SUPERVISORY AND FINANCIAL
INFORMATION AUTHORITY

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Supervisory and Financial Information Authority

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LETTER FROM THE PRESIDENT

Last year I pointed out how the numerous conflicts in different areas of the world – in addition to having a devastating impact on the poorest and weakest people – were making the action of preventing and countering money laundering and the financing of terrorism more complex. At the same time, I pointed out that the action of international fora aimed at combating these phenomena (FATF, MONEYVAL, Egmont) had continued without faltering, allowing for no retreat in this fight.

The year that has just ended has unfortunately not allowed for optimistic assessments of the evolution of these bloody conflicts. However, we must continue to hope that in the current year initiatives will finally be implemented to put an end to at least some of them and that extended forms of cooperation between states will be restored over time.

In this context, the Annual Report reassures, with the strength of the numbers and the concreteness of its action, that the Supervisory and Financial Information Authority has maintained, during 2024, a high standard in its action of preventing and countering money laundering and the financing of terrorism and in its supervisory activity on the IOR. This is evidenced by the quality of cooperation with domestic and international Authorities as well as the good results achieved by the IOR, which is confirmed as a solid and well-organized entity.

Among the activities carried out by the Authority, I would like, here, to emphasize the relevance of two of them: on the one hand, the identification – for the purpose of subsequent recovery – of the path of illicitly obtained money; on the other hand, the contribution given to the Vatican Authorities and legal persons for the prevention of money laundering and of the use of money derived from crimes.

I would like to take this opportunity to thank all colleagues and Council members who make it possible for all ASIF activities to take place in an atmosphere of high professionalism and serenity.

I would like to thank, in particular, two people who have made an important contribution to ASIF's activities over the past years and who have concluded – or are about to conclude – their terms of office: the former head of the Financial Information Office, Mrs. Diana Rocco, and the Director of the Authority, Mr. Giuseppe Schlitzer. If in recent years the Authority has grown and improved, it is also thanks to their fundamental contribution.

Finally, allow me to congratulate the new Director of ASIF, Mr. Federico Antellini Russo, who has also been given the functions of Vice-Chairman. Mr. Antellini's contribution of great professionalism and unwavering commitment are the best assurance that, under his leadership, the Authority will continue to pursue its institutional goals to the best of its ability, serving the common good.

CARMELO BARBAGALLO
President

INTRODUCTION

In 2024, the Authority's activity in both the domestic and international arenas was significant, thanks to the commitment of its Board, management and staff. The Board that, together with the Presidency, performs a strategic role, held quarterly meetings, providing its expertise and high level of professionalism. The Authority's human resources, practically unchanged throughout the year, were often engaged in training activities, essential for preserving a high level of technical and regulatory competence. Following a well-established *modus operandi,* ASIF exchanged best practises with corresponding authorities of foreign states in various fields, resulting in meetings conducted externally or hosted by the Authority, thus feeding the network of institutional relations and fruitful cooperation.

Regarding international activity, ASIF was heavily involved in the jurisdiction's follow-up evaluation by the MONEYVAL Committee, aimed at assessing the progress made following the April 2021 "Mutual Evaluation Report" ("MER"). The result of the assessment was broadly positive, confirming the Holy See/Vatican City State's efforts to prevent and counter money laundering and the financing of terrorism and of the proliferations of weapons of mass destruction (see page 14).

Additionally, the Authority was regularly present with its own delegation at the Egmont Group meetings, the Canada-based organization that brings together over 170 Financial Intelligence Units (FIUs) from around the world. ASIF also took part, as usual, in the activities of the Joint Committee, the body that oversees the jurisdiction's compliance with the Monetary Agreement with the EU, which met in November in Rome at the headquarters of the Italian Ministry of Economy and Finance.

Collaboration with other relevant authorities is essential for the effectiveness of anti-money laundering and counter-financing of terrorism (AML/CFT) measures. The Authority has long established mechanisms, through memoranda of understanding, that ensure a regular exchange of information and best practices, and maintains frequent contacts also at an informal level. Constant support was also provided to the Financial Security Committee (Co.Si.Fi), the jurisdictional body responsible for coordinating all the competent authorities in the area of AML/CFT. Among other things, the Committee has constantly monitored the progress made towards finalizing the new General Risk Assessment ("GRA") of the Vatican jurisdiction (see page 13).

With regard to the activities of the three operational ASIF Units, detailed information can be found in Chapter 3 of this Report. I would, however, underscore what follows.

In the regulatory field, amendments were made to ASIF Regulation No. 4 "*on due diligence of customers of the entities carrying out financial activities on a professional basis."* The aforementioned Regulation specifies the requirements for the IOR concerning the opening of a relationship, the execution of transactions and the ongoing monitoring. These amendments – necessary to align the Regulation with the new due diligence provisions of Law No. XVIII introduced in 2023 – take into account the specific characteristics of the supervised entity, which is at the service of the Catholic Church worldwide, while ensuring consistency with international standards.

With reference to prudential supervision, the Unit refined the Supervisory Review and Evaluation Process (SREP), aimed at ensuring that the supervised entity has appropriate governance mechanisms and controls in place relative to all the risks undertaken. This is a holistic analysis, which evaluates the entire documentation provided by the Institute as well as other information gathered during the exchanges with the supervised entity. Moreover, given the increasing importance of Environment, Social, Governance (ESG) factors, the obligation was introduced to disclose information related to ESG risks. With respect to AML/CFT supervision, an in-depth analysis was carried out in order to assess the organizational impacts for the IOR resulting from the evolution of the regulatory framework. The aim was to monitor both the proper implementations of the requirements and the effects on the operational activity. Additionally, the targeted inspection initiated in 2023 was brought to conclusion.

The Financial Intelligence Unit reported a decrease in the number of Suspicious Activity Reports (SARs) received. This trend appears to be mainly attributable to the progressive refinement of the selection process for

cases to be reported. In fact, despite the decline in the number of SARs received, the number of Reports transmitted to the Office of the Promoter of Justice by the Supervisory and Financial Intelligence Authority remained stable at 11 Reports in 2024.

During the year, there were four instances requiring the use of preventive measures under Article 48 of Law No. XVIII. Specifically, two measures were taken to suspend transfer transactions, for a total amount of € 817,280, and two measures were implemented to block relationships with the IOR. Regarding international cooperation, in 2024, FIU sent 31 requests for information or spontaneous communications to its counterparties, receiving 13 such communications in return. Furthermore, ASIF signed two new memoranda of understanding with the FIUs of Timor Leste and Seychelles, bringing the total number of memoranda signed since 2012 to 78.

Finally, with regard to the cross-border crash transport declarations, in 2024, ASIF recorded 137 incoming declarations, amounting to € 21,704,914 and 336 outgoing declarations, totalling € 6,161,120.

An increase in incoming declared amounts is also observed for 2024, confirming a trend in place since 2019, while the total amount of outgoing declared amounts has been relatively stable since 2021. The vast majority of the incoming declarations are attributable to the activities of public authorities and Vatican legal entities.

* * *

As I write this Introduction, I come close to the conclusion of my five-year term of office as Director of the Authority (31 March 2025). I would like to express my sincere gratitude to His Holiness Pope Francis and to the Secretary of State, Cardinal Pietro Parolin, for the opportunity granted to me to serve the Holy See in such a prestigious position. I would like to extend particular thanks to the President, Mr. Carmelo Barbagallo, who recommended me for this role, and to all the staff of the Authority for their invaluable collaboration. I wish the best to my successor, Mr. Federico Antellini Russo, formerly Deputy Director of the Authority, and thank him for his dedication and professionalism.

GIUSEPPE SCHLITZER
Director

1 THE SUPERVISORY AND FINANCIAL INFORMATION AUTHORITY

1.1 ESTABLISHMENT AND COMPOSITION

The Supervisory and Financial Information Authority (ASIF), formerly the Financial Information Authority (AIF), is the competent institution of the Holy See and Vatican City State for supervision and regulation for the purposes of countering money laundering and terrorist financing and for financial intelligence, as well as for the prudential supervision and regulation of entities that carry out financial activities on a professional basis.

The Authority was established by Pope Benedict XVI with the *Motu Proprio* of 30 December 2010, for the prevention and countering of illegal activities in the area of monetary and financial dealings. The mandate was consolidated by Pope Francis with the *Motu Proprio* of 15 November 2013. Finally, with the Chirograph of 5 December 2020, the Authority's powers were further defined and its organizational structure was strengthened, also through the renaming and approval of the current Statute. The new Statute forms part of the overall reform undertaken by the Holy Father for the Holy See and Vatican City State in matters of transparency and the strengthening of controls in the economic-financial sphere.

In accordance with Article 1 of the Statute, ASIF has the status of an institution connected to the Holy See, has canonical public legal personality, has its headquarters in Vatican City State and, pursuant to Article 2, carries out its institutional functions in full autonomy and independence.

The Authority consists of the President, the Board, the Directorate and three operational units: the Supervisory Unit, the Regulatory and Legal Affairs Unit, and the Financial Intelligence Unit (FIU).

The institutional activities assigned to ASIF is regulated, *inter alia*, by Law No. XVIII of 8 October 2013, and its subsequent amendments and modifications.

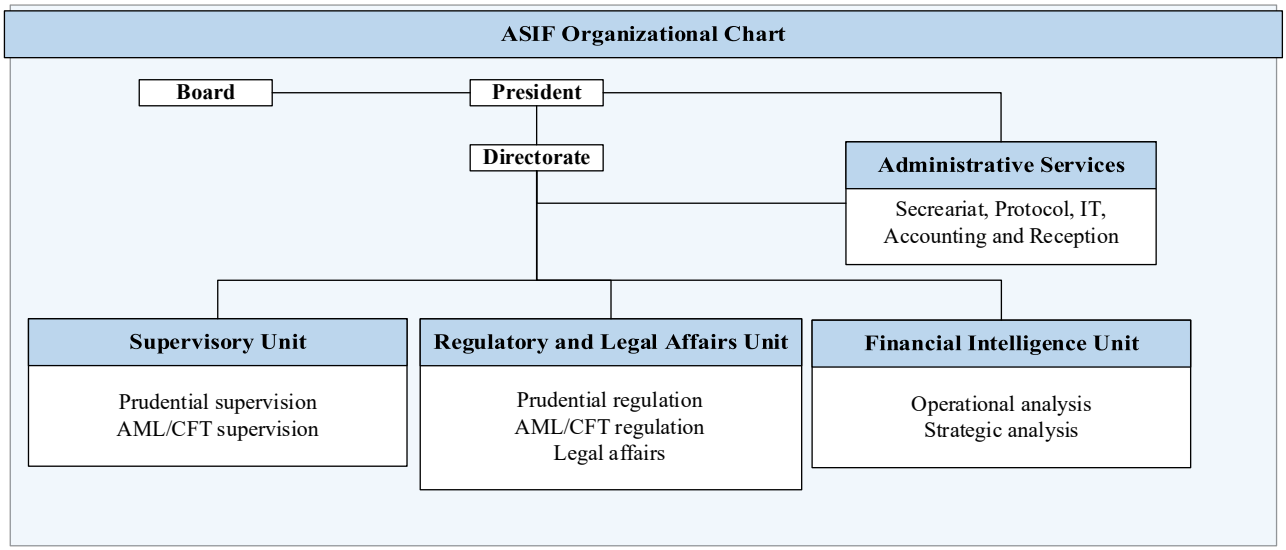
1.2 BODIES

The Board is composed of four members and the President, appointed by the Supreme Pontiff for a period of five years. Each member must have proven integrity, be free from any conflict of interest and must possess recognized professional competence in the legal, economic and financial sectors, as well as in matters that fall within the scope of the Authority's functions.

The Board is assigned the following functions, exercised following a proposal by the President: (a) defining the strategies and objectives of the Authority as well as its security and confidentiality policies; (b) preparing the Authority's internal regulations; (c) adopting regulations, instructions and guidelines in the cases provided for by law; (d) approving the financial statements and the budget, as well as the annual report, the confidential report for the Council for the Economy and the on-site and off-site inspection schedule for supervised entities; (e) formulating proposals for the appointment of members of the Directorate, and for the hiring of staff; and (f) applying administrative sanctions in the cases provided for by law.

In 2024, the Board was composed of Prof. Giuseppe Boccuzzi (Italy), Mr. Kevin Ingram (UK), Prof. Roberto Sanchez Mariano (USA), and the President, Mr. Carmelo Barbagallo (Italy). On 24 July 2024, the Supreme Pontiff appointed Prof. Concetta Brescia Morra (Italy) as a Board member.

1.3 ORGANIZATIONAL STRUCTURE



The President, in addition to being the legal representative of the Authority, presides over and informs the Board on the progress of the Authority's core activities, and supervises the correct performance of such activities, with particular reference to: (a) the separation between the supervisory, regulatory and financial intelligence units; (b) the prevention of conflicts of interest; (c) the effectiveness of the security and confidentiality measures; (d) the definition of the Authority's economic needs and related expenditure process.

The Director is responsible for the Authority's operational activities and ensures their effectiveness and efficiency, as well as their appropriate execution in accordance with the confidentiality and security standards. He also supervises and manages the staff, promoting their training and professional development. In addition, the Director, through the President, proposes to the Council the recruitment of personnel; the adoption of regulations, instructions and guidelines; the schedule of off-site and on-site inspections of the supervised entities; the application of administrative sanctions; and the Authority's financial statements and budget.

The Authority's internal structure consists of three operational Units: the Supervisory Unit, the Regulatory and Legal Affairs Unit and the Financial Intelligence Unit. The latter serves as the jurisdiction's FIU. The Units are operationally autonomous and independent, assuring functional segregation.

The Administrative Services support the functions of the Authority as a whole, and are responsible for the following: (a) accounting, reporting and treasury; (b) human resources; (c) training; (d) procurement; (e) protocol; (f) information technology and telecommunications; and (g) secretarial services for the President and the Directorate. In 2024, the Authority's staff remained overall unchanged.

On 27 November 2024 the Holy Father confirmed Mr. Carmelo Barbagallo as President "usque ad septuagesimum annum aetatis". On the same date, the Cardinal Secretary of State appointed as Director with function of Vice President Mr. Federico Antellini Russo, former Deputy Director of the Authority. Mr. Giuseppe Schlitzer will remain in office until completion of his mandate (31 March 2025), alongside Mr. Antellini Russo, who began discharging his functions upon his appointment.

1.4 FUNCTIONS

1.4.1 REGULATION AND LEGAL AFFAIRS

Prudential regulation of entities that carry out financial activities on a professional basis and, in the cases provided for by law, in the matter of preventing and countering money laundering and terrorist financing

The Regulatory and Legal Affairs Unit carries out regulatory activities in accordance with the provisions of Law No. XVIII and the current regulatory framework.

The Unit drafts and amends regulations, instructions, guidelines and circulars relating to the activities of the other Units of ASIF and of the supervised entity, as well as other forms of guidance for specific sectors, categories of entities, or types of activities.

In addition, it monitors and analyzes the legal sources of the Holy See and of Vatican City State relevant to the Authority's activities and the principles and sources of international and European legislation. It also follows the regulatory activities of the international and European technical bodies responsible for preventing and countering money laundering and terrorist financing, and prudential supervision.

Moreover, the Unit participates in technical working groups with the competent Authorities of the jurisdiction in drafting and amending primary legislation and prepares opinions with regard to the same.

The Unit represents and defends the Authority in the tribunals.

1.4.2 SUPERVISION

a) Prudential supervision of entities that carry out financial activities on a professional basis

Prudential supervision, which includes on-site and off-site inspections, protects the sound and prudent management of intermediaries and the overall stability and efficiency of the financial system. In this context, the Supervisory Unit analyzes the documentation sent by the IOR, the only body authorized to professionally carry out activities of a financial nature in the jurisdiction, in line with the provisions of Title III of Law No. XVIII and Regulation No. 1 on the prudential supervision of entities that carry out financial activities on a professional basis.

The Unit assists in the preparation of Memoranda of Understanding with foreign supervisory authorities and verifies the adoption by the IOR of the procedures for compliance with the Foreign Account Tax Compliance Act (FATCA).

In addition, the Unit transmits periodic statistical data to the European Central Bank (ECB) on monetary and financial stocks and on interest rates applied by entities that professionally carry out activities of a financial nature.

b) Supervision for the purpose of preventing and countering money laundering and terrorist financing

For the purposes of preventing and countering money laundering and the financing of terrorism and the proliferation of weapons of mass destruction, the Unit has the task of supervising and verifying the implementation by the supervised entity (as of today, only the IOR) of the obligations established by Title II of Law No. XVIII. To this purpose, the Unit carries out desk-based reviews of the documents and data submitted by the entity and on-site inspections. The Unit also provides all the necessary support to the reporting entities.

In the context of the jurisdiction's AML/CFT system, the Unit performs a preventive function of the potential risks to which the financial system is exposed, according to an approach that identifies, measures, controls and monitors the risks themselves, and assesses the safeguards in place and their adequacy.

In this regard, the Unit assists in the training activities organized by Vatican entities and provides support to working groups related to the evolution of the international AML/CFT system and aspects related to MONEYVAL.

1.4.3 FINANCIAL INTELLIGENCE

One of the Authority's primary functions, performed by the Financial Intelligence Unit, is the receipt and analysis of suspicious activity reports (SARs) submitted by the reporting entities[1], a category which includes all the authorities and entities of the Holy See and Vatican City State. The Unit analyzes each SAR to assess the possible presence of money laundering, the financing of terrorism and the proliferation of arms of mass destruction, or the committing of a predicate offence, and submits reports to the Office of the Promoter of Justice (OPJ) on the cases that, in its judgement, could give rise to a criminal investigation.

Another primary function of the FIU is strategic analysis, i.e. the use of available and obtainable information to identify trends and patterns related to money laundering and terrorism financing. The FIU carries out at least one strategic analysis per year, which is used by the FIU to identify ML/FT threats and vulnerabilities.

The FIU is also responsible for the international exchange of information with its foreign counterparts for the purpose of preventing and countering money laundering and terrorist financing.[2] In this context, in 2013 ASIF became a member of the Egmont Group, which brings together over 170 financial intelligence units worldwide.

The FIU exercises its functions in full operational autonomy and independence.

1.4.4 CROSS-CUTTING AREAS OF RESPONSIBILITY

In addition to the key functions outlined above, ASIF performs numerous other functions as required by Law No. XVIII. These include: (i) supporting the activities of the Financial Security Committee (Co.Si.Fi.), of which the Director of ASIF is Secretary; (ii) participating in the jurisdiction's delegations to international bodies competent in AML/CFT matters; and (iii) carrying out periodic training programs for reporting entities on the AML/CFT system (in particular on the identification and assessment of risks; the definition of appropriate mitigation measures according to a risk-based approach; the identification of transactions that may be related to money laundering or terrorist financing; and the actions to be taken in such cases).

2 THE INSTITUTIONAL CONTEXT

2.1 ECONOMIC AND FINANCIAL FRAMEWORK

By virtue of Law No. V on the economic, commercial and professional sectors, of 7 June 1929, Vatican City State has a public property regime and no free market or private financial entities: there are no regulated markets, multilateral trading facilities and organised trading structures; no public debt instruments, no equity instruments, and no securities or associated instruments issued; there are no private insurance entities, electronic money institutions, trust companies and investment companies; there are no branches, subsidiaries and/or offices of foreign financial entities.

Under the current regulatory framework for prudential supervision, the professional performance of one or more activities of a financial nature is subject to prior authorization by ASIF.

At present, the only entity authorized to carry out financial activities on a professional basis is the IOR.

The IOR is a canonical public legal entity in accordance with Canon Law. Its only office is located in Vatican City State. By statute, its mission is to "provide for the custody and administration of movable and immovable

[1] Pursuant to Article 1 (23) of Law No. XVIII, reporting entities include obliged entities, legal persons, including non-profit organizations, and public authorities.
[2] Pursuant to Article 69 *bis* of Law No. XVIII, ASIF collaborates and exchanges information with similar authorities of other states, on the condition of reciprocity and on the basis of memoranda of understanding.

assets transferred or entrusted to it by natural or legal persons and intended for works of religion or charity" (IOR Statute, Article 2 § 2). In addition, it "accepts deposits of assets from entities or persons of the Holy See and Vatican City State" (IOR Statute, Article 2 § 3).

Since 2019 the IOR is part of the Single Euro Payments Area (SEPA), and in June 2021 it was granted status of 'qualified intermediary' by the Internal Revenue Service (IRS) of the United States (see page 22).

The jurisdiction's participation in the Council of Europe's MONEYVAL Committee, witnesses, among other things, a continuing commitment to assure full conformity to the international AML/CFT standards set by the Financial Action Task Force (FATF).

2.2 FINANCIAL SECURITY COMMITTEE AND GENERAL RISK ASSESSMENT

The Financial Security Committee (Co.Si.Fi.) was established with the *Motu Proprio* of 8 August 2013 for the prevention and countering of money laundering, terrorist financing and the proliferation of weapons of mass destruction, confirming the willingness of the Holy See and Vatican City State to align itself with the efforts of the international community to protect the integrity and transparency of the economic and financial sectors and to counter the aforementioned phenomena.[3]

The Committee performs strategic guidance and coordination functions.[4] By statute, the Secretary of the Committee is the Director of ASIF.

One of the Committee's main activities is the approval of the General Risk Assessment (GRA), in line with Law No. XVIII. This document – which envisages the involvement of all the competent authorities of the Holy See/Vatican City State[5] – identifies and analyzes the threats and vulnerabilities relating to money laundering, the financing of terrorism and the proliferation of weapons of mass destruction and provides recommendations on the actions to be taken.

Carried out on the basis of the World Bank's National Money Laundering and Terrorist Financing Risk Assessment Tool, the first GRA, referred to the year 2017, primarily focused on financial activities carried out on a professional basis in Vatican City State and on the AML/CFT system as a whole, including the protection of the financial assets of the government and of donations, analysed using a risk-based approach. The outcome of the analysis found the risk of money laundering to be medium-low and the risk of terrorist financing to be low.

The Co.Si.Fi. subsequently prepared two updates to the GRA, one in 2018 and one in 2019, which confirmed the medium-low level of risk in the area of money laundering and a low level of risk in the area of terrorist financing. Both updates found no significant domestic threats, linking the highest risk for the jurisdiction to international and/or cross-border activities. However, the updates did indicate that some aspects covered by the assessment could be further strengthened to make the AML/CFT system more effective, namely, aspects relating to donations, non-profit organizations, public authorities and public procurement contracts.

The two updates to the GRA confirmed a 'medium-low' level of risk in the ML area and a 'low' level of risk in the TF area. Neither of the two reports identified relevant threats at the domestic level, and both linked the main risks to international and cross-border activities. The two updates recommended a series of actions that were implemented in the years that followed. These included strengthening internal prevention and risk management mechanisms of public authorities and non-profit organizations with registered offices in Vatican City State, organizing training courses for entities of the Holy See and Vatican City State that are active in relevant sectors, and for entities that professionally carry out activities of a financial nature. With regard to ASIF,

[3] The Financial Security Committee is composed of the Assessor for the General Affairs of the Secretariat of State (SoS), who serves as the Chair; the Under-Secretary for Relations with States; the Secretary General of the Governorate of Vatican City State; the Secretary General of the Secretariat for the Economy (SfE); the Promoter of Justice at the Tribunal of Vatican City State; one of the Deputy Auditors of the Office of the Auditor General (URG); the Director of the Supervisory and Financial Information Authority; the Director of the Security and Civil Protection Services of the Governorate of Vatican City State; the Commander of the Pontifical Swiss Guard (see Article 1 of the Co.Si.Fi. Statute).
[4] See Article 3 (6) of the ASIF Statute.
[5] See Article 2 of the Co.Si.Fi. Statute.

particular mention should be made of the general on-site inspection of the IOR in the AML/CFT area, as well as the adoption of Instructions No. 5 and 6.[6]

At the impetus of Co.Si.Fi., several other measures were implemented in 2020, as summarized in the 2020 Update to the GRA, adopted in September 2020. The Update confirmed the increase in the perimeter of the process of identification and assessment of money laundering and terrorist financing risks, a process that was originally focused mainly on the IOR. In fact, in order to ensure a complete and exhaustive picture of the potential ML/FT threats and vulnerabilities to which the jurisdiction could be exposed, the following entities have been included in the assessment process: the public authorities of the Holy See and Vatican City State; non-profit organizations and legal persons registered in the jurisdiction.

At the same time, the strategic plans of Co.Si.Fi. were adopted, along with the action plans of the competent authorities.

During 2024, the activities for drafting a new Update to the GRA moved on, in order to incorporate the recommendations of MONEYVAL that had been formulated after the on-site visit of the team of evaluators in the context of the 5th Round of Evaluations, and in light of the new World Bank methodology as well. The update of the VGR has been entrusted to a working group designated by Co.Si.Fi., whose coordination has been assigned to the Director of ASIF, Mr. Antellini Russo.

[6] Instruction No. 5 provides entities that carry out financial activities on a professional basis with indications regarding the positions which, within the Holy See and Vatican City State, qualify as politically exposed persons pursuant to Article 1 (14) (h) of Law No. XVIII of 8 October 2013. The entities that carry out financial activities on a professional basis also benefit from a special list of names, periodically updated by ASIF. Instruction No. 6 requires the entities that carry out financial activities on a professional basis to constantly monitor the lists of designated subjects issued by the competent bodies of the Security Council of the United Nations and the European Union, with the consequent adoption of the preventive measures established by current legislation and the obligation to report suspicious activity.

2.3 INTERNATIONAL ACTIVITY

From 20 to 24 May 2024, a Delegation composed by Mr. Barbagallo (Head of Delegation), Msgr. Marco Ganci (Holy See's Permanent Observer to the Council of Europe and co-head of Delegation), and Mr. Antellini Russo represented the jurisdiction at the 67th Plenary Meeting of the MONEYVAL Committee of the Council of Europe, held in Strasbourg, France. During this meeting, the First "Regular Follow-up Report" of the Holy See and Vatican City State was formally adopted.

In addition, the Financial Intelligence Unit of ASIF actively participated in the Egmont Group and Regional Group Meetings, held in St. Julian (Malta) from 29 January to 2 February 2024, and in the 30th Egmont Group Plenary Meetings, which were held in Paris 2-7 June 2024.

MONEYVAL's7 Follow-up report on AML/CFT system of the Holy See (including Vatican City State)

In the first half of 2024, the Holy See - including Vatican City State- was subject to a follow-up evaluation by the MONEYVAL Committee, aimed at verifying the jurisdiction's progress following the "Mutual Evaluation Report" ("MER"). This report, published on 9 June 2021, had as its main objective to ensure the technical compliance and the effectiveness of the AML/CFT measures taken by the jurisdiction8. The result of the assessment was broadly positive.

The adoption of the Follow Up Report ("FUR") by the MONEYVAL Committee took place during the 67th Plenary Meeting held in Strasbourg from 20 to 24 May 2024.

In particular, the report assesses the Vatican jurisdiction's progress in ensuring technical compliance related to three FATF Recommendations where some deficiencies had been identified in the 2021 MER, and for which a re-rating was requested. These are Recommendation (R.)13 ("Correspondent banking"), R.16 ("Wire Transfer") and R.24 ("Transparency and beneficial ownership of legal persons").

The MONEYVAL Committee recognized that significant progress had been achieved and expressed a positive assessment in relation to the three Recommendations.

As a result of these findings, the next technical compliance evaluation is scheduled in four years. The Holy See's continuous improvements reflect its commitment to full financial transparency and to strengthening its capabilities to prevent and counter money laundering and the financing of terrorism and the proliferation of weapons of mass destruction.

2.4 TRAINING AND AWARENESS-RAISING ACTIVITIES

In 2024, intensive institutional training was carried out on themes relating to the prevention and countering of money laundering, the financing of terrorism and the proliferation of weapons of mass destruction. Of particular note are the ones carried out at the benefit of the IOR, which are described in the following box.

The Authority was also involved in several lectures and presentations on subjects within its competence:

- the Director gave a lecture on the "Vatican Monetary and Financial System" at the Pontifical Lateran University, as part of the course in "Law of the Vatican City State" (13 May 2024);
- the Head of the Regulatory and Legal Affairs Unit gave a lecture on the "Public procurement and impact on money-laundering risk" at the Pontifical Lateran University (22 May 2024).

The Authority also welcomed a group of visiting students from the University of Notre Dame Rome (6 November 2024).

Training activities at the IOR on AML/CFT

On 19 and 20 December, ASIF held a training session aimed at the operational structures of the IOR. The session was introduced by the Director of ASIF, who illustrated the offences of money laundering and terrorist financing both in the international context and in the Vatican legislation.

Thereafter, the Supervisory Unit outlined the Vatican and international AML/CFT framework, highlighting the relevant EU legislation and FATF standards; the results achieved in the MONEYVAL Committee evaluations and the challenges that await the jurisdiction in the 6th Evaluation Round (see §2.3); some specific provisions of the current legislation, also in the light of the changed regulatory framework on due diligence introduced with the update to the ASIF Regulation No.4 of 21 June 2024. Special attention was paid to the risk-based approach and the main geographical risk factors, as well as to the profile of the user and to unusual and anomalous activities. A few illustrative cases were presented.

The Financial Intelligence Unit outlined the main anomaly indicators, the suspicious activity reporting system, including the processing of the reports by ASIF, and presented key statistics and 'success stories' involving the jurisdiction. To enrich the information picture, the latest methods & trends were illustrated, such as the FATF Guidelines *on Terrorist Financing Crowdfunding* of October 2023 and on the *Abuse of Investment-Based Citizenship Schemes* of November 2023.

A case study was presented, tracing the analyses and fulfilments required by a complex operation, inspired by the phenomenon of Trade-Based Terrorism Financing.

3 OPERATIONS

3.1 REGULATION AND LEGAL AFFAIRS

In 2024, the Regulation and Legal Affairs Unit (U-RAL) carried out regulatory activities and revisions of the existing legal framework, and cooperated intensively with the other Authorities of the Holy See and Vatican City State.

In addition, the Unit participated in the activities of the Joint Committee, the Financial Security Committee and the working groups for evaluation by the MONEYVAL Committee of the Council of Europe.

3.1.1 Regulation no. 4 "on customer due diligence of customers of the entities carrying out financial activities on a professional basis."

Amendments to Regulation No. 4 in line with Law No. DCXIV of 7 November

Law No. DCXIV of 7 November 2023 made amendments on counterparty due diligence to Chapter III of Law No. XVIII *on transparency, supervision and financial intelligence*.

For these reasons, amendments were made to ASIF Regulation No. 4 "*on customer due diligence of customers of the entities carrying out financial activities on a professional basis*."

The Regulation in question specifies requirements for the IOR regarding the opening of a relationship, the conducting of transactions and ongoing monitoring. The relevant amendments took into account the special nature of the supervised entity, which serves the Catholic Church worldwide, while ensuring consistency with international standards.

3.2 SUPERVISION

3.2.1 Prudential supervision of the IOR

Compliance with prudential rules is ensured by the system of off-site controls

In 2024, the Supervisory Unit verified the profiles relevant for the sound, prudent and sustainable management of the IOR, both through off-site analyses and feedbacks, and by holding specific in-depth meetings with the Institute, at least on a monthly basis. There were focuses on some technical profiles and organizational aspects of the IOR's operational structures and control functions.

The off-site supervisory activity, which is carried out on an ongoing basis, is aimed at verifying compliance with prudential rules and operating limits and monitoring the development of the Institute's financial and liquidity situation. The checks and analyses are systematic in nature and based on the data and information that the Institute is required to transmit periodically by virtue of Regulation No. 1 *on the Prudential Supervision of entities carrying out financial activities on a professional basis* or in response to specific requests from the Authority.

In particular, the Supervisory Unit analyzes the following:

a) The monthly prudential reporting on the liquidity coverage ratio (LCR), the net stable funding ratio (NSFR) and financial leverage;
b) The quarterly reporting of regulatory capital and verification of adequacy with respect to the minimum requirements of all relevant risks;
c) The Institute's budget, as well as the financial statement;
d) The communications, on an annual basis, relating to the plan of the control functions, the system of risk objectives (Risk Appetite Framework, RAF) and the internal process for determining capital

adequacy (Internal Capital Adequacy Assessment Process, ICAAP);

e) The requirements of competence and honorability, as well as their continued existence over time in light of any changes that may have occurred, including with regard to conflicts of interest.

During the year, the Unit continued the Supervisory Review and Evaluation Process (SREP), with the goal of ensuring that the Institute has appropriate governance mechanisms and controls in place with respect to all risks undertaken. In this context, the Unit analyzes: (i) the sustainability of the business model; (ii) the governance adequacy; (iii) the effectiveness of the risk management and control mechanisms. The goal is ensuring the overall management-balance. The evaluation process, tailored to the specific characteristics of the supervised entity, contemplates a holistic analysis of the documentation sent by the IOR which, includes the Financial Statement, the Internal Capital Adequacy Assessment Process (ICAAP), the Internal Liquidity Adequacy Assessment Process (ILAAP) and the Risk Appetite Framework (RAF, and the information gathered during exchanges with the Institute.

Consolidation of the Supervisory Review and Evaluation Process (SREP)

During the meetings with the Institute, the state of advancement of the remedial actions with reference to the issues arisen in supervisory and in internal control function activities has been constantly examined. Exchanges and meetings were also held to discuss the economic and financial results for the year 2023 compared to what was planned in the budget, as well as with regard to the trend during the year of the main aggregates and their consistency with the planned objectives. A specific focus was reserved to the finance area with regard to the property portfolio management and the asset under management. In-depth discussions were also held with reference to the implementation of the loan process for employees of the Holy See.

Periodically update the information framework available to the Supervisory Unit for planning activities

In light of what was agreed in the 2023 Joint Committee meeting, the prudential regulations were amended to take account of revisions concerning the leverage ratio, the net stable funding ratio, own funds requirements and eligible liabilities, counterparty and market risks, exposures to central counterparties, exposures to collective investment undertakings, large exposures, and reporting and disclosure requirements. Moreover, given the growing importance of Environment, Social, Governance (ESG) factors, the jurisdiction's legal framework has established the obligation to publish information related to ESG risks. Taken the aforementioned framework, attention was paid to assessing the impacts that these risks had on the Institute and the specific issues that emerged during the first phase of implementation. During the year, technical analyses were carried out with particular regard to the European Directives and the European Banking Authority's Guidelines.

Constant updating prudential regulation

Based on the commitments undertaken by the Holy See at the international level, in 2016 the Authority issued regulations about reporting on interest rates and on monetary and financial statistics of entities that carry out financial activities on a professional basis.

These norms provide indications for the periodic and concise representation of both interest rates on deposits and exposures to third parties, and on the relevant assets and liabilities of the entities that carry out financial activities on a professional basis. The statistics are produced periodically by the Unit and transmitted to the ECB.

Transmission of monetary and financial statistics to the ECB

3.2.2 AML/CFT Supervision

Prevention as a weapon to fight criminals and terrorists

The prevention of money laundering and the financing of terrorism and weapons of mass destruction is a crucial activity in protecting the international community from the damage that illicit infiltration may cause. To this end, the supervisory activity plays a key role in protecting the financial system and other sectors from misuse by criminals and terrorists.

In this context, the Authority applies a risk-based approach and the principle of proportionality, with the aim to implement effective strategies in addressing and mitigating the full spectrum of risks, starting with the highest ones, while at the same time ensuring a sustainable balance between the burdens assumed by supervised entities and the need to preserve inclusion and transparency.

The Unit is committed to developing and maintaining a sound understanding of ML/TF risks, based on an assessment of inherent risks and the quality of related mitigation measures. On this basis, the Unit developed a supervisory strategy prioritized toward higher or emerging ML/TF risks, while ensuring that appropriate and proportional strategies are in place to address lower risks as well, albeit in a logic of proportionality, bearing in mind the need to safeguard access to and use of financial services in the pursuit of the Holy See's mission.

With regard to off-site monitoring, the Unit acquires and analyzes on an ongoing basis data and documents submitted by the IOR, including the particular risk assessment, reports from control functions, and aggregates related to periodic flows on operations. This is key to keep its assessment of the ML/TF risk landscape and risk profiles of the IOR, as well as potential control deficiencies, up-to-date. The knowledge gained from off-site monitoring is also useful in guiding the approach and scopes of on-site inspections.

AML/CFT inspection activities

In 2024 the Unit concluded a targeted inspection focused on the suspicious activity reporting process. Specifically, the inspection analyzed compliance with the related obligations set forth in Law No. XVIII and ASIF Regulation No. 5, including (i) identifying potential ML/TF suspicions, (ii) refraining from establishing a relationship, executing a transaction or operation, or providing a service in the cases set forth in the regulation, and (iii) safeguarding the integrity, security, and confidentiality of the report.

The inspection was carried out with walk-through analyses, interviews with operational structures and control functions, and sample audits of relevant cases. Its scope involved the adequacy of IT systems in intercepting potential anomalous activities and the control framework as a whole.

The results of the inspection assessed the Institute's adequate commitment and an overall effective organizational and procedural system. The inspection highlighted some limited areas for improvement, for which the Institute promptly structured an action plan. So far, the implementation of the related remedial actions continues according to the established timetable.

Training to the Supervised Entity

On 19-20 December, ASIF held a training session for the Institute on measures for preventing and countering money laundering and terrorist financing. In this context, the Supervisory Unit presented the Vatican and international framework for AML/CFT, in particular the FATF standards and the results achieved in the MONEYVAL evaluations, the regulations currently in force, the risk-based approach and the risk factors linked to geographical aspects, the user profile and unusual and anomalous activities (see §2.4).

Regulatory aspects

On the regulatory level, following the amendments to Chapter III on customer due diligence of Law No. XVIII, promulgated by Law No. DCXIV of 7 November 2023, the Unit worked on updating ASIF Regulation No. 4 on due diligence, which became effective on 21 June 2024. The aforementioned Regulation details the IOR's fulfilments in the context of the opening of a relationship, the performance of transactions and ongoing monitoring. In accordance with the principles of better regulation – there was a prior consultation with the supervised entity, aimed at deepening the peculiar operations of the

Institute at the service of the universal Church and at building an adequate control framework, in compliance with international standards.

The Unit has also regularly updated the annex to Instruction No. 1, with which is published the List of High-Risk Jurisdictions and Jurisdictions under Increased Monitoring of 20 March 2023, based on the amendments adopted by the FATF at its 2024 Plenary Meetings.

As part of the broader analyses, also with reference to the activities of the Joint Committee, the Unit carried out technical analyses on the new international regulations on AML/CFT and the new FATF standards, with particular reference to the updated Immediate Outcome 3 on supervision and preventive measures for the financial system, in order to assess their impact and possible implications on the Vatican AML/CFT system.

During the year, in-depth studies were conducted on the organizational impacts for the IOR resulting from the evolution of the regulatory framework, in order to monitor the proper implementations of the requirements, and the impact on operational smoothness.

MONEYVAL follow-up

In the context of the Vatican City State and the Holy See, the Unit carries out technical assessments with a view to cooperation with other Authorities for the formulation of technical opinions and the exchange of information; it also participated in working groups focusing on relations with MONEYVAL.

In this regard, reference is made to the activities in support of the request to obtain the re-rating of Recommendations 13 (Correspondent banking), 16 (Wire transfers) and 24 (Transparency and beneficial ownership of legal persons) assessed as Partially Compliant in the Mutual Evaluation Report of 2021, which was positively reflected in the follow up-report of May 2024 (see §2.3).

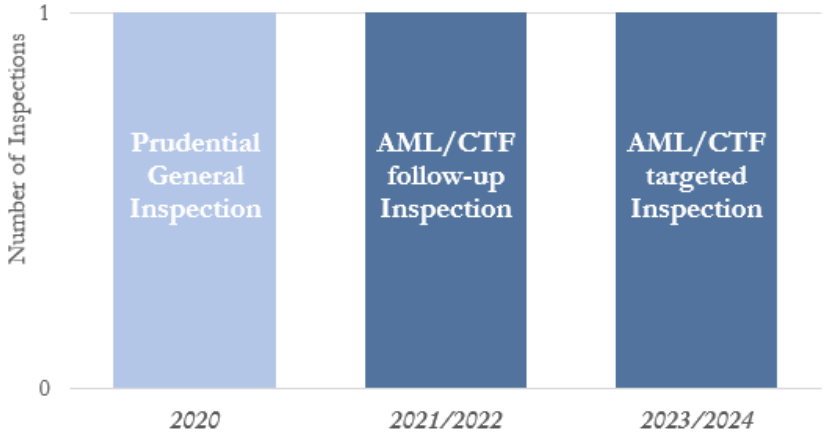
ML/FT risk assessment activities

In addition, the Unit participated in the exercise, currently being updated, of the General Risk Assessment of the Holy See and Vatican City State, with particular reference to the financial sector.
In cooperation with the other competent Authorities and in the context of the aforementioned work to update the GRA, the Unit has initiated the ML/FT risk assessment of the sector of non-profit entities registered with the Registry of the Governorate of Vatican City State, structuring a risk assessment model and preparing guidelines to support the related activities.

Inspection findings on the IOR

On-site inspection activities carried out in the period 2020 - 2024

Since 2020, the Supervisory Unit has conducted 3 inspections at the IOR: a full-scope inspection on prudential matters, a follow-up inspection and a targeted one on AML/CFT matters. On an annual basis, FATCA checks are also carried out on behalf of the SfE. (See *3.2.4*)



3.2.3 International collaboration and information exchange

ASIF exchanged best practices with the corresponding authorities of foreign states in various fields, resulting in meetings conducted externally or hosted by ASIF, thus feeding the network of institutional relations and fruitful cooperation.

In this context, the training exchanges with the Bank of Italy continued, with articulated programs covering, among other things, intermediary evaluation methodologies, both off-site and on-site, with a focus on the finance area with regard to the property portfolio management and the asset under management.

The Unit also took part in the meeting "*Crypto-activities and Crime: Reflections after the MICA Regulation and in view of the Anti-Money laundering package"* held at the Guardia di Finanza School of Economic and Financial Police in May 2024, and in the round table discussion on countering transnational financial crimes hosted by the U.S. Embassy to the Holy See and carried out by the U.S. Department of Homeland Security, in April 2024.

3.2.4 Collaboration in tax matters

The Holy See is strongly committed to ensuring international cooperation and the exchange of information for the purposes of preventing tax evasion and facilitating the fulfilment of fiscal requirements by foreign citizens and legal entities having relations with the IOR. In this context, on the basis of a specific Memorandum of Understanding, ASIF was delegated by the SfE, the competent Authority of the Holy See in this matter, to monitor the adoption of the procedures implemented by the IOR to comply with the requirements of the Foreign Account Tax Compliance Act (FATCA), as envisioned by the FATCA Agreement signed with the U.S. on 10 June, 2015. In June 2021, the IOR acquired Qualified Intermediary (QI) status, a recognition that allows the Institute to align itself with the best international standards with reference to the management of financial assets.

Audits show consistency of the IOR's procedures with the FATCA requirements

3.3 FINANCIAL INTELLIGENCE

ASIF is the Holy See's central authority for financial intelligence, through the Financial Intelligence Unit. The Unit/FIU is an important source of information for initiating investigations into money laundering, terrorist financing and predicate offences.

By means of the information gathered by the international cooperation network, the Authority is also in a position to identify the path of the money (follow the money) that constitutes the "body" of the "predicate offence", for the purposes of the possible recovery – by the Vatican Judicial Authority – of the illicit proceeds.

Of no less importance is the concrete impact of cooperation with other Vatican authorities and legal entities, which in several cases enables a significant preventive role to be played, shielding the jurisdiction from possible external threats (see *below*).

The Unit is responsible for the functions of receiving SARs from obligated entities, Public Authorities, Non-Profit Organizations (NPOs) and other Legal Persons registered with the Vatican City State. The FIU performs the operational analysis of SARs, which includes examining them, as well as analyzing documents, data and information to identify specific targets, trace operations and transactions, and establish links, receiving and requesting all documents, data and information relevant to preventing and combating money laundering and terrorist financing.

If the analysis carried out reveals reasonable grounds to suspect money laundering or terrorist financing activity, the Financial Intelligence Unit transmits reports and information to the UPG. In addition, when necessary, the Unit takes preventive measures such as: (i) suspending the execution, for a maximum of five working days, of transactions and operations suspected of money laundering or terrorist financing, as well as any other related transactions or operations, where this does not hinder investigative or judicial activity; and

(ii) the preventive freezing of accounts, funds and other assets for a maximum of five working days in the case of suspicion of money laundering or terrorist financing, where this does not obstruct investigative or judicial activity.

The Unit is also responsible for exchanging information with its foreign counterparts and competent national authorities that may be relevant to the processing or analysis of information relating to money laundering or terrorist financing and the natural or legal persons involved, regardless of the type of associated predicate offences.

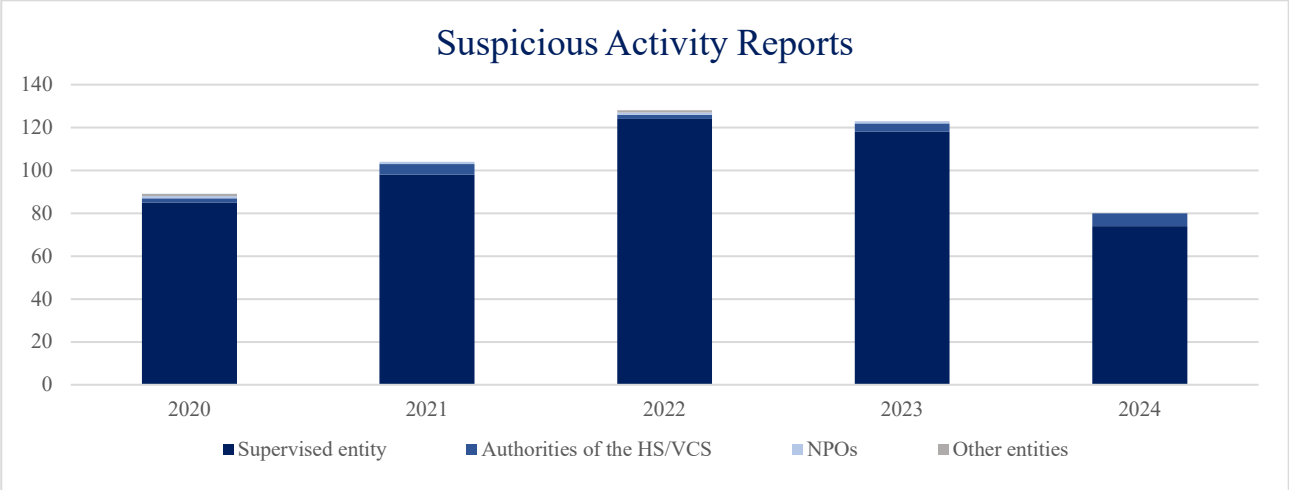
As of 23 March 2023, entities professionally engaged in activities of a financial nature shall report to the Unit transactions and operations directly or indirectly related to High-Risk Jurisdictions for money laundering, terrorist financing and proliferation of weapons of mass destruction. This involved a revision of Instruction No. 1 on *publishing the List of High-Risk Jurisdictions and Jurisdictions under Increased Monitoring*. The new wording of Instruction No. 1 introduces the obligation for entities professionally engaged in activities of a financial nature to suspend and then immediately report to the ASIF any transaction or operation directly or indirectly connected with the jurisdictions included in the List of High-Risk Jurisdictions (see Article 3(1)(a) and (b)).

In addition, the Financial Intelligence Unit receives and analyzes cross-border cash transport declarations.

Lastly, the Financial Intelligence Unit conducts strategic analysis on an annual basis, using, inter alia, aggregated data from the SARs in order to identify common patterns and schemes in money laundering and terrorist financing and emerging trends.

3.3.1 Suspicious Activity Reports

In 2024, ASIF received 73 suspicious activity reports (SARs), from the supervised entity, i.e. the IOR, of which 36 were SARs transmitted pursuant to Article 3(1)(b) of Instruction No. 1, and 6 were SARs from Authorities of the Holy See and Vatican City State.



In 2024, as in 2023, there was a decrease in the number of Suspicious Activity Reports received. This decrease is mainly attributable to the lower number of reports sent by the supervised entity. The number of SARs received from other reporting entities, on the other hand, appears to have remained stable over the period.

The decrease in the number of reports appears to be mainly attributable to the progressive refinement of the selection process of the cases to be reported carried out by the reporter. To confirm this, consider that during 2024, despite the decrease in the number of SARs received, the number of Reports transmitted to the Office of the Promoter of Justice by the ASIF remained stable.

Reported Anomaly Indicators

The anomaly indicators most frequently found in suspicious activity reports received during 2024 refer to the following operations:

(i) cash transactions (found in 26% of the reports)

(ii) transactions inconsistent with the client's *status* or past transactions (found in 23% of the reports)

(iii) illogical or unnecessarily complex operation (found in 14% of reports)

(iv) negative press reports concerning the customer (found in 12% of the reports)

(v) connection with risky jurisdictions (found in 12% of the reports).

Among the reports received during 2024, those that resulted in a Report being sent to the Office of the Promoter of Justice were mainly related to anomaly indicators concerning transactions inconsistent with the client's *status* or past transactions, negative press reports and misuse of the current account that could suggest fictitious fund registrations.

3.3.2 Reporting Transactions and Operations with High-Risk Jurisdictions

Article 3(1) of Instruction No. 1 (20 March 2023), *by which the List of High-Risk Jurisdictions and Jurisdictions under Increased Monitoring is published*, requires the entities carrying out financial activities on a professional basis shall:

(a) suspend any transaction or operation directly or indirectly connected with such Jurisdictions, unless otherwise specifically authorised by the ASIF.
(b) immediately report to the ASIF any attempted transaction or operation directly or indirectly connected with such Jurisdictions.

In the year 2024, there were 36 reports received by ASIF under Instruction No. 1. Thus, a stability is observed in the number of such report compared to the previous year: in 2023, in fact, there were 36 reports under Instruction No. 1.

In the year 2024, there were no reports sent to the Office of the Promoter of Justice arising from reports received pursuant to Article 3, as ASIF authorised all transactions suspended by the Institute under Art. 3 and reported to the FIU.

3.3.3 Operational Analysis

The information received and processed by the FIU turns into operational *intelligence* when a report is transmitted to the UPG for further investigation. In order to verify that tactical and operational analyses are relevant, and that the use of financial intelligence by law enforcement authorities is effective, the ASIF monitors the extent to which the operational analyses contribute over time to the success of investigative and prosecutorial actions. To this end, coordination meetings between the UPG, CdG and ASIF, and feedback provided by the UPG following the transmission of reports by the ASIF, are an important tool.

Although the operational analysis of the reports received during 2024 focused exclusively on possible cases of money laundering and predicate offences, the fight against the financing of terrorism continues to receive the utmost attention. During the year, an Official of the FIU participated in a training course organised by the *National Terrorist Financial Investigation Unit of* the United Kingdom, focusing on counter-terrorist financing techniques.

3.3.4 Preventive measures

In 2024, a total of four cases were registered that required the use of preventive measures under Article 48 of Law No. XVIII. Specifically, two measures were adopted to suspend transfer transactions, for a total amount of € 817,280 and two to freeze accounts held with the IOR.

These preventive measures were taken following suspicious transaction reports sent by the IOR. The increase in the number of measures adopted and the fact that they originated from reports from the supervised entity confirm the trend of improved quality of the reports transmitted by the Institute. In fact, in 2023, only one suspension measure had been adopted, albeit referring to a transfer of funds of a very limited amount (€5,848).

3.3.5 Reports to the Office of the Promoter of Justice

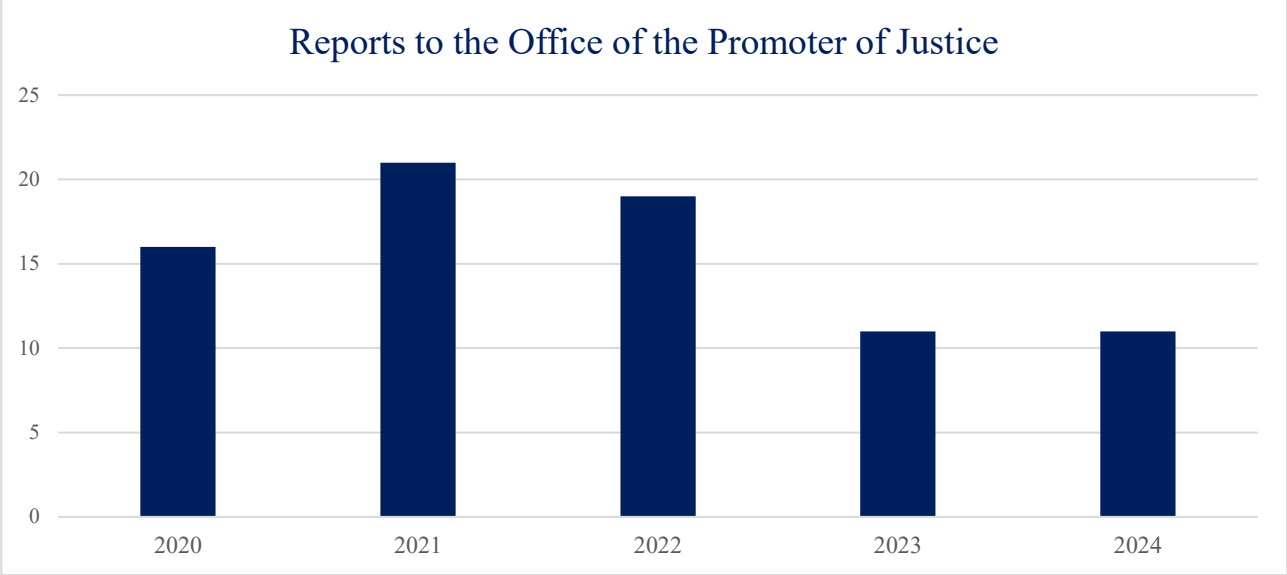
Improves ability to intercept criminal offences

In 2024, ASIF forwarded 11 reports to the Office of the Promoter of Justice, two of which represented first reports, relating to cases and subjects not already covered in previous reports.

The number of reports sent out is stable compared to 2023. It should also be noted that despite the above-mentioned decrease in the number of reports received during 2024, two first reports were sent to the Office of the Promoter of Justice, indicating an improved ability of the system to intercept cases characterised by elements that concretely suggest some illegal activities.

The first reports submitted to the Office of the Promoter of Justice in 2024 resulted in the opening of as many files for further investigation.

There were no indictments during the year originating from reports submitted by ASIF to the Office of the Promoter of Justice.



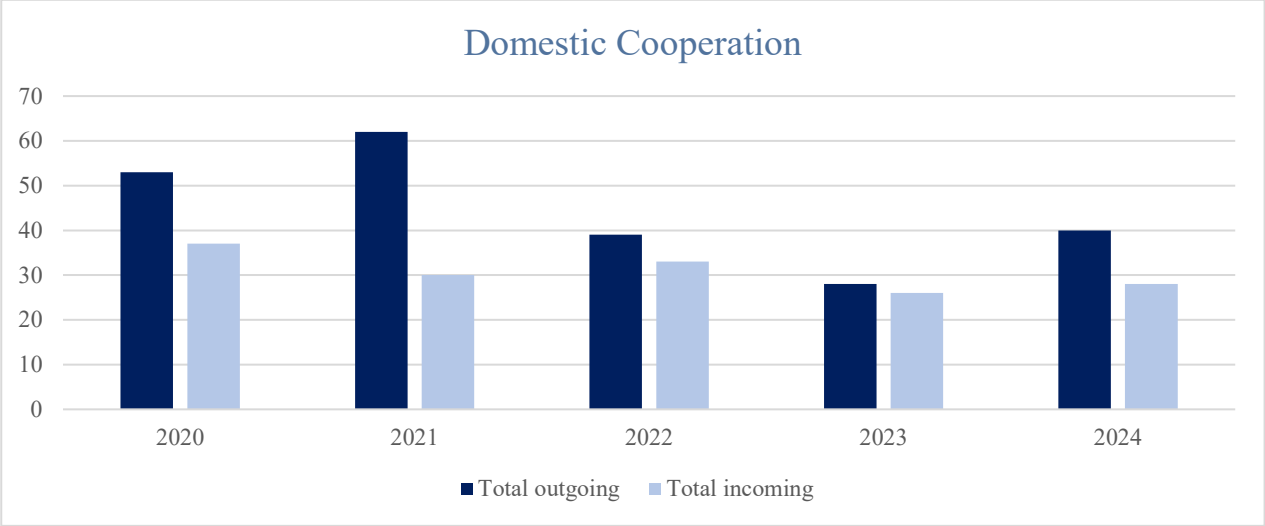
3.3.6 Domestic and international cooperation

The Corps of the Gendarmerie represents the main interlocutor

Domestic cooperation is governed by Article 69 of Law No. XVIII, according to which competent Authorities and other bodies and "institutions of the Holy See and of the Vatican City State shall actively cooperate and exchange information for the purposes of preventing and countering money laundering and terrorism and proliferation financing, in the manner and within the limits established by law" Article 69(1).

In 2024, the number of outgoing requests showed an increase compared to 2023, from 28 to 39 communications. In contrast, incoming communications remained stable (26). The main interlocutor is confirmed to be the Gendarmerie Corps, and considerable collaborative activities were also conducted with the Secretariat for the Economy.

The importance of these forms of cooperation should be emphasized as they make it possible in several cases to effectively prevent possible money laundering or the use of proceeds derived from crime.

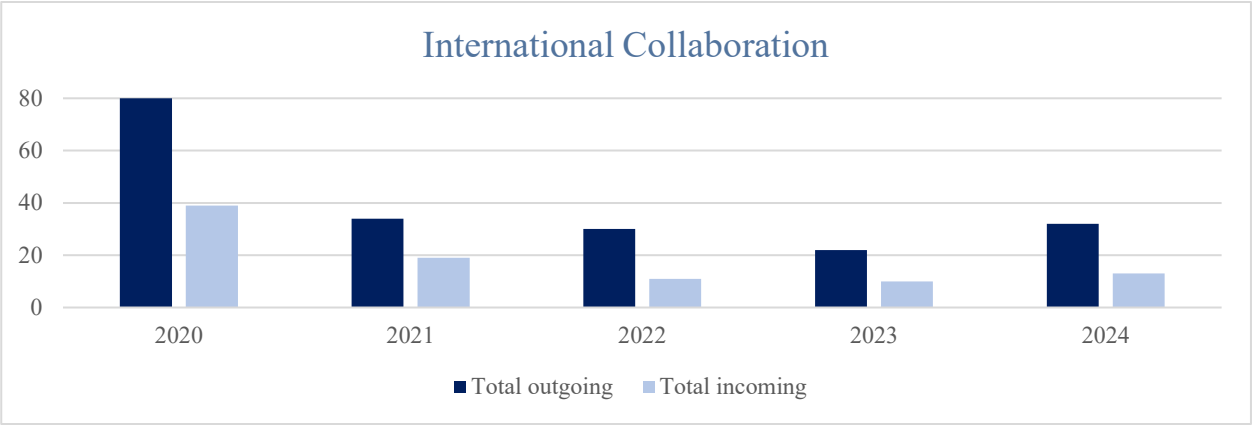


International collaboration activities are strengthened

With regard to international cooperation, in 2024, ASIF sent 31 requests for information or spontaneous communications to its counterparties, receiving 13 such communications. This represents an improvement compared to 2023, with regard to both the number of communications sent and those received from foreign counterparties.

As in previous years, international cooperation was a valuable tool to support operational analysis.

Pursuant to Article *69bis* of Law No. XVIII, ASIF may cooperate and exchange information with similar authorities of foreign jurisdictions upon the condition of reciprocity and on the basis of memoranda of understanding. In 2024, ASIF signed memoranda of understanding with the FIUs of Timor Leste and Seychelles, making a total of 78 memoranda of understanding signed since 2012.



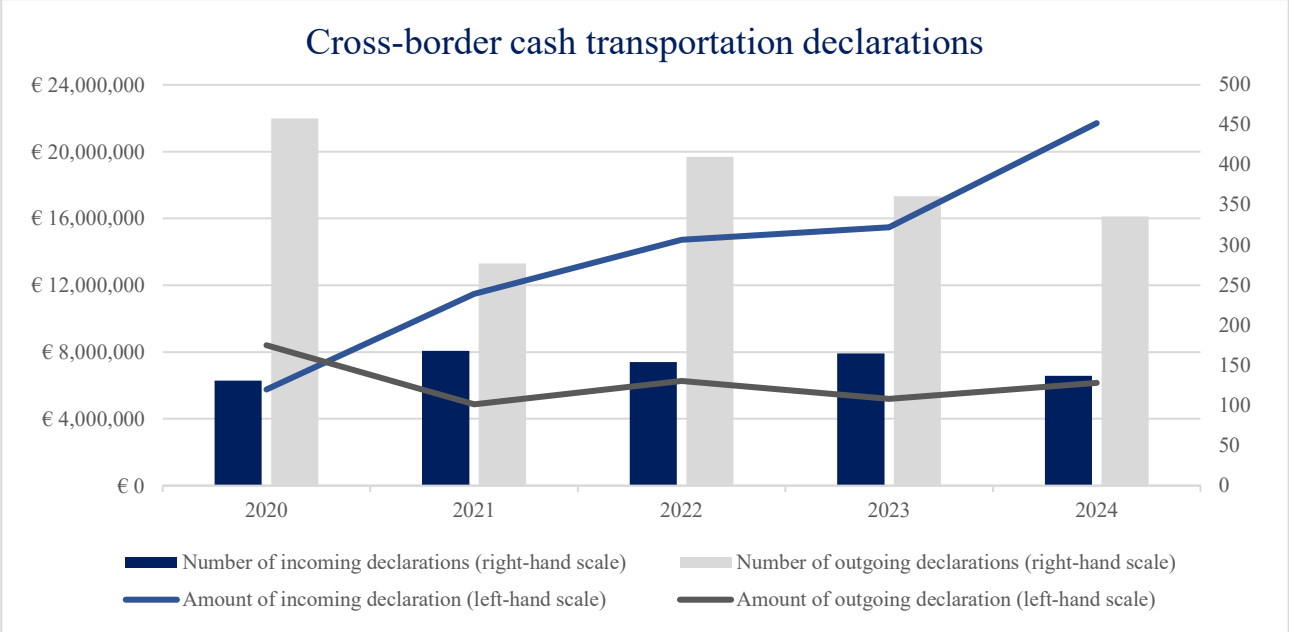
3.3.7 Cross-border cash transport declarations

Cash inflows are mainly attributable to Vatican institutions

Article 81 of Law No. XVIII establishes the obligation to declare the cross-border transport of money (both cash and bearer negotiable instruments) in amounts of € 10,000 or more. The declaration must be submitted to the CdG, the competent customs authority, or to the offices authorised by the ASIF.

In 2024, ASIF recorded 137 incoming declarations, for a total amount of € 21,704,914, and 336 outgoing declarations, for a total amount of € 6,161,120. An increase in incoming declared amounts is also observed for 2024, confirming a *trend* in place since 2019, while the total amount of outgoing declared amounts has been relatively stable since 2021.

With regard to incoming declarations, it is noted that the vast majority of the amounts declared are attributable to the activities of public authorities and Vatican legal entities.



3.3.8 Strategic analysis

The results of the strategic analysis are used at different levels. Firstly, they are the main reference for the definition of ASIF's strategic and operational guidelines and their constant updating. They can be the subject of guidelines, instructions and training sessions for the supervised entity, as well as training sessions for reporting entities. They can also provide elements of financial intelligence for the collaboration and exchange of information and for the coordination of operational activities with law enforcement authorities.

In a broader perspective, strategic analysis can be used to support VGR and may suggest the need to take measures to strengthen the *effective* functioning (*effectiveness*) or the degree of technical compliance (technical compliance) of the AML/CFT system, including the adoption of standards or requirements, for specific sectors, categories of actors or types of services, products, activities, transactions or distribution channels.

Finally, strategic analysis may result in the publication of targeted analyses and studies on specific sectors, categories of entities or types of services, products, activities, transactions or distribution channels, or advanced studies on the jurisdiction as a whole, including cross-border and cross-border activities.

4 STATISTICAL TABLES

4.1 *Suspicious activity reports*

	2020	2021	2022	2023	2024
Total	***89***	***104***	***128***	***123***	***79***
Obliged entity	*85*	*98*	*124*	*118*	*73*
(Instruction No.1)				*36*	*36*
Authorities of the Holy See/Vatican City State	***2***	***5***	***2***	***4***	***6***
Non-profit organisations	*1*	*1*	*1*	*1*	*0*
Other entities	***1***	***0***	***1***	***0***	***0***

4.2 *Preventive measures*

	2020	2021	2022	2023	2024
Number of suspended transactions and operations	*0*	*4*	*5*	*1*	*2*
Amount of suspended transactions and operations	***€ 0***	***€ 379,770***	***€ 829,050***	***€ 5,848***	***€ 817,280***
Number of frozen accounts, funds and other economic resources	*0*	*1*	*0*	*0*	*2*
Amount of frozen accounts, funds and other economic resources	***€ 0***	***€ 246,418***	***€0***	***€0***	***€ 2,115,470***

4.3 *Reports to the office of the promoter of justice*

	2020	2021	2022	2023	2024
Total	***16***	***21***	***19***	***11***	***11***

4.4 *Domestic cooperation*

	2020	2021	2022	2023	2024
Number of outgoing requests and communications	*53*	*62*	*39*	*28*	*39*
Number of incoming requests and communications	*37*	*30*	*33*	*26*	*26*

4.5 *International cooperation*

	2020	2021	2022	2023	2024
Total	***119***	***53***	***41***	***32***	***44***
Requests and communications sent to foreign FIUs	*80*	*34*	*30*	*22*	*31*
Requests and communications received from foreign FIUs	*39*	*19*	*11*	*10*	*13*

4.6 *Memoranda of understanding with foreign financial intelligence units*

	2020	2021	2022	2023	2024
Total	***2***	***3***	***2***	**9**	**2**

4.7 *Number and amount of cross-border cash transportation declarations*

	2020	2021	2022	2023	2024
Number	***589***	***445***	***564***	***529***	***473***
Total amount	***€ 14,163,034***	***€ 16,343,571***	***€ 20,999,188***	***€ 20,664,073***	***€ 27,866,033***
Number of incoming declarations	*131*	*168*	*154*	*165*	*137*
Number of outgoing declarations	***458***	***277***	***410***	***361***	***336***
Incoming declared amount	*€ 5,756,557*	*€ 11,474,142*	*€ 14,725,989*	*€ 15,462,762*	*€ 21,704,914*
Outgoing declared amount	***€ 8,406,477***	***€ 8,869,428***	***€ 6,273,198***	***€ 5,201,311***	***€ 6,161,120***

5 GLOSSARY/ACRONYMS

AML/CFT, *Anti-money laundering and countering the financing of terrorism*

ASIF, *Supervisory and Financial Information Authority*

CdG, *Corps of the Gendarmerie*

Co.Si.Fi., *Financial Security Committee*

ECB, *European Central Bank*

FATCA, *Foreign Account Tax Compliance Act*

FATF, *Financial Action Task Force*

IBAN, *International Bank Account Number*

IOR, *Institute for Works of Religion*

MONEYVAL, *Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism*

PF, *Proliferation Financing*

SAR, *Suspicious Activity Report*

SEPA, *Single Euro Payments Area*

FIU, *Financial Intelligence Unit*

UPG, *Office Promoter of Justice*