

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

Q&A concerning Satabank – 2nd November 2018

1. Why has the MFSA frozen Satabank's accounts?

The MFSA's key concern is to ensure the safety and security of customer deposits and ensure the stability of the Maltese financial system. The decision to instruct Satabank to stop allowing money in and out of the Bank was taken on this basis.

This has resulted in consumers and businesses losing access to their deposits. The MFSA is now working with the Bank to allow customers to gain access to their deposits in a controlled manner. The MFSA is well aware that customers need access to their funds as soon as possible.

2. When will I get access to my money?

The MFSA is very concerned about the issues facing Satabank customers as a result of the freeze.

For this reason, we have directed Satabank to initiate a controlled process for the return of customer deposits. The details of this process are being determined, and will be communicated to customers as soon as they are available.

Affected customers are required to set up another account with a credit or payment institution in an EU/EEA jurisdiction in the same name as the customer name on the Satabank account.

Further requirements will be communicated in the coming days as the process is finalised.

3. Will other banks let me set up a new account with them?

Under EU law, all Maltese resident individuals are entitled to a basic bank account. The MFSA has communicated this to local banks. Moreover, in its recent communication, the FIAU has made it clear that banks do not have a right to deny a customer an account simply because they are not a Maltese citizen.

Customers are not restricted to traditional bank accounts for the future transfer of their Satabank funds. They may also utilise e-money or payment institutions registered in EU/EEA countries.

4. I was due to receive money from a third party. It has left their account but has not appeared in my bank statement. What has happened to my money?

The MFSA is aware of certain inbound payments from third parties to customers of Satabank which were 'in transit' at the point of the freeze. These funds may:

- a) Have been received by Satabank and are held at Satabank in a suspense account. As a result, these inbound transfer are currently not showing on the customer's statements. Satabank is currently looking at how best to resolve the issue in order to process these 'in transit' transactions and transfer the said funds to the customer's account, so that they will be visible on the customer's statements; or
- b) Have not been received by Satabank at the date the freezing order came into force. As a result these funds are held in accounts of correspondent banks, which, given the freezing order, are not in a position to transfer the funds to Satabank's accounts. Satabank will not be aware of such monies. You may therefore wish to contact the third party to make enquiries with their own bankers to determine the status of these funds.

5. I sent money from my account to someone else. It has left my account but has not appeared in the other person's account. What has happened?

The MFSA is aware that there were certain outbound payments from customers of the Bank to third parties which were 'in transit' at the point of the freeze. As such these payments currently show as having left the customer's account but have not yet left the Bank and are still held in the Bank's accounts. As a result, these payments have not been received by the intended recipient.

Satabank is currently looking at how best to resolve the issue in order to process these 'in transit' transactions and transfer the said funds back to the customer's account, in order for these to be visible on the customer's statements.

There may also be instances where payments which have been processed by Satabank could not be accepted by the correspondent banks. These funds awaiting to be transferred back from the correspondent banks. At this time the Bank is not in position to accept such transfers and therefore these funds continue to be held by the correspondent banks.

6. Where can I find out more information?

Both Satabank and the MFSA will communicate with customers whenever there are any significant developments.

From Monday the 5th of November 2018 Satabank will also post a weekly update on its website and social media channels to keep you updated with developments.

**Communications Unit
2nd November 2018**