

## Prevention of money laundering by international cooperation: MoU signed between Italian Authorities, the Holy See, and the Vatican City State

On the 26th of July 2013 *Autorità di Informazione Finanziaria* of Holy See/Vatican City State (**AIF**) and *Unità di Informazione Finanziaria per l'Italia* (**UIF**) signed a Memorandum of Understanding (the “**Memorandum**”) to allow reciprocal cooperation for the prevention of (and the fight against) money laundering and financing terrorism.

### **The main provisions of the new arrangements between the Republic of Italy and the Holy See**

The Memorandum foresees that the two authorities should exchange complete and comprehensive information to facilitate their respective tasks for the financial analysis of suspicious transactions. To this aim, each authority will share their available information including that obtainable through the exercise of its powers.

The Memorandum has been drafted in compliance with international principles defining cooperation between Financial Intelligence Units (“**FIUs**”) and takes into account specifically the standards issued by the Financial Action Task Force (“**FATF**”) and by the Egmont Group, the global organisation of national Financial Intelligence Units, which contain obligations of reciprocity, permitted uses of information, and confidentiality.

By entering the Memorandum, AIF fulfils a mandatory condition which, under its domestic anti-money laundering legislation, applies to the capacity to exchange information with foreign counterparts. The Vatican legislation, by complying with international standards, ensures AIF’s independence in signing the memoranda of understanding, has facilitated the accession to the Egmont Group and, together with the availability to lend constructive cooperation, the signature of the agreement.

The two authorities commit to keep each other informed about any future change to their legal frameworks, institutional or organizational arrangements, operational contexts and any other circumstance which is likely to affect the bilateral cooperation and the implementation of the Memorandum.

## **Legislative framework: an outline**

The anti-money-laundering provisions are contained in a diversified set of international, European and domestic primary and secondary legislative sources.

The international standards for preventing and combating money laundering and the financing of terrorism imposes duties upon the institution in each country of a Financial Intelligence Unit (“**FIU**”). These include the requirements of receiving and analyzing reports on suspicious transactions and other information related to money laundering, the associated predicate offences and the financing of terrorism, and with transmitting the results of its analyses to the competent bodies for further investigation.

Within Italy, action to prevent and combat money laundering and terrorist financing is governed, at the level of primary legislation, by Legislative Decrees 231/2007 and 109/2007. The FIU for Italy was established at the Bank of Italy on 1 January 2008 pursuant to Legislative Decree 231/2007, issued in implementation of Directive 2005/60/EC (the Third Anti-Money-Laundering Directive). The decree abolished the Italian Foreign Exchange Office (UIC), the entity that had previously carried out the tasks of Financial Intelligence Unit.

Established on 30 December 2010, AIF is the competent authority of the Holy See/Vatican City State to fight money laundering and the financing of terrorism. . AIF became a member of the Egmont Group in July of this year and over the last several months signed MOUs with the Financial Intelligence Units of the United States, Belgium, Spain, Slovenia and the Netherlands.

***Marco Cerritelli, LL.M***

*Partner*

*Head of project & asset finance*

CBA Studio Legale e Tributario