

Council of Europe report calls on the Holy See to step up money laundering prosecutions

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Strasbourg, 15.12.2015 - The Council of Europe's anti-money laundering and counter terrorist financing body MONEYVAL today published the [second progress report](#) of the Holy See/Vatican City State. The report evaluates its compliance with the recommendations made by MONEYVAL in its Mutual Evaluation Report in July 2012 and its first progress report in December 2013.

MONEYVAL concludes that the Holy See has addressed most of the technical deficiencies in its legislation and regulations. However there is a need now for the anti-money laundering and counter terrorist financing system to deliver effective results in terms of prosecutions, convictions and confiscation.

Council of Europe Secretary General Thorbjørn Jagland said: "I welcome the progress the Holy See has made in a number of areas since 2012. I urge its authorities to take into account MONEYVAL's recommendations and to deliver some real results in the money laundering investigations being conducted".

The report includes MONEYVAL's analysis of the Holy See's compliance with the 16 key and core 2003 Financial Action Task Force (FATF) Anti-Money Laundering and Counter Terrorism Financing Recommendations.

MONEYVAL points out that the intensive review process in respect of accounts in the Institute for the Works of Religion (IOR) appears to have been a success. This process, in which approximately 4,800 accounts have been closed, has corrected many significant shortcomings in the implementation of the measures to accurately identify and verify account holders.

The categories of customer entitled to hold accounts in the IOR have been clarified and reinforced by a binding decision of the Board of the IOR. In 2014 the Financial Intelligence Authority carried out a full inspection of the IOR and provided it with a detailed action plan, which it is now following up closely.

The report notes that while ad hoc inspection visits have been made to the Administration of the Patrimony of the Holy See (APSA), a full inspection is to be completed by the end of 2015.

The number of suspicious activity reports has risen sharply since the last progress report - 329 were reported between January and September 2015 - largely as result of the continued review process of IOR accounts. Since it was set up, the financial intelligence authority (AIF) has sent 30 reports to the Prosecutor for investigation and 29 money laundering investigations have been launched. Prosecutors in the Holy See have frozen approximately 11 million Euros under new, modern provisions for freezing potential criminal proceeds.

However, no indictments or prosecutions have, as yet, been brought in money laundering cases since the adoption of the 2012 evaluation report. The Holy See/Vatican City authorities should ensure that the Gendarmerie and the Prosecutor's office have the capacity to conduct proactive financial investigations in order to deliver real results in the money laundering investigations that are under way.

Following MONEYVAL's rules, the Holy See should present an update on action taken to implement the Committee's recommendations by December 2017.

The Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism ([MONEYVAL](#)) is a Council of Europe body that assesses compliance with the relevant international and European standards to counter money laundering and terrorist financing, and makes recommendations to national authorities. 28 Council of Europe member states are currently subject to MONEYVAL's evaluation procedures, as well as Israel, the Holy See (including the Vatican City State), the British Crown Dependencies of Guernsey, Isle of Man and Jersey, and the Overseas Territory of Gibraltar.

Contact : [Jaime Rodriguez](#), Spokesperson/Media officer, tel. +33 3 90 21 47 04