, which would be Mr Cardona, Minister for the Economy, has been finding all sorts of expedience in order not to submit his call logs to court that could indeed identify the possible relationship with this horrendous case. Why is the freedom of expression being daily prevented by your services, as I understand? Of the people who want to pay tribute to Daphne Caruana Galizia's memory?

I don't have time to talk about the Enemalta contract; the public hospitals that have been sold for one euro to a British Virgin Islands' company that nobody knows who owns; Pilatus Bank, and there is also Satabank, that really shows that the system is really very much in question. But I would indeed urge you to reply to my two questions regarding the two corrupt ministers still in government and the blocking of the investigation into Daphne Caruana Galizia's assassination.

1-008-0000

Owen Bonnici, Minister for Justice, Culture and Local Government of Malta. – First of all, you made reference to the Venice Commission report. Actually that report dissected our legal system. I'm not the one who is going to say that our system is perfect; we want to improve it. Most of the laws which the Venice Commission studied were laws which we inherited, so they have been there for generations. But nowhere did the Venice Commission say that Malta suffers from a persistent failure in the legal system. So I think between painting a situation as if Malta doesn't have any legal system at all and saying that our legal system is perfect, I think there is a space in between, and we are committed to improve on our legal system. We have already done a lot of things to improve the legal system and we are committed to do more if agreement is reached with the opposition, which I hope that we are able to reach.

Regarding the issue of the blocking of the investigations of the murder of Daphne Caruana Galizia, this is a statement which I cannot agree with. As you know, in less than 50 days following the horrendous murder of Daphne Caruana Galizia, three people were arraigned to court accused with the murder of Daphne Caruana Galizia, and we left no stone unturned in reaching out to the international community – Europol and all the other major investigative authorities – to help and assist in finding the mastermind behind this horrendous murder. And we are not going to rest until the mastermind is found and justice is served on this case.

Regarding the lack of freedom of expression which you are claiming – I think it refers to the issue of the flowers set against the Great Siege Monument – I appeal that the people supporting this cause apply for a proper monument shrine for Daphne Caruana Galizia. I am confident that if an application is done, the memory of Daphne Caruana Galizia could be recognised in a better way, with a proper shrine just for the memory of this journalist.

Regarding what you said on permanent failures and Ministers being corrupt and what have you, in Malta we have a functioning rule of law. We have a rule of law which works. We have the judges, we have the police, we have investigations, and what I know is that so far, the two major inquiries which have been concluded stated that there were no legal grounds upon which to proceed against the people who were allegedly corrupt. Rather, in the case of the prime minister, who was accused of having a secret company, the Court of Magistrates concluded that the reports were based on fabricated evidence. Imagine, someone sat down at a table and fabricated documents in order to try and throw bad light and try to frame up an innocent family, and that is very, very serious.

1-009-0000

Wolf Klinz (ALDE). – Well, important questions have already been asked. There is a French saying that says ‘*qui s’excuse s’accuse*’ – the one that excuses himself in fact accuses himself, and that is the feeling that I have when I listen to you. In fact, rather than using 10 minutes, you have used 16 minutes and 35 seconds, so more than 50% longer. Anyhow, important questions have been asked. I don’t want to further go into this, but I must say when it comes to government officials or former government officials, I’ve been told by more than one that in fact in Malta, former government officials are seen regularly meeting with people that are known to be very close to, let’s say, criminal *milieux*, and they are being seen in a specific location. So the question is, you may have your laws and your judiciary system, etc., but once the virus is in that system, you do not have an interest to really clarify the way you should.

I have one specific question. We have been on a mission last week trying to shed some light on the Danske case, and the result was that – now, of course, everybody’s trying to really clarify it as much as possible – but it was clear that the cooperation of the supervisors and also of the FIUs between the countries concerned, was not in the past as close and as good and efficient as it should have been. And the question now is, how do we overcome those deficiencies? Are you in favour, for instance, of strengthening the cooperation by setting up some sort of EU FIU or by giving more competence to the European level when it comes to supervising these affairs? That’s my question. The other questions have been asked, such as the death of the journalist, etc.

1-010-0000

Owen Bonnici, Minister for Justice, Culture and Local Government of Malta. – First of all, I have to apologise for overrunning my time by 6 minutes and 50 seconds. I promise I won’t do it again. Secondly, you spoke about a virus in the system. I would like to speak about trust in the system. I think that is the basis of everything we do. I have been a member of the EU Justice and Home Affairs Council for the past six years now, and trust is the basis of everything we do. And although our system is not perfect – as any other Member State’s system is not perfect, I assure you – we are keen and committed to improving things, and our judiciary is a proud organ of the state. They cherish their independence and autonomy, and

the judges and magistrates should be treated with respect. They are doing their work. They are fully independent and doing their work, and I have trust in the system. So everything else which might be said about the rule of law has as its basis the trust in the system. I trust the Maltese legal system, and I trust the Maltese legal system not only because I'm a lawyer and I've been working in the law courts since forever, but because it honestly is a proud system which is based on the independence of the judiciary.

Regarding cooperation: I'm all for cooperation. Malta supports cooperation. In fact, Malta has recently announced its decision to join the European Public Prosecutor's Office (EPPO), which has at its basis the need to further cooperate together to combat fraud on an EU level. So we're all for cooperation. I can't answer you whether it should be in this form or that form but, yes, you will find Malta supporting more cooperation in this field.

1-011-0000

Sven Giegold (Verts/ALE). – I would like to discuss first of all the statute of your current colleague, Mr Mizzi, and also the Chief of Staff to the Prime Minister, Mr Schembri. It's now a long time ago that the respective reports of the Financial Intelligence and Analysis Unit (FIAU) leaked, and the investigation is still not concluded. After all these revelations, normally in most European countries – I would say in all – it would be impossible that with non-refuted allegations of that nature, a minister can stay in office. I would like to hear from you how you evaluate the state of affairs concerning the trust in the rule of law, that these investigations are still not concluded.

And my second question is whether you can tell us more about the allegations about the beneficial owner of the 17 Black company and whether you can confirm that this is the same person who has been awarded a gas contract. How much can you reveal now on your state of knowledge concerning the company 17 Black?

1-012-0000

Owen Bonnici, Minister for Justice, Culture and Local Government of Malta. – Let me start with the last question. As you know, being a justice minister does not mean that you would know the details of ongoing investigations; rather, it would be dangerous should the justice minister of the country know the details of investigations – God forbid the justice minister of any Member State would know any details of investigations.

What I know is that each major investigation is being investigated by the judiciary. Each major investigation is being investigated by a magistrate who enjoys full independence from the executive and any other organ of the state. So I confirm that there is a process being undertaken on 17 Black, but honestly I don't know anything more than that which is already in the public domain. I honestly hope that those investigations come to a close swiftly, expeditiously, because justice must not only be done but seen to be done. So I support the cause of anyone who would urge the judiciary to do its work expeditiously for the sake of seeing justice not only done but seen to be done. What I know is that so far in the two major magisterial investigations which have been concluded, it resulted that there was no truth and corruption claims aired by some. So I think that is my answer to that.

Regarding the first question: again, I reiterate we have to trust the system. I do trust the system. I do trust the judiciary and I believe that they are a competent body which enjoys full independence from the executive, and I would like to thank them publicly for the work they are doing, despite some unjust criticism.

1-013-0000

Sven Giegold (Verts/ALE). – Concerning the ongoing investigations concerning Mr Schembri and Konrad Mizzi, I understand your reservation, although I have to say that it's surprising how long it takes. But there's something which we experienced ourselves, and that was that when we met Mr Mizzi and discussed with him his shell company, he gave us the

reason that he set it up because of family reasons. He said that in person, and some people here in the room were present when he did so. Later we saw – and I have the documents myself, from the Panama Papers – that exactly the shell companies we discussed were actually not opened for family reasons, but it specifies ‘waste and other form of business opportunities’. So he did not tell our delegation the truth, and some of us were there.

Mr Minister, do you find it normal that a minister in office – and we have said that several times publicly – did not tell us the truth and then at later meetings refused to meet us in Malta, do you find that normal?

1-014-0000

Owen Bonnici, *Minister for Justice, Culture and Local Government of Malta*. – I think first of all what I can say is that the judicial inquiry into matters relating to Konrad Mizzi: there was a decree by the Criminal Court a couple of days ago, which effectively did not find legal basis in the request put forward by the then leader of the opposition. That is what I can answer. What I can also answer is that Mr Mizzi was returned to Parliament last year – the electorate voted him in again – and he is one of the ministers of this present government.

1-015-0000

Sven Giegold (Verts/ALE). – This was not my question Minister.

1-016-0000

Owen Bonnici, *Minister for Justice, Culture and Local Government of Malta*. – You’re asking me to comment about things which I did not say myself, or I have no knowledge about them myself. But what I do have knowledge is that... Okay I remember what I wanted to say. What I do know is that this allegation, this whole allegation on Mr Mizzi and others, was decreed upon by the Criminal Court, and I take note of what the Criminal Court has said.

You also mentioned meeting people, and beforehand I issued my criticism or dismay when a number of MEPs wanted to meet the inquiring magistrates themselves to discuss with them specific matters which are being investigated by the magistrature. I would like to reiterate that I don’t think it is done, so on future occasions I would humbly suggest Parliament to regulate better, by means of a code of ethics or what have you, the request of politicians – it could be ministers, it could be anyone else – meeting inquiring magistrates. I don’t think that would have been a positive development.

1-017-0000

Mario Borghesio (ENF). – Signor Presidente, onorevoli colleghi, signor ministro, la ringrazio della sua esposizione alla quale mi riallaccio subito, perché non molti giorni fa, esattamente il 26 gennaio, in Italia le agenzie battevano la notizia che Benedetto Bacchi, detto Nini, conosciuto come il re delle scommesse online, è in carcere per concorso esterno in associazione mafiosa e il suo tesoro – circa 6 milioni di euro, ritenuti dagli inquirenti, investigatori italiani, frutto di attività di gioco, ma al servizio della mafia – è stato posto sotto sequestro nello Stato dell’isola a sud della Sicilia, dove era custodito sotto il paravento di quattro società.

Io vorrei sapere se lei non ritiene che sia piuttosto emblematico che in questo caso, come in altri casi – pensiamo alla super espansione delle società che fanno capo alla 'ndrangheta nel settore del gioco online, sempre con società con sede legale a Malta – se non sia appunto piuttosto emblematico che – con tanti paesi del mondo, anche paradisi fiscali, che ci sono – la 'ndrangheta, cioè la più potente organizzazione criminale mafiosa, sceglie Malta. Mi dà una risposta a questo? Anche perché su questi traffici e su questa *connection* mi attendevo da lei delle parole, come ministro della Giustizia, su come intende incidere.

Il rapporto tra mafia/criminalità organizzata e politica credo che sia il retroscena del delitto di cui, per vari aspetti, ci stiamo occupando, quello della coraggiosa giornalista d’inchiesta

Daphne Caruana Galizia. Forse è per questo che non si va a fondo nell'individuare i mandanti, perché è proprio lì che bisogna cercarli.

1-018-0000

Owen Bonnici, *ministro della Giustizia, Malta*. – Quello che devo dire è che dopo un incontro che ho avuto con l'ex ministro della Giustizia, Andrea Orlando – è ancora alla Camera dei deputati ma all'opposizione, naturalmente – è seguito un accordo con l'antimafia dell'Italia. Abbiamo fatto un accordo fra Malta e l'antimafia in Italia per lavorare meglio insieme. *Closer cooperation*, più cooperazione: questa è la via che dobbiamo seguire in questo campo, lavorare insieme per combattere la criminalità organizzata e la mafia.

Mi stanno dicendo che non ci sono compagnie italiane di *gaming* registrate a Malta, fattualmente non ci sono compagnie di *gaming* italiane registrate a Malta, ma il punto è che noi stiamo lavorando benissimo con l'Italia e speriamo che questa collaborazione continui, perché noi siamo vicini di casa, viviamo in una regione vicini uno all'altro e dobbiamo lavorare insieme.

1-019-0000

Mario Borghezio (ENF). – Ringrazio il ministro per l'uso della lingua italiana. La seconda domanda: lei ci dice che esclude la presenza di società italiane del settore del gioco, ma esclude anche la presenza di noti e ben schedati mafiosi italiani che, con il paravento di società create magari altrove, operino a Malta con questo tipo di società?

1-020-0000

Owen Bonnici, *ministro della Giustizia, Malta*. – Onorevole Borghezio, ti assicuro – se mi permetti di darti del tu – che noi non abbiamo assolutamente interesse ad avere queste persone a Malta, anzi, noi lavoriamo per combattere la criminalità organizzata, ci impegniamo per continuare il lavoro contro la criminalità organizzata.

Se non avessimo avuto quest'intenzione non avremmo firmato quest'accordo con l'antimafia italiana. Stiamo lavorando molto bene, puoi chiedere ai tuoi colleghi in Italia: ti diranno che il rapporto è molto forte, che lavoriamo molto bene, perché noi vogliamo combattere la criminalità organizzata.

Malta – siamo onesti – è piena di lavoro, l'economia è in espansione, abbiamo un'economia che sta accelerando a livelli record. Noi vogliamo un lavoro pulito, noi vogliamo un'economia giusta: siamo là per combattere la criminalità organizzata.

1-021-0000

Tom Vandenkendelaere (PPE). – Mr Minister, 'if you have a yacht and two airplanes, the next thing to get is a Maltese passport. It's the latest status symbol'. It is not my quote, it is the quote of the President of Henley & Partners. And I'm wondering, actually, how many Maltese citizens would agree to that statement that the Maltese passport indeed is a status symbol to get. You might know that we as a tax committee are in favour of a total ban of so-called golden visa schemes. Now, I saw that in Malta there are two such golden programmes: one for citizenship (MIIP) and one for permanent residents (MIRP).

I have four questions for you. First of all, please do explain what is the most popular programme and what is the difference between those.

Second question I would have: would you be able to give us an honest impact assessment of what would happen if we were indeed to ban these programmes totally across the EU – what would that mean for Malta?

Then on Henley & Partners (because that quote was so good, I do need to ask): they have made up to EUR 300 000 of lobby efforts, and one of the efforts included in those activities is especially the application of such programmes, among others, in Malta. Could you please

confirm that there is indeed such a cooperation with Henley & Partners by your government, and are you personally involved in that cooperation?

The fourth and last question I would have for you is on your mentioning of the good controls that are in place: good controls with regard to who receives the passports. Transparency International, as you might know, has published a report which was mentioning also that 2 000 Maltese passports since 2014 have been given out. In September last year, the police in Finland has made an investigation into a case which was an operation of up to EUR 10 million controlled by a Russian businessman. This Russian businessman would be considered to have Maltese citizenship. So I'm wondering: if your controls are that good, has this person been on the radar of the Maltese government? Do you think you should do better at controlling the persons receiving the citizenship and how are you intending to do so? Thank you.

1-022-0000

Owen Bonnici, *Minister for Justice, Culture and Local Government of Malta*. – Thank you so much for the question. I tried in my initial intervention to tackle the Individual Investor Programme (IIP) and I would not want to repeat what I have already said in the first part of this dialogue.

What I would like to say is that, first of all, I have absolutely no interest in Henley & Partners, save for the fact that for one year I was Minister responsible for immigration. But apart from that I have absolutely no relationship at all with Henley & Partners. Yes, they are the official concessionaires of the Maltese citizenship programme. Everything was made public when they obtained the concession after a public call which, again, was made public, according to Maltese law.

Regarding citizenship by investment. To be honest, as I said, I was Minister for Immigration for one year, so I don't have a lot of experience, but I do have experience. And trust me, the problem with due diligence doesn't lie with those people who have due diligence checks made upon them – once, twice, thrice and four times – but rather, if one had to be putting forward questions on due diligence, one should question the other people who obtain citizenship by normal means. I'm not saying that I'm against it (so that I'm not misquoted), but I honestly find it a problem when someone tells me that IIP applicants do not pass due diligence requirements when in fact they have surplus due diligence exercises made upon them, and they are very strict. And as I said before, there is a regulator, which was agreed to by both parties in Parliament, and there is also a committee regulating the regulator. So there is a whole system of checks and balances.

If you take a look at the refusal rate of the IIP applicants, you will find that Malta has one of the most strong refusal rates. So the impression that one may give that any rich person can come to Malta, sign a paper on the dotted line and get citizenship is absolutely false.

Also, the question regarding this Russian person who you mentioned: I'm being told that he is monitored, and he operated for a number of years in Finland. So that is the information I have right now, but I'm being informed that he is being closely monitored.

Again, to reiterate: due diligence is very strong in the IIP citizenship by investment programme, and you also asked me what it would mean for Malta if one had to close, theoretically, the programme. Malta registers a surplus: we are enjoying a surplus, year by year. The surplus does not include the money coming from this programme. So when we calculate the surplus, we cast aside the citizenship by investment programme. So without it, Malta enjoys a surplus. As I said before, Malta is undergoing record economic growth right now, with a lot of economic growth and job creation.

What we use the money coming from citizenship by investment for is, there is this fund for future generations, which is governed by leading and very respected people in Malta, who govern those funds for the sake of future generations. For instance, recently we have just inaugurated a project for social housing. But that is beside the point. The point is that Malta doesn't need the money coming from IIP to tally its accounts; rather, Malta enjoys a strong surplus.

However, I want to underline that the Maltese programme is very serious. It has four-tier due diligence mechanisms and the refusal rate is very high, which means that we take matters very seriously.

1-023-0000

Chair. – Thank you, Minister. I have four requests for catch-the-eye but we don't have much time, so if we can combine them and if everyone can express himself or herself within 30 seconds, we can do it. So, Mr Rosati, Mr Mann, Ms Sander and Mr Hökmark. Dariusz Rosati first.

1-024-0000

Dariusz Rosati (PPE). – Chair, I give up my time and convey it, if you agree, to Mr Hökmark.

1-025-0000

Thomas Mann (PPE). – Herr Vorsitzender! Herr Minister, Sie haben vorhin gesagt: „Malta ist keine Steueroase“. Naja, dort haben wir den niedrigsten Körperschaftsteuersatz in der EU. Auf dem Papier sind das 35 Prozent. Aber daraus werden effektiv fünf Prozent, weil all die Unternehmen, die in Malta nicht steuerpflichtig sind, 80 Prozent ihrer bezahlten Steuern vom Finanzamt zurückfordern können. Also werden aus 35 Prozent effektiv fünf Prozent. Ist das noch eine faire Steuergesetzgebung, wenn wir vergleichen, wie es in anderen Mitgliedstaaten ist?

Und das Zweite: Gibt es eigentlich genügend Beweismittel, die Sie eingeholt haben, um wirklich effektiv gegen Korruption und Geldwäsche vorzugehen? Sie haben vorhin gesagt, Sie hätten einen Stab vervierfacht, da muss man sehen, auf welcher Basis das Ganze beruht.

Bei *17 Black* haben Sie vorhin darauf hingewiesen, Sie können nicht über alles reden. Aber können Sie uns etwas über die Eigentümerstrukturen sagen? Denn darüber würden wir auch gerne Informationen haben und sind um Rechtshilfe ersuchend an die Vereinigten Arabischen Emirate verwiesen worden.

1-026-0000

Anne Sander (PPE). – Je voudrais revenir sur un point qui a été évoqué par ma collègue Ana Gomes en début de rencontre et sur lequel vous n'avez pas donné beaucoup d'explications.

C'est Daphne Caruana qui a révélé le nom de la fameuse compagnie «17 Black», soupçonnée de blanchiment et de corruption. Quelques mois plus tard, elle a été sauvagement assassinée. Des manifestants pacifiques veulent maintenant manifester en déposant des fleurs et des bougies, et le gouvernement, vous-même en particulier, ne les y autorisez pas, en quelque sorte, puisqu'à chaque fois, tous ces objets sont enlevés. Au-delà du geste symbolique pour se recueillir face à cet acte, c'est aussi la liberté de manifester, de s'exprimer, d'appeler à une société plus juste, qui est réprimée. Je voudrais que vous nous expliquiez davantage pourquoi ces manifestations sont interdites, ce qui de mon point de vue est difficile à expliquer et à accepter.

1-027-0000

Gunnar Hökmark (PPE). – You have got a lot of difficult questions here tonight, and I will give you two very simple ones. It strikes me when I listen to your answers on these very

detailed questions that you say that everything is working fine. When I came here, I thought this would be a hearing about discussing problems that we jointly could see. But as far as I understand from you, in spite of the fact that you have all these events about golden visas and membership programmes, all the tracks of money laundering pointing to Malta, all the events that have proved problems with tax evasion – and, of course, not mentioning a singular case, this example of 17 Black (don't you think it is a problem that people under investigation can get granted governmental contracts?) – don't you, Mr Minister, see that there is a problem? Isn't there a problem from Malta regarding money laundering, golden visas, black economy, tax evasion? Aren't there any problems? Is that your message here? Because that makes me concerned that you are not concerned. It is terrible, because you are giving evidence for a country having huge problems. You are pointing and saying all the time 'we have a structure for that and that', but don't you see the whole world is looking upon Malta and looks upon a lot of problems that are a danger for European security and a danger for European citizens? And you don't say it's a problem. Is that true? That's a very simple question.

1-028-0000

Owen Bonnici, *Minister for Justice, Culture and Local Government of Malta*. – First of all, regarding the question made by Mr Mann – he asked me specifically whether cooperation is going on with UAE. Yes, it is going on with UAE. In fact, there is this procedure which is presided upon by an inquiring magistrate, who is undertaking the necessary mechanisms according to law. He also claimed that we don't have enough resources to fight corruption, and you mentioned the word 'evidence'. Sometimes, I get this feeling of inconsistency, because at one point our institutions get criticised for not doing their work, and when they do their work we get criticised because of alleged corruption. So I think one has to decide whether one wants to criticise the fact that the institutions are working or whether one wants to criticise our country as a whole. I believe that our institutions work – they do work, they are doing their utmost, and I have full trust in the system.

Ms Sander made some questions about demonstrations being banned. There are no demonstrations which are being banned. Anyone is free to criticise anyone he likes in Malta, including myself. I have been criticised in very foul language, which is perfectly OK – I have no problem with that – but I have a problem with someone who claims that demonstrations are being banned.

Regarding the memorial, I reiterate my call or my wish or my hope, if you want to use that word, for an application to be made for a proper memorial for Daphne Caruana Galizia. I think that if an application is made for a proper memorial for Daphne Caruana Galizia, rather than using the Great Siege Monument, which for a number of people in Malta carries a lot of emotions, that would be a very good step forward, which I would honestly welcome.

Regarding what Mr Hökmark, who wants to paint all the picture black, has said – and I am one of the people who do not believe in total blackness or total purity, but believe that reality lies in the realm of things which need constant improvement – I'm not going to say that everything is perfect. I haven't said that everything is perfect; what I said is that I trust the institutions, and I hope you also trust the institutions, the judiciary.

Before, during my opening intervention, I listed ...

1-029-0000

Gunnar Hökmark (PPE). – Excuse me Mr Minister, are you concerned or are you not concerned?

1-030-0000

Owen Bonnici, *Minister for Justice, Culture and Local Government of Malta*. – Mr Hökmark, in my initial intervention I listed facts. I did not come here and make political

statements. I simply listed facts to show that things are being done to keep Malta abreast of our obligations at community level.

1-031-0000

Ana Gomes (S&D). – Minister, you referred to a decree opening an inquiry but Mr Mizzi and Mr Schembri, and apparently also Prime Minister Muscat, appealed that decree. So what for? What do they have to hide?

1-032-0000

Owen Bonnici, Minister for Justice, Culture and Local Government of Malta. – What the honourable Ms Gomes is mentioning is a decision for an appeal to be made by the people you mentioned in front of the Criminal Court, and the Criminal Court accepted that appeal. I think the rule of law means that everyone has the right to exercise the rights and obligations given to him according to law, and in fact the highest court of the land – the Criminal Court – has decreed that there are no grounds for investigation, as the honourable former leader of the opposition – I'm not going to mention names – the former leader of the opposition, had pushed forward.

1-033-0000

Chair. – Thank you, Minister. Without, of course, any prejudice to what some Members may think about the answers or the situation in Malta in general, I'd like to appreciate that the Minister came to exchange views with us because dialogue with members of the government of Member States is one of our important instruments in our work. So thank you very much for coming, Minister, and the Minister will also stay for our hearing on another issue related to Malta – and the Ambassador as well, as I gather – and that's the public hearing on alleged financial crimes, tax evasion and tax avoidance in Malta.

Public hearing: "Alleged financial crimes, tax evasion and tax avoidance in Malta"

1-035-0000

Chair. – The Minister and the Ambassador will be present, but only in a passive way this time.

I'd like to welcome our two speakers in the public hearing: Mr Stephen Grey – welcome – who is a London-based writer and reporter, working as a correspondent on a special project team of the Reuters news agency and Member of the International Consortium of Investigative Journalists (ICIJ) and in the Daphne project.

The second expert is Mr Matthew Caruana Galizia – welcome, sir – who is a Pulitzer prize-winning journalist and a software engineer. He worked also with ICIJ for five years, where he was a lead engineer on six major investigations. He left the ICIJ in 2018 to continue working on the case around the assassination of his mother, Daphne.

Each speaker will have a slot of up to seven minutes for their introductory remarks. Please, Mr Grey, do start.

1-036-0000

Stephen Grey, special correspondent at Reuters and investigative journalist. – Ladies and Gentlemen, I am very honoured to speak with you today, though saddened that due to my government's intentions I may not be able to return again as a European citizen. I was also wondering what you will be calling this building in future.

I have been a journalist for 30 years, today working as a special correspondent at the Reuters news agency in its investigative team that produces in-depth articles on matters of public interest. I am not here, however, to represent Reuters, but rather the Daphne Project, which I helped to found under the leadership of Forbidden Stories – an NGO which continues the

work of slain or imprisoned journalists. Any opinions I express are my own, however. It is on facts, however, that I wish to assist on. I have been reporting on Malta and the legacy of Daphne Caruana Galizia objectively, I hope, and without any partisan concern. I will introduce some of the facts that we have been investigating, and if I am in danger of going over time, I will stop and you can ask me to elaborate on any aspect that you wish me to do so.

First some general points: the object of journalism, I believe, is not to prove a crime, just as it is not the job of politicians in a healthy democracy to send their opponents to jail. We are both – journalists and parliamentarians – detectives of last resort, aiming to shed public light on the facts of an injustice or wrongdoing when the specialist agencies of government – police, magistrates public regulators – are failing. But we cannot replace official inquiries; we can only hold them to account.

Daphne made a number of allegations about wrongdoing in Malta, and like all journalists, she did make some errors. She was highly opinionated – a campaigner. She was strongly opposed to the Labour Party in Malta – a point of view, which, as outsiders, it would be wrong to endorse – though equally, her last allegations – still to be proven or disproven – were levelled at the leader of the Opposition, and I don't believe she got everything right. We have a saying in journalism that 'you're only as good as your sources'. That said, it's very much arguable that she would be alive today if the institutions of Malta had thoroughly investigated many of the points that she alleged and brought the conclusions to public light, and had she not been left so isolated. Without investigation there is impunity, and impunity creates what can be a pervasive and infectious sense that major crimes will remain unpunished. It creates a dangerous climate for all who speak their mind. Until now, no person has been indicted, nor has any public information emerged which suggests why exactly Daphne was killed and who commissioned the killing. I have no evidence that any of the matters we discuss today in specifics have any direct connection whatsoever to her death, but failing to investigate them properly leaves a cloud of suspicion in the air on almost everyone, and that serves nobody.

In respect of economic crime, the subject of today's hearing: we've advanced in the Daphne Project in two key areas, which I'd like to highlight. First off, we identified how weak financial controls in Malta allowed an Iranian bank, Pilatus Bank, to be established in Malta, while establishing close political ties with the principal function as a bank for the rulers of Azerbaijan. An example of that weakness: the chairman of the bank, Ali Sadr Hashemi Nejad, now under indictment by the FBI, told Maltese regulators his nationality was St Kitts, a passport he'd purchased from Henley and Partners. A simple background inquiry – which never took place – would have established that he was in fact Iranian, the son of a prominent banker in Tehran.

Accounts were opened for – among others – the chief of staff of Malta's Prime Minister, Keith Schembri, and a Panama company owned by accountant Brian Tonna, who served as his private accountant and a consultant to Malta's Government. The Prime Minister of Malta, Joseph Muscat, attended the wedding of the bank chairman.

As the Daphne Project was able to confirm with substantial investigation of Pilatus account holders, the bank was used principally to handle funds for companies owned by people from Azerbaijan, and specifically the family of the President of Azerbaijan and the Minister for Emergency Situations. The companies then purchased assets all over Europe, including in France and Britain, as well as elsewhere in Georgia and Dubai. I can tell you more on that.

Until now, we are not aware of any significant inquiry or effort anywhere in Europe to trace that money. While a low-level inquiry continues into the role of bank staff in approving

activities at the bank, I'm not aware of any significant effort to trace the overall role of the bank in shipping assets from Azerbaijan and to trace what became of the money.

Our second major inquiry of relevance here was to identify the owner of a mystery company, first published by Daphne, known as 17 Black. As the committee is aware, this company was identified in December 2015 correspondence by Mr Tonna's company, and the evidence was obtained not just from the Panama Papers but directly by Malta's Financial Intelligence and Analysis Unit, the FIAU, as the source of up to USD two million that was paid to Panama companies, owned to the benefit of Mr Schembri and Konrad Mizzi, then energy minister.

Through inquiries in Malta, we've learned that 17 Black's sole beneficial owner had been identified by authorities in both countries as a Maltese citizen, Yorgen Fenech. That information, we learned, had been passed to the police in the spring of 2018. From Dubai, we also learned that the accounts of 17 Black – now renamed – had been frozen after the bank was alerted to the leaked FIAU report. We learned that EUR 9-10 million had moved through this account, and it now has a balance of around EUR 2 million. That matters because Mr Fenech is a director and a shareholder, together with his family, of the Electrogas consortium which obtained a concession to build a USD 450 million power station in Malta. Mr Fenech has denied any wrongdoing, but he hasn't challenged our report.

The full accounts of 17 Black need to be exposed, but the FIAU has already – as the committee knows – detected two payments into the account in 2015. One was from a Mr Azeri – I can tell you more about him – and the second was from a contractor of that company, Electrogas, which is also owned by Siemens and the Azerbaijan state oil company. Mizzi has denied any knowledge of that correspondence, but Schembri confirmed the draft business plan to deal with 17 Black and Macbridge, the other company mentioned in correspondence. I could tell you more about that.

I will just throw out two points by way of conclusion, if you'll permit me. I can tell you more about those specific cases if you wish. But just general points to throw into the discussion. Two points of conclusion I had raised.

Firstly, I think these cases raise a broad institutional failure not just in Malta. When an allegation of corruption touches a European nation and its leadership, there appears to be no mechanism for another nation or European agency to pick up and investigate that allegation, even when it crosses borders. Must it be only the US Department of Justice that can assemble such cases?

Secondly, we must ask what duties exist for offshore centres – places like Malta, where through a decision of all political parties, they've chosen to make themselves an international financial centre, attracting not only capital fleeing from the Wild East, but also new capital invested in loosely regulated fields like ship registration, offshore company vehicles, gambling and, most recently, crypto-currency. Those offshore activities – while legal – attract, like bees to the honey, corrupt and criminal players. So along with a national choice becomes a clear burden: a duty to invest in regulators and well-resourced investigators who are capable of policing this dubious byproduct.

As to the specific cases we investigated, many facts remain to be established here, and only proper investigations can reliably determine any wrong-doing. But we, as journalists, believe that a bomb cannot snuff out the questions raised by a journalist or any citizen who makes serious allegations, and we continue to be dedicated to getting to the bottom of the question. We cannot act alone, and I ask you – ladies and gentleman – to play an equal part in this continuing process, and we ask anyone who knows anything to come forward.

1-037-0000

Matthew Caruana Galizia, *investigative journalist and son of murdered Maltese journalist Daphne Caruana Galizia*. – I am a software engineer, and – as you kindly introduced me – I worked full-time for the international consortium of investigative journalists, a non-profit based in DC from 2014 to 2018. There I was responsible for receiving large volumes of leaked data on behalf of my employer and making them available to a large network of journalists for investigation through our platform, which I built with help from my team.

The leaked data came from the Luxembourg tax office, from the HSBC Private Bank in Switzerland, Singapore-based Porthcawl Trustnet and BVI-based Commonwealth Trust Limited, Panama-based Mossack Fonseca and Bermuda-based Appleby. So I have five years of experience investigating offshore trust companies and offshore law firms.

While I was at ICIJ, I received specialised training that allowed me to easily interpret the leaked legal and corporate documents from the offshore law firms. As a software engineer, I could build the tools that would allow myself and other journalists all over the world to collaborate on an investigation of hundreds of millions of these documents.

My mother, Daphne Caruana Galizia, was an independent investigative journalist with 30 years of experience in the field. She was assassinated in Malta with a bomb placed under the seat of her car on 16 October 2017 while working full time on a journalistic investigation into the illicit activities of Minister Bonnici's colleagues, Joseph Muscat, Keith Alana Schembri, Konrad Mizzi, their private accountants – Karl Cini and Brian Tonna, one of the Electrogas Malta shareholders, Yorgen Fenech, and the State Oil Company of the Azerbaijan Republic, SOCAR. Other individuals that she investigated are directly connected to the individuals named above, but are party to what I believe to be separate violations that will take many more of these meetings to cover. The individuals and companies that I have just named form part of an organised criminal conspiracy that was created to illegally profit from the privatisation of Malta's energy sector.

I am going to outline the facts, starting from Malta's general election in March 2013, which show how this happened. At that time, in 2013, this group of individuals operated as part of a broader effort around the official campaign of the current Prime Minister Joseph Muscat to privatise Malta's energy sector and grant the national power generation contract to a private monopoly that would operate gas-powered turbines. The stated political goal was to reduce electricity bills. Following Joseph Muscat's election to power, the deal was awarded by opaque public tender to a business consortium incorporated as Electrogas Malta Limited, in a process widely perceived as having been corrupted. The selection board for the public tender was officially chaired by the private accountant to Keith Alan Schembri, the Prime Minister's Chief of Staff, and Konrad Mizzi, the Minister of Energy. His name is Brian Tonna, and he is a partner at the firm Nexia BT.

In private briefings that I have held with state intelligence officials of other EU Member States, they have described the deal as being completely corrupt with 100% certainty. Using a credit line that is guaranteed by the Maltese Government, Electrogas Malta is bound by an undisclosed deal to purchase gas from the State Oil Company of Azerbaijan at double the market rate. The Maltese public was not given the choice of buying cheaper electricity from existing undersea power interconnectors with Italy, which instead serve as backup during frequent failures at the gas-powered plant. SOCAR, an Azerbaijani state-owned company, owns a 33% share of Electrogas Malta via a Switzerland-based company called SOCAR Trading. Each year, it buys an estimated 14 million units of gas from Royal Dutch Shell, paying an estimated USD 130 million for the shipments at a price fixed to the international market rate. SOCAR Trading, the same Azeri company, sells Electrogas Malta the same amount of gas and charges an estimated USD 153 million.

So, if you've been able to follow, this means that the state company of Azerbaijan pockets USD 40 million on every single transaction for doing absolutely nothing. Enemalta Plc, a state company, and Electrogas Malta then convert the gas into electricity, which is distributed to consumers who have no choice. It's a monopoly. Over the duration of the gas supply agreement, USD 1 billion will leave the Maltese economy as profit for the State of Azerbaijan. Internal invoices and correspondence between Electrogas Malta shareholders show that the gas that is shipped to Malta is sourced from natural gas fields in Trinidad and Tobago by Royal Dutch Shell. SOCAR Trading SA plays the unnecessary role of a middleman, ships no actual gas from Azerbaijan and generates huge profits that are embezzled by the family of the President of Azerbaijan. Those same profits were ultimately destined for the bank accounts of Keith Schembri, the Prime Minister of Malta's Chief of Staff, and Konrad Mizzi, the former *de jure* and current *de facto* Energy Minister.

The agreements for the purchase and supply of gas that guaranteed these profits for the state of Azerbaijan were orchestrated by the same Energy Minister, as well as the Prime Minister's Chief of Staff, Keith Schembri, and the Prime Minister himself. The terms of each of the agreements were never disclosed to the public. In early 2017, I began providing technical support to my mother, who was in the process of receiving correspondence, invoices, contracts and internal records from a whistleblower within Electrogas Malta. I communicated with the whistleblower via my mother in order to receive larger transfers amounting to hundreds of gigabytes of emails between Electrogas Malta shareholders and scanned documents, after establishing *prima facie* that criminal and ethical violations were being committed by the shareholders.

In the six months leading up to the assassination of my mother, she published articles based on information passed on by the whistleblower. Further correspondence showed shareholders of SOCAR Trading discussing the published articles with other shareholders of Electrogas Malta ...

(Chair: Excuse me, Mr Caruana; there's a request from the interpreters to slow down.)

OK, sorry, I talk very fast.

... in a manner that indicated significant alarm. At this point, I took over direct communication with the whistleblower from my mother.

In January 2013 – two months before the incumbent Malta Labour party won the general election – Karl Cini began corresponding with Mossack Fonseca regarding the purchase of Panama shelf corporations. A trip to Panama was arranged for him to urgently create a Malta franchise of Mossack Fonseca. Nexia BT is a firm regulated by Malta's accountancy board. That has not been sanctioned by that board, and two of its three partners – Brian Tonna and Karl Cini – privately declared themselves to act as personal accountants with full powers of attorney for Keith Alan Schembri and Konrad Mizzi, the Prime Minister's Chief of Staff and the Minister of Energy, who were at the time in senior positions within the Labour Party's electoral campaign. In frequent correspondence between Mossack Fonseca's office in Panama and Nexia BT's office in Malta, Karl Cini supplied the names of Keith Schembri and Konrad Mizzi as the ultimate beneficial owners of two of the shelf corporations purchased from Mossack Fonseca. He was directed by his clients, these two government officials.

Internal emails from Mossack Fonseca provided by a whistleblower show hurried, unsuccessful attempts to open offshore bank accounts in multiple jurisdictions for the shelf companies – at least nine jurisdictions. Requests to open bank accounts were unsuccessful due to the prospective account holders being politically exposed persons (PEPs). The same

correspondence shows Karl Cini explaining to Mossack Fonseca's in-house lawyers that the companies would be receiving USD 1 million per year into their bank accounts from two companies registered in the United Arab Emirates – 17 Black Limited and Macbridge Limited. The source of these funds for both individuals was declared by Karl Cini, under instruction from the Prime Minister's Chief of Staff and the Minister of Energy, to be from recycling in China, India and the Middle East and remote gaming. No credible explanation was provided for why the clients would be starting such a business while in senior positions within government.

Over a year after my mother was assassinated, a Reuters investigation revealed that the true owner of one of the companies – 17 Black Limited – was one of the very shareholders of Electrogas Malta Limited, a man called Yorgen Fenech, who has no experience in the energy sector and who is the owner of two casinos at which the three hitmen hired to assassinate my mother gambled over half a million euros while having no employment. It was at this point that my family and I realised that the circle had closed. The secret Panama companies owned by the Energy Minister and the Prime Minister's Chief of Staff were set up specifically to receive kickbacks from Azerbaijan for the gift of a USD 1 billion contract to the country's president.

A second Reuters investigation revealed that the entire time Brian Tonna was acting as the private accountant to Konrad Mizzi and Keith Alan Schembri, he was receiving a salary worth EUR 60 000 per year from the government ministry of Owen Bonnici himself, who is sitting right there and consistently says that he is unable to provide any explanations, while the same accountant who is able to provide all these explanations was working in his own office – right under his nose – while the same magisterial inquiries that were supposedly ongoing and investigating this accountant were in progress.

As you have seen this evening, the *raison d'être* of the Maltese Government and its representatives here has become to cover up not only the assassination of my mother but all of the corruption that she investigated. Owen Bonnici defers over and over again to populism. What he is saying is that whether or not Konrad Mizzi faces justice or not is not important, because the public re-elected him. The problem for him is that now we know that when he and his counterpart, the ambassador, speak here, they speak not as elected representatives of the Maltese people but as agents of a criminal organisation fed by underground rivers of money from Azerbaijan.

My appeal to you – and I make it also on behalf of my mother's entire family – is to continue eating the elephant of this corruption one bite at a time. We ask MEPs to push for the creation of a Europol joint investigation team (JIT) that will be dedicated to investigating the extent of Azerbaijani corruption not only in Malta, but in the whole of Europe itself. I have no doubt that all of the scandals that we've seen over the past few years within the Council of Europe's Parliamentary Assembly – Dankse Bank, Pilatus bank in Malta, these other scandals in Malta – are all a part of the same criminal network, and this criminal network cannot be taken down by a single Member State – especially not Malta. It has to be taken down with a concerted effort, in the same way that it took a concerted international journalistic effort to take the down Mossack Fonseca.

My family sees this as the only way to throw up the evidence required to find the masterminds responsible for my mother's murder. Unless this is done, then absolutely nothing will happen. Absolutely nothing. No matter what Owen Bonnici promises, nothing will happen.

1-038-0000

David Casa (PPE). – Sur President, Daphne kienet qed taħdem fuq l-ikbar *leak* ta' informazzjoni kif għadu kemm qal Matthew. *Leaks* li nitkellmu dwar 680 dokument tal-Electrogas. Din kienet pubblika, din l-informazzjoni u l-Pulizija qatt ma investigat. Din kienet pubblika, din l-informazzjoni, u l-Avukat Ġenerali ma investigax. Inqatlet Daphne Caruana Galizia u lili ġie *leaked* dokument tal-FIAU, ta' istituzzjoni tal-Ministru Bonnici, għax jirrapprezenta lil dak il-Gvern, u f'dan il-*leak*, f'dan id-dokument tal-FIAU, fil-konkluzjonijiet tiegħu kien hemm li l-Ministru Konrad Mizzi għandu jittressaq quddiem il-ġustizzja. U minkejja dan id-dokument ufficjali tal-FIAU, il-Pulizija baqgħet ma għamlet xejn.

Jiena deherli, flimkien ma' oħrajn, li l-uniku post li kien għad fadal f'Malta huwa li mmur fil-Qrati tal-Ġustizzja biex nitlob lill-Qrati, mhux jikkundannaw lill-Ministru kif għamel l-FIAU, imma biex għall-inqas il-Qrati tagħna jjsfurzaw li ssir investigazzjoni fuq *17 Black!* Heġa tal-iskantament, Sur President, li b'din l-informazzjoni li kellna, bir-rapport tal-FIAU jiddikjara li kien hemm hasil tal-flus, il-Qrati tal-Ġustizzja f'Malta, li tant ftaħar bihom illum Owen Bonnici, ukoll għalqulna l-bibien. U allura illum spicċajna f'sitwazzjoni fejn f'ebda istituzzjoni demokratika ta' pajjiżna mhi qiegħda ssir investigazzjoni fuq *17 Black*. Illum skoprejt mill-Ministru jien, li qal li qiegħda ssir investigazzjoni fuq *17 Black*; nittama li nkunu nafu min qiegħed jagħmel din l-investigazzjoni u minn meta bdiet u meta ha tispicċa. Għaliex s'issa hafna kliem sbieħ smajna minghand il-Ministru Bonnici, li smajna madwar sena ilu meta kien qiegħed f'dan l-istess Parlament. Però s'issa ebda investigazzjoni serja, la fuq Konrad Mizzi, u lanqas fuq Keith Schembri mhi qiegħda ssir f'pajjiżna, u ngħidha bl-ikbar responsabbiltà, minkejja l-hafna theddid u insulti, anki ta' traditur, li jien traditur ta' pajjiżi, li qed isir kontinwament mill-partit tal-Ministru Owen Bonnici.

Li xtaqt insaqsi lil Matthew u lil Stephen huwa dan: Daphne Caruana Galizia nqatlet tmien xhur wara li żvelat din l-informazzjoni ta' skandlu, tal-ikbar skandlu li qatt kellna fl-istorja ta' pajjiżna, taħsbux li l-assassinju tagħha kellux b'xi mod jaqsam ma' dan l-akbar skandlu ta' korruzzjoni li qatt sar fl-istorja ta' Malta, ta' pajjiżi? Li jien qiegħed hawn biex niddefendi, liċ-ċittadini tiegħu u mhux lil dan il-Gvern li sfortunatament mhu qed jagħmel xejn.

1-039-0000

Stephen Grey, special correspondent at Reuters and investigative journalist. – I suppose I could just comment on the state of the investigation into 17 Black. I think the important thing is this: is there an investigation going on into 17 Black? When we published the details the report was first leaked back in April, that confirmed that the FIAU had identified 17 Black and payments to it, and supposedly a police inquiry began then. But in fact we discovered that it was the spring of this year when the FIAU told the police that they'd identified the owner. When we published the owner's name, as they discovered and which was also independently verified in Dubai, we were told that the inquiry was ongoing, and in fact the Prime Minister of Malta refused to comment, based on the ongoing inquiries. What ongoing inquiries, is the question? There was one magistrate's inquiry which was appealed against, and has now been blocked. So what is left? Supposedly another magistrate, supposedly the police. But we're not sure there's any inquiry going on that's of any seriousness, and I say that simply because we have not seen any evidence of it: there's been no raid on any company; none of the people involved have been questioned by police. What we understand is that they're going to make requests to the UAE and to Latvia, which also supplied information. But when we last checked, none of those countries had received any request whatsoever, and that was just before Christmas. So that's more than six months after the inquiry supposedly began, and certainly since the police received this dossier from the FIAU.

So what's going on here? It seems the police will, in time, send these requests, and wait patiently to see if Dubai chooses to supply any evidence from its banks. But it's worth understanding that, under the law of Malta – and I stand to be corrected here, but this is how it

was explained to me by the FIAU in its published statements – they cannot transfer this data to the police unless they have a prima facie case. They can only pass confidential bank financial information to police where they have reasonable suspicion of money laundering and/or the existence of the proceeds of crime. So, the details of 17 Black ownership was passed to police after an investigation that was specifically targeting the activities of Mr Mizzi and the Malta's energy deals. So they have the basis on which to carry out these investigations but, as I said, until now we don't see any evidence that these inquiries are going on. In the absence of this, with what was taking place in Dubai – the freezing of the account – my understanding is that that will wind up and the bank is simply going to close the account and is due to send a cheque for its remaining balance back to the company – in effect, back to its beneficial owner.

1-040-0000

Virginie Rozière (S&D). – Je voudrais insister sur deux aspects. Vous avez beaucoup développé les questions de corruption et le premier volet de ma question concerne les cas que vous avez mis au jour dans votre rôle de journaliste ou, en tout cas, de soutien aux journalistes. Je voudrais revenir sur cette fonction journalistique et sur le travail de révélation qui a été le vôtre – avec les conséquences dramatiques que l'on sait: l'assassinat de Daphne Caruana Galizia. En ce qui concerne cet assassinat, justement, j'ai entendu que des éléments supplémentaires avaient été portés à la connaissance du procureur, des liens potentiels entre des personnes soupçonnées et des responsables politiques. On a aussi l'impression que l'enquête n'avance pas trop. Pouvez-vous nous en dire un peu plus sur l'état de cette enquête? Où en sommes-nous?

Le second volet concerne le rôle des médias. Vous connaissez l'attachement que nous portons ici à la reconnaissance du rôle des médias, de leur pluralisme, comme gage de la démocratie. Il est vrai que Malte est particulièrement pointée du doigt pour son manque de pluralisme, pour un lien fort entre le pouvoir et les médias, ainsi que pour l'usage massif qui peut être fait des procédures bâillonnées pour dissuader la prise de parole à la fois par les journalistes, mais aussi, possiblement, par leurs sources. Or, tout cela fait écho à des débats que nous avons aussi en ce moment dans les institutions européennes sur la protection des lanceurs d'alerte, qui ne sont pas uniquement des sources journalistiques, mais parmi lesquels figurent les sources journalistiques. Le prisme qui est retenu, particulièrement au Conseil, est de cantonner le rôle des lanceurs d'alerte à une sorte d'auxiliaire de la qualité dans les entreprises. On sait bien et on le voit bien avec toutes les révélations qui sont les vôtres, que le cœur de ce qui nous préoccupe, quand on parle de lanceurs d'alerte, ce sont ces sources journalistiques pour porter à la connaissance du public des scandales qui, autrement, resteraient dissimulés et perdureraient. Quel regard portez-vous sur la bataille qui est la nôtre pour savoir si l'on permet une divulgation publique, via les journalistes évidemment, ou si, dans le sens du Conseil, on maintient cette hiérarchie stricte, puisque le Conseil voudrait vraiment donner un droit de regard aux autorités administratives sur la possibilité de poursuivre le processus vers une révélation publique? Je voudrais avoir votre sentiment là-dessus. Comment ces différentes options auraient-elles conditionné votre travail en matière de révélations des scandales pour Malte?

1-041-0000

Matthew Caruana Galizia, investigative journalist and son of murdered Maltese journalist Daphne Caruana Galizia. – If I understood the second part of your question correctly, it's about collaboration between journalists, politicians and law enforcement, let's say – more or less.

What we see currently – and this is the same point that Stephen emphasised in his text – is that sources go to journalists because they have no one else to go to. As Stephen said, we are the investigators of last resort, and what makes things worse is that we cannot do anything about it, other than publishing. We can't prosecute; we can't charge; we can't arrest. But even

when sources do go to law enforcement in Member States, collaboration doesn't really work. So in the case of my mother's assassination, for example – which is I think the extreme example of how systems fail within the European Union – there is simply no one to go to. Even if you were a source who does go to our magistrate in Malta and you literally take the person responsible to the police in handcuffs for them, absolutely nothing is going to happen. So what more can you do? You can't do anything else.

The question that European politicians and state bodies across the EU have to answer now is this: what do we do when things become like this? What do we do in this worst-case scenario, when systems collapse completely in a Member State? Because the European Union, up until now, has been based on trust. It's like the United States in the 19th century, before the FBI was set up, when it was basically the Wild West and everyone did whatever they wanted. This is the state of the European Union now: it's very difficult to tackle cross-border crime.

I think that it's time to start a discussion. We called for a Joint Investigation Team (JIT) now because that is the only thing that can be done currently under framework legislation. But, looking further forward into the future, we need to prevent this very thing from happening in the first place, and I think the only way that can be done is with supranational collaborative policing within the European Union that has judicial authority. Not like Europol, which is a political body that basically functions like a call centre. That does not work, which is why we are in this situation with our various political systems having been corrupted by Azerbaijan, and with journalists being assassinated, and so on. We need to prevent this from happening. Prevent things from reaching this state.

1-042-0000

Stephen Grey, *special correspondent at Reuters and investigative journalist*. – Just one very small point, I think there's got to be a middle position between the sort of journalistic inquiry – put everything out there, publish everything – and this hyper-secret confidential FIU-style investigation, just forums to put matters on the record, like some of the hearings you have where, particularly when it comes to people, public officials, there is a less expectation of confidentiality. As I said at the beginning, it's not about always putting people in jail, it's not always saying 'there is a crime here'. It's about what we expect from our public officials and finding a way to make sure that these scandals allegations don't just sit broiling around for years, but that they can actually be dealt with and that the facts come out. I think one of the terrible things about all these things happening is that there are allegations stacking up like planes above Heathrow that haven't yet landed because there's endless delays and reasons why the facts of each of these matters have not been brought successfully to conclusions.

1-043-0000

Matthew Caruana Galizia, *investigative journalist and son of murdered Maltese journalist Daphne Caruana Galizia*. – Not only that, but because the justice system in Malta is completely opaque and the FIUs function as closed intelligence agencies, as Stephen said, very often because of this opacity we don't know that the process is being corrupted.

We had no idea until Reuters published the results of their investigation a few months ago that the very same accountant being investigated for these crimes was working within the Justice Ministry as an employee while he was being investigated. The public had no idea that that's what's happening. It was only the result of a journalistic investigation. But of course the magistrates knew, the Minister knew, the police knew, the Financial Intelligence Analysis Unit (FIAU) knew. None of us were allowed to discover this. It was only brought slowly into the public domain.

Again, what do we do in this worst-case scenario? I think there needs to be a kind of fallback solution where, when things have failed in this way or when judicial systems within Member

States have been corrupted, there needs to be a supranational fallback that has its own judicial authority.

1-044-0000

Sven Giegold (Verts/ALE). – Chair. I have three precise questions.

First, when it comes to the working conditions of journalists in Malta, do you think there is an excessive threat because of SLAPP and legislation of the like, and also legal threats to publishers? What do you think Europe should do about this? This is, of course, a growing threat everywhere in Europe, but I am asking you about the conditions at least in Malta or, if you want, also beyond that.

Second, there have been reports in the framework of the Daphne Project about money laundering and the link to eGaming companies, and the growing threat of the new cryptocurrency market which is being built in Malta. Do you have evidence for that link, and what can you tell us about this potential link?

Lastly, I would like to ask you, very openly: can you confirm here that there was a problem for the magistrate inquiring into the murder of Daphne Caruana Galizia to obtain all the information from the Maltese secret service which he asked for?

1-045-0000

Matthew Caruana Galizia, investigative journalist and son of murdered Maltese journalist Daphne Caruana Galizia. – I can at least answer the first and last questions. For the last question, yes – I can confirm that the magistrate was unable to get the data required, or at least needed for the inquiry to proceed, from various state agencies, including Malta's security services.

(Mr Giegold: Who else?)

There were also difficulties with other private companies that have their own data, but as far as I know, it was the security services, which are under the direct control of the executive of the Prime Minister. They answer directly to the Prime Minister.

On the first question – a question I get asked quite often – which is whether journalists in Malta feel unsafe: yes, they do feel unsafe, but the reality is that because of the threat of vexatious libel action, very often they do not publish the kind of information that would allow their lives to be put at a risk in the first place. So journalists that are backed by weak journalistic institutions in Malta – which are basically all of them – that fall very rapidly to the threat of libel action are unlikely to publish anything that is going to put their lives at risk, simply because it gets stopped with the vexatious legal action.

The structural problem is that the burden of proof in libel in Malta is entirely upon the defendant. So, in the case of my mother, all of the libel cases that were filed against her while she was alive have now been passed on to my brothers, my father and I. The magistrate and the plaintiff know that we are unable to produce the key witness – my mother – because she is dead. Because we are unable to present this key evidence, under Malta's legal system we will lose the cases by default because the burden of proof is upon us and the plaintiff has to present literally no evidence. All they have to do is file the application without presenting any evidence other than to prove that the defendant published the supposedly libellous claims, and they will win by default.

This is the structural problem with Malta's libel system, and normally when the minister comes to meetings like this he goes on and on about the libel legislation and the new libel law that he supposedly promoted, and so on. but the key thing is this: unless this key reversal of

the burden of proof is done, we are always going to have the structural problem. No matter what the minister does, no matter what superficial changes he makes to the libel legislation, there is always going to be this problem because the minister and his other colleagues in government can file 20, 30, 40 or 50 libel cases at a single journalist in one go. This is exactly what happened to my mother; one of the donors to the minister's own political party filed 19 libel cases in one go against my mother. Again, he had to present literally no evidence; he would win by default unless my mother left all gainful employment and dedicated the entire following five years to fighting these 19 libel cases. She would have lost her house, all her money, her car, her inheritance – she would have lost everything. And these are simply done to punish journalists, and Owen Bonnici will never condemn this political party donor publicly because he funded his own electoral campaign.

1-046-0000

Stephen Grey, *special correspondent at Reuters and investigative journalist*. – Just for the record, I want it to be clear that we as the Daphne Project are international journalists and with the local partners. There's a lot of allegations flying around, and we don't wish to take a position on almost any of them; we are just trying to establish the facts and to look at what allegations carry real merit and deserve further investigation. So I can't endorse everything that Matthew is saying, because we haven't had the chance to look at it. There are accusations against people from both sides of the political divide in Malta which are quite serious and deserve investigation, but I don't wish it to be said that we are in any way casting aspersions all round on everybody or on Malta in general. We just think there's a very specific situation going on there, which we've investigated. We spent a long time on it; we haven't published many articles, but we found that certain matters have merit and where we don't see any movement in terms of their investigation.

As far as the murder case and the murder investigation is concerned, it's only a matter of speculation that one of the issues she was investigating will have been the reason she was killed. We can't say which one precisely, and we have no reason to question the integrity of the murder investigation, but what they have chosen to do there – for their own operational reasons – is not to investigate Daphne's journalism and not to investigate the story she was looking at. And that has meant that not a single person that she wrote about or accused has actually been interrogated under that murder investigation. There may be very good reasons for that, from the point of view of a detective investigating a murder case, so I don't wish to criticise that at all. But, at the same time, someone needs to investigate the matters that are raised there, because one would think that by going through all these allegations one-by-one, finding the truth at some point in all that will provide clarity about what was the motive for the murder. But, as I said, that's not to suggest that the particular stories I mentioned today have that connection.

1-047-0000

Sven Giegold (Verts/ALE). – My question concerning eGaming and money laundering was the question mainly addressed to you.

1-048-0000

Stephen Grey, *special correspondent at Reuters and investigative journalist*. – One thing we did show was that the Mafia had been using Maltese companies for their activities. That was identified by various Italian criminal investigations. So we did an extensive investigation of that.

But I don't wish to widen the envelope beyond saying – going back to the point I made at the beginning – that, when you get into the areas which attract criminals and you choose to make them a key part of your economy, gambling involves criminals as a sector. It's a key sector used by criminals. Cryptocurrency is a key sector targeted by criminals. So you will attract an awful lot of criminality if you choose to make those areas a key priority. My point is simply this: is there the capability to actually investigate that? If what you're going to do is to be a

gambling centre, have you invested to actually tackle the problem that's there? One of my colleagues from *Repubblica* did several articles pointing out that, in a number of areas, they haven't received the cooperation they sought in terms of criminal cooperation from Malta.

1-049-0000

Chair. – Thank you very much. Now catch-the eye. There's one request from Ms Roberta Metsola.

1-050-0000

Roberta Metsola (PPE). – Matthew, I just wanted to say thank you for coming here today to show Parliament and anybody watching just what true Maltese values are. You and your family's stoic courage in the face of an almost unimaginable state-sponsored hate campaign is an inspiration to all of us, and to anyone who needs an example of what it means to stand up and to be counted in the face of all obstacles.

My question concerns the development of the profession of journalism. So journalism has changed, right? We have seen how important data has become. Can you tell us, in your opinion, where we can take our work in this area in the next mandate? What can we do further in order to help journalists investigate primarily the globalisation of financial crime?

1-051-0000

Matthew Caruana Galizia, investigative journalist and son of murdered Maltese journalist Daphne Caruana Galizia. – Our investigations need to have repercussions. That's the simplest, best answer I can give. Unless our investigations continue to have no repercussions, then it will remain as easy as it is currently to murder the journalists who carry out those investigations. When we published the Panama papers in April 2016, I was convinced that these two people – the Minister's colleagues, Keith Schembri and Konrad Mizzi – were going to go straight to jail. I honestly believed that the following day there would be police on their doorstep to arrest them. I honestly believed this. And now here we are, three years later, and not only are they not in jail, but they are in government. One of them holds the second most senior position in the executive after the Prime Minister, and the other is responsible for all of Malta's privatisation deals – the same position he was in the prior to the scandal.

Of course, I can understand the situation that Malta is in currently, where it is systemically unable to bring prosecutions against these people – not only because of the way our justice system is set up, but also because the system has been corrupted so extensively. The attitude of prosecutors and police is always to do the bare minimum. What I cannot accept – and what I think the European Union needs to continue to develop – is its fall-back solutions for when this happens within a Member State. I don't think the Union can accept this kind of Wild West-type situation, like the United States was before the FBI, within European borders. There needs to be supranational judicial authority, because what we have currently is simply a playground for this kind of organised crime. Once this illicit money from Azerbaijan, from Russia, and so on, enters Malta or enters the European Union via the back door, they can do whatever they want with it. They can buy power stations, they can open bank accounts, they can buy banks; there is absolutely no limit to what can be done.

So I think that there needs to be more serious repercussions for these investigations that we've conducted. I think that the Europol joint investigative team that will look into this system of corruption organised by Azerbaijan within the European Union is currently the most appropriate response to this that is possible under current legislation. But in the long term, more legislation needs to be developed to give supranational organisations judicial authority.

1-052-0000

Thomas Mann (PPE). – Da wir gerade am Ende unserer Debatte sind, wollte ich eigentlich nur auf Folgendes hinweisen:

Ich war in allen drei Tax-Ausschüssen und auch bei den Panama Papers Mitglied. Was wir heute erlebt haben, war – glaube ich – eine der wichtigsten Veranstaltung, die wir hatten, und ich würde den beiden gern Mut machen.

Herr Grey und Herr Galizia, Sie haben darauf hingewiesen, dass diese Umkehr der Beweislast ein extrem schwieriger Bereich ist. Ja, natürlich, der ist unglaublich hart, vor allem, weil man immer wieder attackiert wird und kaum eine Chance hat, darauf zu antworten. Was Sie beide machen – die investigative Information zu geben, nicht klein beizugeben, Mut zu haben und bei allen Schwierigkeiten durchzuhalten –, das gibt uns allen Mut.

1-053-0000

Ana Gomes (S&D). – I think we should indeed try to follow the suggestion that we invite Europol to create a joint investigation team (JIT) to go about the investigation. We know that Europol could not really act properly in Malta, because of course they could not go beyond the limits of what the Government of Malta was asking them. This was made clear by the Europol officials. A crucial question ...

1-054-0000

Matthew Caruana Galizia, investigative journalist and son of murdered Maltese journalist Daphne Caruana Galizia. – Sorry, just to point out that Europol can't create the JIT itself. It has to be done on the insistence of a Member State.

1-055-0000

Ana Gomes (S&D). – Yes, I am suggesting that we find a way to make it happen and to make sure that, in particular, Mr Karl Cini and Mr Brian Tonna – the middlemen of Nexia BT – will be heard at some point.

Finally, we need to formally send – I ask you, Chair – the statement by Mr Matthew Caruana Galizia and Mr Stephen Grey to the Commission – Commissioner Jourová, the Commissioner for Energy – to investigate the corruption that has been highlighted, and also to the European Semester, which will, we suppose, according to Mr Timmermans, also be analysing the implications of corruption in each Member State. The Maltese European Semester ought to have these two statements in front of them.

1-056-0000

Francis Zammit Dimech (PPE). – Irrid, qabel xejn, ningħaqad fir-ringrazzjament tiegħi, lis-Sur Grey u lil Matthew Caruana Galizia li qegħdin hawnhekk magħna, jirrapreżentaw il-professjoni ġurnalistika. Ilbieraħ, f'artiklu mill-aktar interessanti fis-*Sunday Times* tal-Ingilterra, kellna *features* sħaħ fuq it-tema "*Bringing you the truth has a deadly price*" fejn hawn anki, naturalment, imsemmija b'omaġġ Daphne Caruana Galizia.

Fl-aspett li l-ġurnalisti jridu joħorgu l-verità kollha, tarawx fil-każ ta' Malta, żewġ limitazzjonijiet ċari li jirriżultaw minn din is-sitwazzjoni kollha li qed nitkellmu dwarha. L-ewwel nett li għandek ir-rapport, l-inkjesta tal-Maġistrat Bugeja, u li s'issa din għadha mhijiex pubblika kollha, u allura r-reazzjoni tagħkom għal hekk. U t-tieni aspett, li aċċenna diġà għal dan il-fatt il-kollega tiegħi David, il-fatt li jkollok sitwazzjoni fejn il-Pulizija ma tinvestigax, l-Uffiċċju tal-Avukat Ġenerali ma jinvestigax, l-FIAU ma jikkonkludix b'mod jew ieħor x'suppost jagħmel. Imbagħad għandek proċedura fejn persuni jistgħu jmorru fil-Qrati tal-Ġustizzja, mhux biex jitolbu deċiżjoni finali, imma biex jitolbu li jkun hemm, almenu, l-ordni ta' investigazzjoni. U fuq dan saret analiżi anki mid-dekan tal-Fakultà tal-Liġi f'Malta, il-Professor Kevin Aquilina, li jgħid li l-liġi f'din is-sitwazzjoni tesiġi livell oġhla ta' prova milli jekk il-Pulizija stess tibda l-investigazzjoni, u din tista' tkun parti mill-ispjega għaliex u mbagħad il-Qrati lanqas jordnaw, mhux ir-riżultat finali, imma l-bidu ta' investigazzjoni.

X'inhi l-pożizzjoni tagħkom fuq din is-sitwazzjoni, min-naha tagħkom?

1-057-0000

Stephen Grey, *special correspondent at Reuters and investigative journalist*. – Thank you for the comments. Let me just respectfully add one thing: there is in politics a need to get to the bottom of things while people are still in office. There is a case for parallel inquiries: both a public and a criminal inquiry, which may take considerable time – a need which I think you've helped to advance in your missions of bringing out the facts of the matter. Matthew will comment on the local aspects, which I wouldn't wish to, but I do think that timeliness is also the key, as is the need to accept that in politics and journalism there is a political wrongdoing that needs to be exposed and accountability that is worth pursuing. Even if it's not the job of a journalist to say whether something's a crime or not, you can ask on behalf of people: is it the right thing, morally and ethically? There should be a mechanism to continue those investigations and push for the facts, regardless of whether a magistrate or a court has said it's a crime or not, which is something that we don't really have competence to judge. But it's self-evident in these cases that things have emerged which should be clarified.

1-058-0000

Matthew Caruana Galizia, *investigative journalist and son of murdered Maltese journalist Daphne Caruana Galizia*. – As we say over and over again, my family and I want justice for two things: for my mother's assassination and also for her stories. It's the second which is probably more relevant here, although on the first we're in a situation where it's highly probable that the people who are ultimately responsible for the murder are still in government, and while they are there could be corrupting the investigation itself. But, in this context, we are speaking about justice for the investigations and political accountability. What we want to avoid is a kind of Egypt-type situation, where the political leaders who are responsible for this situation will last in power, or rather will serve their entire term in office without anything being investigated, and will then leave for some other jurisdiction – go into hiding, or whatever. And we will ultimately never be able to get justice because this person would have already left office, and would have already gone on the run in order to continue protecting themselves. This is why the need for justice in these particular cases is so urgent: because the people who are responsible are still in office.

1-059-0000

Chair. – Thank you very much. I'd say that more than ever tonight we've heard two completely different stories and seen two different pictures of Malta, and it will be our further work to establish the facts and get it right for our final report. There was a strong call for a supranational approach – more EU-level involvement. At least, when it comes to money laundering, it seems that development is going in the right direction, with possible changes within the EU architecture and the central body charged with more powers to deal with money laundering. When it comes to Europol involvement and other issues, it still probably requires further efforts.

I'd like to thank Mr Grey and Mr Caruana Galizia very much for your presence tonight, and most of all for your investigative work – and for carrying on the work of your mother, Mr Caruana Galizia – within the Daphne Project. I think it's highly appreciated, not only in this Committee, and I'm sure this Parliament will, either until the end of its current mandate or in its new mandate, pay proper attention to the situation on the island.

Thank you very much, and this closes our meeting today.

(The meeting closed at 21.12)