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LAW No. XVIII

ON TRANSPARENCY, SUPERVISION AND FINANCIAL INTELLIGENCE

8 October 2013

THE PONTIFICAL COMMISSION FOR THE VATICAN CITY STATE

- Bearing in mind the *Fundamental Law of the Vatican City State*, of 13 May 2023[1];

- bearing in mind Law No. LXXI *on the Sources of Law*, of 1 October 2008;

- bearing in mind the Motu Proprio of Pope Francis *for the prevention and countering of money- laundering, financing of terrorism and the proliferation of weapons of mass destruction*, of 8 August 2013;

- bearing in mind Law No. V *on the economic, commercial and professional systems*, of 7 June 1929;

- bearing in mind Law No. CLXVI, of 24 April 2013, *confirming the Decree of the President of the Governorate No. CLIX of 25 January 2012, by which modifications and integrations to Law No. CXXVII of 30 December 2010, on the prevention and countering of the laundering of proceeds of criminal activities and of the financing of terrorism*, were promulgated;

- bearing in mind Law No. VIII *on Supplementary norms on criminal law matters*, of 11 July 2013;

- bearing in mind Law No. X *on General norms on administrative sanctions*, of 11 July 2013;

- bearing in mind the Decree No. XI of the President of the Governorate *on Norms concerning transparency, supervision and financial intelligence*, of 8 August 2013;

- bearing in mind Law No. DL *on Legal persons*, of 5 December 2022[2];

considering that

- there is no free market in the Vatican City State;

- illicit activities and, in particular, money-laundering and the financing of terrorism and the proliferation of weapons of mass destruction threaten the integrity and stability of the economic, commercial and professional sectors, as well as the reputation of operators;

- the solidity of operators in the financial field is a fundamental element for the stability of the economic, commercial and professional sectors at the domestic and international levels;

- all Jurisdictions are called to contribute to the prevention and countering of illicit activities and, in particular, of money-laundering and the financing of terrorism and the proliferation of weapons of mass destruction, by adopting adequate systems of supervision and financial intelligence and by cooperating at the international level, including through border controls;

- all Jurisdictions are called to protect and promote the stability of the entities carrying out financial activities

[1] Paragraph amended by Article 1 (1) of Law No. DCXIV of 7 November 2023.
[2] Paragraph introduced by Article 1 (2) of Law No. DCXIV of 7 November 2023.

on a professional basis, including by means of adequate systems of prudential supervision and by cooperating at the international level;

- all Jurisdictions are called to prevent and counter international terrorism and the activities of subjects that threaten international peace and security or who participate in the proliferation of weapons of mass destruction;

- it is opportune to confirm Decree No. XI of the President of the Governorate on Norms concerning transparency, supervision and financial intelligence, of 8 August 2013, with some amendments;

has approved the following

LAW

TITLE I
DEFINITIONS

Article 1 – Definitions

For the purposes of this Law, the following definitions shall apply:

1. « *Financial activities* »: one or more of the following activities:

a) acceptance of deposits and other repayable funds from the public;

b) lending;

c) financial leasing;

d) transfer of funds, including payment services and money or value transfer services[3];

e) issuing and managing of means of payment;

f) issuing financial guarantees and commitments;

g) brokerage of any typology of financial instrument;

h) participation in securities issues and the provision of related financial services;

i) individual or collective portfolio management;

j) safekeeping and administration of cash or liquid securities;

k) otherwise investing, administering or managing of funds or other assets;

l) underwriting and placement of life insurances or other investment-related insurances[4];

m) money or currency changing;

n) advising relating to the activities listed in the previous subparagraphs.

[3] Paragraph amended by Article 2 (1) of Law No. DCXIV of 7 November 2023.
[4] Paragraph amended by Article 1 (1) of Law No. CCXLVII of 19 June 2018.

o) any activity related to trusts or similar legal arrangements[5].

1bis. « *Senior management* »: within the obliged subjects, officers and employees with sufficient knowledge of the entity's money laundering and terrorist financing risk exposure and sufficient seniority to take decisions affecting its risk exposure, and need not, in all cases, be a member of the bodies responsible for defining policies and strategies[6].

2. « *Activity carried out on a professional basis* »: an organized economic activity, carried out habitually, for the purpose of the production or exchange of goods or services, for and on behalf of third parties.

3. « *Shell bank* »: a financial institution or a credit institution[7] that has no physical presence in the State in which it is incorporated and authorized to carry out its activity and which is unaffiliated with a regulated financial services group that is subject to effective consolidated supervision.

4. « *Property* »: assets of any kind, whether tangible or intangible, movable or immovable, however acquired, and any legal documents or instruments, including electronic or digital, evidencing title to, or interest in, such assets[8].

5. « *Correspondent accounts* »: the accounts held by entities carrying out financial activities on a professional basis, financial institutions and/or credit institutions[9], normally on a bilateral basis, for the provision of inter-bank services, like the remittance of drafts, cheques, money orders, transfer of funds, remittance of documents and other transactions.

6. « *Payable-through accounts* »: correspondent accounts that are used directly by third parties on their own behalf.

7. « *Identification data* »:

a) in the case of natural persons:

the first name and surname, the place and date of birth, citizenship, the Jurisdiction and the place of residence, and the essential contents of an identity document belonging to the declarant;

b) in the case of legal persons:

i) the denomination, the registered office and, if different, the main office;

ii) the first name and surname, the place and date of birth, the citizenship, the Jurisdiction and the place of residence, and the details of an identity document belonging to the declarant and the indication of his/her role within the legal person.

7bis. « *Personal data* »: any information relating to an identified or identifiable natural person[10].

8. « *Currency* »:

a) currency, including banknotes and coins that are in circulation as a means of exchange.

b) bearer negotiable instruments, including monetary instruments in bearer form such as traveller's cheques; negotiable instruments, including cheques, promissory notes and money orders, that are either in bearer form, endorsed without restrictions, made out to a fictitious payee, or otherwise in such form that title thereto passes

[5] Sub-Paragraph introduced by Article 1 (1) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[6] Paragraph introduced by Article 1 (2) of Law No. CCXLVII of 19 June 2018.
[7] Paragraph amended by Article 2 (2) of Law No. DCXIV of 7 November 2023.
[8] Paragraph introduced by Article 1 (2) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[9] Paragraph amended by Article 2 (3) of Law No. DCXIV of 7 November 2023.
[10] Paragraph introduced by Article 1 (3) of Law No. CCXLVII of 19 June 2018.

upon delivery; incomplete instruments, including cheques, promissory notes and money orders, signed, but with payee's name omitted.

8bis. « *Recipient of personal data* »: a natural or legal person, public authority, agency or any other body to whom personal data are disclosed. Authorities which may receive such data in the course of a particular inquiry shall not be regarded as recipients[11].

8ter. « *Credit institution* »: an undertaking the business of which is to take deposits or other repayable funds from the public and to grant credits for its own account[12].

9. « *Family members* »:

a) the spouse of a politically exposed person;

b) the children of a politically exposed person and their spouses;

c) the parents of a politically exposed person[13].

10. « *Financing of terrorism* »:

a) the acts set forth in article 23 of Law No. VIII on Supplementary norms on criminal law matters, of 11 July 2013;

b) participation in acts established by article 23 of Law No. VIII on Supplementary norms on criminal law matters, of 11 July 2013, association to commit such acts, the attempt to perpetrate them, the fact of assisting, instigating or advising someone to commit them or the fact of facilitating their execution.

c) knowledge, intention or purpose, which must constitute an element of the activities referred to in letters a) and b) may be inferred from objective factual circumstances[14].

11. « *Funds or other assets* »: any assets, including financial, economic and any other assets, whether tangible or intangible, movable or immovable, however acquired, and any legal documents or instruments, including electronic or digital, evidencing title to, or interest in, such funds or other assets, including bank credits, traveller's cheques, cheques, money orders, shares, securities, bonds, drafts, or letters of credit, and any interest, dividends or other income on or value accruing from or generated by such funds or other assets.

12. « *Biographical information* »: the first name and surname, the place and date of birth of a natural person.

12bis. « *Group* »: a group of undertakings which consists of a parent undertaking, its subsidiaries, and the entities in which the parent undertaking or its subsidiaries hold a participation, as well as undertakings linked to each other by a relationship within the meaning of Article 1, paragraph 64-bis of Regulation No. 1 of 25 September 2014[15].

12ter. « *Financial Institution* »: an undertaking other than a credit institution which carries out on a professional basis one or more of the financial activities set out in Article 1, paragraph 1, points (b) to (n). Without prejudice to the unique nature of the institutional, legal, economic, commercial and professional nature of the Jurisdiction – the consideration of which constitutes the primary implementation criterion for this Law, pursuant to Article 7, paragraph 2, point (a) – the concept of a financial institution may include the following category of entities:

a) an insurance undertaking;

[11] Paragraph amended by Article 1 (4) of Law No. CCXLVII of 19 June 2018.
[12] Paragraph introduced by Article 1 (4) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[13] Paragraph amended by Article 1 (5) of Law No. CCXLVII of 19 June 2018.
[14] Letter introduced by Article 2 (4) of Law No. DCXIV of 7 November 2023.
[15] Paragraph introduced by Article 1 (6) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.

b) an investment firm;

c) a collective investment undertaking;

d) an insurance intermediary, including intermediaries that offer life insurance and other investment-related services, with the exception of a tied insurance intermediary;

e) branches of financial institutions as referred to in points (a) to (d)[16].

12quater. « *Occasional operation or transaction* »: operation or transaction carried out in the absence of a relationship[17].

13. « *Non-profit organizations* »: legal persons whose main activity is the collection or distribution of funds or other economic resources for charitable, religious, cultural, educational, social or humanitarian purposes, which fall within the scope of Law No. DL, on Legal persons, of 5 December 2022[18].

14. « *Person who is entrusted with prominent public functions* »:

a) heads of State or of Government, Ministers and their deputies, Secretaries-General and persons with analogous functions;

b) members of Parliaments or similar legislative bodies[19];

c) members of Supreme Courts, of Constitutional Courts and of other high- level judicial organs whose decisions are not normally subject to appeal, except in extraordinary circumstances;

d) members of Courts of account and the Boards of Central Banks;

e) ambassadors and chargés d'affaires;

f) Senior Officers of the Armed Forces;

g) members of management, administration or boards of State-owned corporations;

h) analogous functions within the Holy See and the State.

i) members of the governing bodies of political parties;

j) general secretaries, directors, deputy directors and members of the governance bodies of an international organization[20].

15. « *Legal person* »: any legal person, whatever the nature and activity, including companies, [21]non-profit organizations and trusts and excluding public authorities[22].

15bis. « *Instrumental Legal Person* »: Legal Person, subject to the provisions established in the Apostolic Letter in the form of "Motu Proprio" of the Supreme Pontiff Francis on the Instrumental Legal Persons of the Roman Curia, of 5 December 2022[23].

[16] Paragraph introduced by Article 1 (6) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[17] Paragraph introduced by Article 2 (5) of Law No. DCXIV of 7 November 2023.
[18] Paragraph amended by Article 2 (6) of Law No. DCXIV of 7 November 2023.
[19] Sub-Paragraph amended by Article 1 (8) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[20] Sub-Paragraph introduced by Article 1 (6) of Law No. CCXLVII of 19 June 2018.
[21] Paragraph amended by Article 2 (6) of Law No. DCXIV of 7 November 2023.
[22] Paragraph amended by Article 1 (9) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[23] Paragraph introduced by Article 2 (8) of Law No. DCXIV of 7 November 2023.

15ter. « *Public Authorities* »: the Curial Institutions and Offices, the Institutions connected with the Holy See or referring to it, included in the list annexed to the Statute of the Council for the Economy, the Governorate of the Vatican City State and the Judicial Bodies of the State[24].

16. « *Politically exposed person* »: a person who is or has been entrusted with a prominent public function in the Holy See, in the State or in any other Jurisdiction or in an international organization. The definition of politically exposed person does not cover middle ranking or more junior officers[25].

17. « *Payment services provider* »: natural or legal person whose activity includes the provision of payment services or transfer of funds.

17bis. « *Money or value transfer service provider* »: a natural or legal person whose business consists in offering services relating to the transfer of funds or other economic resources, in particular cash and other stores of value, either directly or through their agents[26].

18. « *Relationship* »: relationship of an economic, commercial or professional nature, which may be connected to the activity carried out professionally by obliged subjects and which from the moment of its establishment is presumed to have some duration[27].

18bis. « *Correspondent relationship* »:

a) the provision of financial services by one entity carrying out financial activities on a professional basis, financial institution or credit institutions – correspondent – to another entity carrying out financial activities on a professional basis, financial institution or credit institutions – respondent –, including providing a current or other liability account and related services, such as cash management, international funds transfers, cheque clearing, payable-through accounts and foreign exchange services;

b) the relationships between entities carrying out financial activities on a professional basis, financial institutions and credit institutions and among entities carrying out financial activities on a professional basis, financial institutions and credit institutions including where similar services are provided by a correspondent institution to a respondent institution, and including relationships established for securities transactions or funds transfers[28,29].

19. « *Money laundering* »:

a) the acts set forth in article 421bis of the Criminal;

b) participation in one of the acts set forth in article 421 bis of the Criminal Code, association to commit such an act, the attempt to perpetrate them, the fact of assisting, instigating or advising someone to commit them or the fact of facilitating their execution;

c) knowledge, intention or purpose, which must constitute an element of the activities referred to in letters a) and b) may be inferred from objective factual circumstances[30].

20. « *Payment services* »: services which allow for the execution of deposits, withdrawals, transactions and payment orders, including the transfer of funds to a payment account, the issue and acquisition of payment instruments and currency remittances.

[24] Paragraph introduced by Article 2 (8) of Law No. DCXIV of 7 November 2023.
[25] Paragraph amended by Article 1 (7) of Law No. CCXLVII of 19 June 2018.
[26] Paragraph introduced by Article 2 (9) of Law No. DCXIV of 7 November 2023.
[27] Paragraph amended by Article 2 (10) of Law No. DCXIV of 7 November 2023.
[28] Paragraph introduced by Article 2 of Law No. CCXLVII of 19 June 2018.
[29] Paragraph amended by Article 2 (11) of Law No. DCXIV of 7 November 2023.
[30] Letter introduced by Article 2 (12) of Law No. DCXIV of 7 November 2023.

20bis. « *Money or value transfer services* (MVTS) »: services of funds or other assets transfer that involve the acceptance of cash, cheques, other monetary instruments or other stores of value and the payment of a corresponding sum in cash or other form to a beneficiary by means of a communication, message, transfer, or through a clearing network to which the MVTS provider belongs. Transactions performed by such services can involve one or more intermediaries and a final payment to a third party, and may include any new payment methods. Sometimes these services have ties to particular geographic regions and are described using a variety of specific terms, including *hawala*, *hundi*, and *fei-chen*[31].

21. «*Close associates*»:

a) any natural person who has joint beneficial ownership of a legal person or other close economic relationship with a person belonging to one of the categories established by paragraphs 14 and 16;

b) any natural person who is the only beneficial owner of a legal person de facto created for the benefit of a person belonging to one of the categories established by paragraph 14 and 16.

22. « *Obliged subject* »: an entity who, pursuant to articles 2 and 3, is subject to the obligations established in Title II[32].

23. « *Reporting subject* »: an entity who falls into one of the following cases:

a) obliged subjects;

b) legal persons not included among the obliged subjects, subject to the specific regulation referred to in article 13bis and required to report suspicious activities to the Supervisory and Financial Information Authority pursuant to article 40, paragraph 2;

c) public authorities subject to the specific regulation referred to in article 13bis and required to report suspicious activities to the Supervisory and Financial Information Authority pursuant to article 40, paragraph 2[33].

24. « *Beneficial owner* »: the natural person or the natural persons who ultimately own or control the entity and/or the natural person or the natural persons on whose name and on whose behalf an operation, transaction or activity is carried out or that is beneficiary of it, and including at least:[34]

a) in case of companies: [35]

i) the natural person or natural persons who ultimately owns or controls the legal entity, either through direct or indirect ownership of a sufficient percentage of shares or voting rights or other participation in that entity, including through bearer shares, or through control by other means. A percentage of shares of 25% plus a share or other participation exceeding 25% of the share capital or voting rights of a legal entity held by a natural person constitutes an indication of direct ownership. A percentage of shares amounting to 25% plus a share or other participation exceeding 25% of the share capital or voting rights of a legal entity, held by a legal entity, controlled by one or more natural persons, or by several companies, controlled by the same natural person, constitutes an indication of indirect ownership[36] ;

ii) if, after having exhausted all possible means and provided there are no grounds for suspicion, no person under point i) is identified, or if there is any doubt that the person(s) identified are the beneficial owner(s), the natural person(s) who hold the position of senior managing official(s) or who exercise in other ways control

[31] Paragraph introduced by Article 2 (13) of Law No. DCXIV of 7 November 2023.
[32] Paragraph amended by Article 1 (10) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[33] Paragraph amended by Article 1 (11) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[34] Paragraph amended by Article 2 (14) of Law No. DCXIV of 7 November 2023.
[35] Letter amended by Article 2 (15) of Law No. DCXIV of 7 November 2023.
[36] Sub-paragraph amended by Article 2 (16) of Law No. DCXIV of 7 November 2023.

on directing or managing the company; the obliged entities shall keep records of the actions taken in order to identify the beneficial ownership under point i) and this point ii), as well as any difficulties encountered in their identification and verification activities;[37]

b) in the case of a trust or similar legal arrangement, the following persons are included[38]:

i) the settlor(s);[39]

ii) the trustee(s);

iii) the protector(s), if any;[40]

iv) the beneficiaries, or where the individuals benefiting from the legal arrangement or entity have yet to be determined, the class of persons in whose main interest the legal arrangement or entity is set up or operates;

v) any other natural person exercising ultimate control over the trust by means of direct or indirect ownership or by other means;

c) in case of non-profit organizations and other legal persons:

i) the natural person(s) who effectively exercise control of the patrimony of the legal person or entity;

ii) if the future beneficiaries have already been established, the natural person(s) who is the effective beneficiary of the patrimony of the legal person or entity;

iii) if the future beneficiaries of the entity have not yet been determined, the category of persons in whose principal interest the entity has been created or acts[41,42];

iv) if, after all possible means have been exhausted and provided there are no grounds of suspicion, no person has been identified in accordance with the criteria set out in the preceding points, or, in case of doubt as to whether the person or persons identified is or are the beneficial owner(s), the natural person(s) who occupies a senior management position or otherwise exercises control over the direction or management of the entity. The obliged subjects are required to maintain records of decisions made in order to the purpose of identifying beneficial ownership, in accordance with points (i), (ii), (iii) and this point (iv), as well as the difficulties encountered in identification and verification[43].

25. « *Transaction* »:

a) the transmission or movement of means of payment;

b) a determined or determinable activity with an economic or financial objective, which modifies the existing juridical situation achieved by a professional performance.

26. « *Linked transaction* »: a transaction which, even if in itself autonomous, constitutes, from an economic perspective, a unique operation with one or more operations executed at different stages or moments.

27. « *Cross-border wire transfer* »: any funds or other assets transfer where the one ordering and the beneficiary payment services provider or MVTS provider are located in different Jurisdictions, including any chain of transfer in which at least one of the payment services providers or MVTS provider involved is located

[37] Paragraph amended by Article 1 (13) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[38] Sub-Paragraph amended by Article 1 (14) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[39] Sub-Paragraph amended by Article 1 (14) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[40] Sub-Paragraph amended by Article 1 (14) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[41] Paragraph amended by Article 3 of Law No. CCXLVII of 19 June 2018.
[42] Letter amended by Article 2 (17) of Law No. DCXIV of 7 November 2023.
[43] Sub-Paragraph introduced by Article 2 (18) of Law No. DCXIV of 7 November 2023.

in a different Jurisdiction[44].

28. « *Domestic wire transfer* »: any funds or other assets transfer where the payment services provider or MVTS provider of the one ordering and of the beneficiary are located in the same Jurisdiction, including any chain of transfer that takes place entirely within the borders of a single Jurisdiction, even though the system used to transfer the communication or the message of transfer or payment may be located in another Jurisdiction[45].

29. « *Batch transfers* »: individual funds or other assets transfers that are being sent by the same payment services provider or MVTS provider batched in a single electronic file, even when intended for the same beneficiary[46].

30. « *Wire transfer* »: a transaction, typically carried out at least partially partly by electronic means, in the name and on behalf of an originator, by a payment service provider or by a MVTS provider, for the purpose of placing funds or other economic resources at the disposal of a beneficiary, through a payment service provider or a MVTS provider, regardless of whether the originator and the beneficiary are the same person and that the payment service provider or the MVTS provider of the originator and that of the beneficiary are the same[47]..

31. « *Cross-border transportation* »: any form of physical movement of currency, entering or leaving the State, including:

a) transport movement by a physical person, even by means of bags or separate luggage;

b) transport movement by vehicles or containers;

c) postal dispatch by a physical or juridical person.

31bis. « *Processing of personal data* »: any operation or set of operations which is performed on personal data, whether or not by automated means, such as collection, recording, organization, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, including restriction, erasure or destruction of personal data[48]. The treatment of personal data based on this Law for the purposes of preventing and countering money laundering, terrorism financing and proliferation financing shall be considered in the public interest.[49,50]

32. « *Trust* »: a legal relationship established – inter vivos or mortis causa – by a person, the settlor, in which assets are placed under the control of a trustee in the interest of a beneficiary or for a specific purpose.

33. « *Crypto-currency* »: a form of virtual currency visible and usable only by knowing the necessary computer access keys[51].

34. « *Electronic currency* or *Electronic money* »: monetary value electronically stored, including magnetic storage, represented by a credit against the issuer, which is issued against the receipt of funds to carry out payment transactions and which is accepted by natural or legal persons other than the issuer of electronic currency or money.[52]

35. « *Synthetic currency* »: currency derived from the combination of two different financial instruments.[53]

[44] Paragraph amended by Article 2 (19) of Law No. DCXIV of 7 November 2023.
[45] Paragraph amended by Article 2 (19 and 20) of Law No. DCXIV of 7 November 2023.
[46] Paragraph amended by Article 2 (19 and 21) of Law No. DCXIV of 7 November 2023.
[47] Paragraph amended by Article 2 (22) of Law No. DCXIV of 7 November 2023.
[48] Paragraph introduced by Article 4 of Law no. CCXLVII of 19 June 2018.
[49] Paragraph amended by Article 1 (15) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[50] Paragraph amended by Article 2 (23) of Law No. DCXIV of 7 November 2023.
[51] Paragraph introduced by Article 2 (24) of Law No. DCXIV of 7 November 2023.
[52] Paragraph introduced by Article 2 (24) of Law No. DCXIV of 7 November 2023.
[53] Paragraph introduced by Article 2 (24) of Law No. DCXIV of 7 November 2023.

36. « *Virtual currency* »: a digital representation of value that is not issued or guaranteed by a central bank or a public entity, is not necessarily linked to a legally established currency, does not possess the legal status of currency or money, but is accepted by natural and legal persons as a medium of exchange and can be transferred, stored and exchanged electronically.[54]

TITLE II

MEASURES TO PREVENT AND COUNTER MONEY LAUNDERING, TERRORISM FINANCING AND THE PROLIFERATION OF WEAPONS OF MASS DESTRUCTION FINANCING[55]

CHAPTER I
SCOPE OF APPLICATION, GENERAL PRINCIPLES AND COMPETENT AUTHORITIES

Article 2 – Scope of application

The following subjects are obliged to fulfil the requirements established by this Title:

a) natural or legal persons carrying out one or more financial activities on a professional basis, including their branches and subsidiaries[56], inter alia payment services providers and MVTS providers[57];

abis) auditors, external accountants and fiscal advisors[58], and any other person that undertakes to provide, directly or by means of other persons to which that other person is related, material aid, assistance or advice on tax matters as principal business or professional activity;[59]

b) lawyers, notaries and other independent legal professionals, when they carry out their activity in the name of and on behalf of third parties or participate in an operation or transaction, relating to the following activities[60]:

i) transfer of any kind of rights on real estate or economic activities;

ii) managing funds or other assets;

iii) opening or managing bank, savings or security accounts;

iv) organization of contributions for the creation, management or administration of legal persons[61];

v) creation, management, administration or trade of legal persons;
c) providers of services to companies and trusts, when they prepare or carry out a transaction in the name of and on behalf of a third party, relating to the following activities[62]:

i) the creation of a legal person;

ii) acting directly or in such in a way that a third party may act as a manager of a company, be associated with a company or in an analogous position in relation to other legal persons;

[54] Paragraph introduced by Article 2 (24) of Law No. DCXIV of 7 November 2023.
[55] Heading amended by Article 3 of Law No. DCXIV of 7 November 2023.
[56] Sub-Paragraph amended by Article 5 (1) of Law No. CCXLVII of 19 June 2018.
[57] Letter amended by Article 4 of Law No. DCXIV of 7 November 2023.
[58] Sub-Paragraph introduced by Article 5 (2) of Law No. CCXLVII of 19 June 2018.
[59] Sub-Paragraph amended by Article 2 (1) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[60] Sub-Paragraph amended by Article 5 (3) of Law No. CCXLVII of 19 June 2018.
[61] Sub-Paragraph amended by Article 2 (2) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[62] Sub-Paragraph amended by Article 5 (4) of Law No. CCXLVII of 19 June 2018.

iii) providing a registered office, business address or accommodation, an administrative or postal address for a company, a partnership or any other legal person or entity;

iv) acting directly or in such a way that a third party may act as a trustee of an express trust;

v) acting directly or in such a way that a third party may act as a shareholder on behalf of a third party;

d) real estate agents when acting as intermediaries in the purchase, sale or letting of immovable property, but only in relation to transactions for which the value of the property or monthly rent amounts to EUR 10,000 or more[63];

e) dealers in precious metals or stones when they engage in cash transactions equivalent to EUR 10,000 or more, including when the transaction is made by several linked operations;

f) natural or legal persons who trade in goods or services in relation to cash transactions of EUR 10,000 or more, including when the transaction is made by several linked operations;

g) persons trading or acting as intermediaries in the trade of works of art, where the value of the transaction or a series of linked transactions amounts to EUR 10 000 or more[64];

h) persons storing, trading or acting as intermediaries in the trade of works of art when this is carried out by free ports, where the value of the transaction or a series of linked transactions amounts to EUR 10 000 or more[65].

Article 3 – Exclusion from the scope of application

1. The Supervisory and Financial Information Authority may exclude from the scope of this Title those subjects who carry out a financial activity on an occasional basis or limited scale and where there is a low risk of money laundering or financing of terrorism and the proliferation of weapons of mass destruction, provided that all the following conditions are met:

a) it is documented that the main activity of the subject:

i) is not a financial activity carried out professionally;

ii) it is not among the activities established by article 2, sub-paragraphs (abis) to (e)[66];

iii) is not a currency remittance;

b) it is documented that the subject's activity of a financial nature:

i) is ancillary and directly related to the main activity;

ii) is carried out to the counterparts of the main activity and not to the general public;

iii) is limited in the total turnover of the activity[67];

iv) is limited as to the amount of each operation or transaction.

[63] Sub-Paragraph amended by Article 2 (3) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[64] Sub-Paragraph introduced by Article 2 (4) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[65] Sub-Paragraph introduced by Article 2 (4) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[66] Sub-Paragraph amended by Article 3 of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[67] Sub-Paragraph amended by Article 5 of Law No. DCXIV of 7 November 2023.

2. The Supervisory and Financial Information Authority, for the purpose of excluding from the scope of application of this Title:

a) in assessing the risk of money laundering or financing of terrorism and the proliferation of weapons of mass destruction, pays particular attention to the financial activities considered as particularly likely, by their nature, to be used or abused for money laundering or the financing of terrorism and the proliferation of weapons of mass destruction.

b) in assessing the criteria for the exclusion:

i) for the purposes of paragraph 1, subparagraph a), i), verifies that the revenue of the financial activity does not exceed 5% of total revenues of the subject.

ii) for the purposes of paragraph 1, subparagraph b), iii), verifies that the revenue of the financial activity does not exceed a certain threshold, which must be sufficiently low. The threshold is set by the Supervisory and Financial Information Authority depending on the kind of financial activity;

iii) for the purposes of paragraph 1, subparagraph b), iv), applies a maximum threshold for customer or single operation or transaction, whether the transaction is executed in a single operation or in several operations which appear to be linked.

The threshold is set according to the kind of financial activity and must be low enough to ensure that the kind of activity does not constitute a method of money laundering or the financing of terrorism and the proliferation of weapons of mass destruction and does not exceed the threshold of EUR 1,000.

3. The Supervisory and Financial Information Authority shall adopt risk-based procedures and measures of control in order to prevent the abuse of the exclusion from the scope of application of this Title.

4. The decision of the Supervisory and Financial Information Authority to exclude a subject from the scope of application of this Title must be motivated, given in written and withdrawn if the circumstances which justified it have changed.

Article 4 – **List of Obliged Subjects**

The Supervisory and Financial Information Authority shall publish and update the list of subjects obliged to fulfil the requirements established by this Title, according to articles 2 and 3.

Article 5 – Integrity and stability of the economic, commercial and professional sectors

In the State it is forbidden:

a) to open or hold, accounts, deposits, savings accounts or analogous relationships, including safe deposit boxes[68], anonymous, encrypted or under fictitious or fanciful names;

b) to rely on third parties for customer due diligence;

c) to open or hold correspondent relationships[69] with a shell bank;

d) to open or hold correspondent relationships[70] with a credit institution and/or a financial institution of a third

[68] Sub-Paragraph amended by Article 4 (2) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[69] Sub-Paragraph amended by Article 6 (1) of Law No. CCXLVII of 19 June 2018.
[70] Sub-Paragraph amended by Article 6 (2) of Law No. CCXLVII of 19 June 2018.

Jurisdiction that permits a shell bank to use its own accounts[71];

e) to open casinos, including on the internet or on a ship flying the flag of the State;

f) bearer shares and bearer share warrants;

g) the provision of services of issuance, sale, transfer, custody, deposit, management, loan, exchange, negotiation or brokerage of encrypted, electronic[72], virtual or synthetic currency[73].

Article 5bis – Beneficial ownership of legal persons and other legal entities[74]

1. The legal persons and other legal entities registered in the Vatican City State or included in the registers of the Vatican City State shall:

a) record, update and store, for a ten-year period, all the documents, data and information regarding their nature and activities, their beneficial owners, beneficiaries, members and administrators;

b) communicate information regarding their nature and activities, their beneficial owners, beneficiaries, members and administrators, including any updates thereto, to the authorities tasked with maintaining the registers in which they are entered and the register provided for in Article 51bis.

c) provide, upon request of the obliged subjects, all the data, documents and information set out in letter a).

2. The data, documents and information set out in paragraph 1, subparagraph a), especially with regard to beneficial ownership, shall be made accessible to the competent authorities in a timely manner.

3. Where the access referred to in the preceding paragraph would expose the beneficial owner to a disproportionate risk of fraud, kidnapping, blackmail, extortion, harassment, violence or intimidation, or where the beneficial owner is a minor or otherwise incapacitated by law, the President of the Governorate of the Vatican City State may provide for a waiver of such access to all or part of the beneficial ownership information, on a case-by-case basis.

4. The President of the Governorate of the Vatican City State ensures that such derogations are granted after a detailed assessment of the exceptional nature of the circumstances.

5. The right to an administrative appeal against the decision to derogation as well as the right to an effective judicial remedy is guaranteed.

6. The exceptions referred to in the third paragraph do not apply to obliged subjects[75].

Article 6 – Official secret and financial secrecy

Official secret and financial secrecy do not inhibit or limit:

a) the fulfilment of the requirements established by this Law by the obliged subjects;

b) the access to information by competent authorities.

c) the cooperation between the competent authorities and the exchange of information at the international level;

[71] Letter amended by Article 6 of Law No. DCXIV of 7 November 2023.
[72] Sub-Paragraph amended by Article 4 (3) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[73] Sub-Paragraph introduced by Article 6 (3) of Law No. CCXLVII of 19 June 2018.
[74] Paragraph introduced by Article 5 of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[75] Paragraphs introduced by Article 7 of Law No. DCXIV of 7 November 2023.

d) the exchange of information between obliged subjects, also at the international level.

Article 7 – Criteria of application

1. The provisions of this Title shall be interpreted and applied without prejudice to the right of privacy.

2. The policies, procedures, measures, and controls, required by this Title shall be adopted and applied consistently with:

a) the institutional, juridical, economic, commercial and professional framework of the State;

b) the risks present in the State.

c) the nature, dimension and activities of the obliged subjects.

d) the effective risks relating to the category of the other party, Jurisdiction or geographical area, type of relationship, product or service, operation or transaction, including distribution channels.

Article 8 – Competent authorities

1. The Secretariat of State shall define the policies and general strategies for the prevention and countering of money laundering and the financing of terrorism and the proliferation of weapons of mass destruction; it is responsible for the adhesion to and implementation of international treaties and agreements as well as the participation in international institutions and bodies, including those institutions and bodies competent to define norms and best practices for the prevention and countering of money laundering and the financing of terrorism and the proliferation of weapons of mass destruction.

2. The President of the Governorate shall:

a) apply administrative sanctions in the cases established by the law;

b) take care that the data and information concerning the nature, activity, organization, effective ownership and beneficiaries of legal entities having their registered office in the State, are kept in the appropriate register, are updated appropriately and are accessible to the competent authorities, also informing the legal entities of their obligations on the matter;

c) adopt and regularly update the list containing the names of subjects, natural persons or entities, regarding to whom there are reasonable grounds to believe that they pose a threat international peace and security; [76]

d) exercise over legal persons any other control provided for by the legislation in force.[77]

3. The Financial Security Committee shall promote the coordination and cooperation between the competent authorities in conformity with the provisions of its own Statute and this Law.

4. The Supervisory and Financial Information Authority:

a) carries out the function of supervision, the function of regulation and the function of financial intelligence according to the provisions of its own Statute and the law, adopting the necessary procedures and measures to ensure the distinction of the functions[78];

[76] Paragraph amended by Article 7 (1) of Law No. CCXLVII of 19 June 2018.
[77] Letter introduced by Article 8 (1) of Law No. DCXIV of 7 November 2023.
[78] Letter amended by Article 8 (2) of Law No. DCXIV of 7 November 2023.

b) shall adopt secondary legislation in the cases established by the Law[79], including regulations, instructions, circulars, ordinances and guidelines[80];

c) shall apply sanctions in the ways and within the limits established by the Law;

d) forms part of the delegations of the Holy See to the financial institutions and international technical bodies competent for the prevention and countering of money laundering and financing of terrorism and the proliferation of weapons of mass destruction;

e) carries out specific periodic training programmes on the prevention and countering money-laundering and financing of terrorism and the proliferation of weapons of mass destruction system in place, including the necessary training in view of recognizing operations which may be related to money laundering or financing of terrorism or of the proliferation of weapons of mass destruction and knowing how to proceed in such cases[81].

5. The Corps of the Gendarmerie:

a) shall use up-to-date investigative techniques for the prevention and countering money laundering and the financing of terrorism and the proliferation of weapons of mass destruction;

b) ensures the professional training and updating of its personnel relating to the phenomena of money laundering and the financing of terrorism and the proliferation of weapons of mass destruction;

c) with the nihil obstat of the Secretariat of State, stipulates memoranda of understanding with analogous bodies of other Jurisdictions for the prevention and countering of criminal activities, including money laundering, the financing of terrorism and the proliferation of weapons of mass destruction and related predicate offences[82].

6. The Office of the Promoter of Justice shall coordinate investigations concerning the prevention and countering of money laundering and terrorism and proliferation financing, and shall carry out the investigative activities.[83]

7. The competent authorities adopt adequate programs for the training of personnel, the collection and exchange of information as well as the implementation of the law in force, including sanctioning and designating activities.

CHAPTER II
RISK ASSESSMENT

Article 9 – General Risk Assessment

1. The Financial Security Committee:

a) establishes the criteria and the methods for the elaboration of the general assessment of risks of money laundering, financing of terrorism and the proliferation of weapons of mass destruction of the Holy See and Vatican City State, analysing the threats, vulnerabilities and mitigation measures[84];

[79] Sub-Paragraph amended by Article 7 (2) of Law No. CCXLVII of 19 June 2018.
[80] Letter amended by Article 8 (3) of Law No. DCXIV of 7 November 2023.
[81] Sub-Paragraph introduced by Article 7 (3) of Law No. CCXLVII of 19 June 2018.
[82] Letter amended by Article 8 (4) of Law No. DCXIV of 7 November 2023.
[83] Paragraph amended by Article 6 of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[84] Sub-Paragraph amended by Article 7 (1) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.

b) shall approve the general risk assessment and its regular updating.

2. On the basis of the general risk assessment:

a) the Financial Security Committee:

i) evaluates the efficacy of the system for preventing and countering money laundering, terrorism financing and the proliferation of weapons of mass destruction, analysing the adequacy of the objectives, priorities and measures needed on the part of the competent authorities for risk management and mitigation, including the allocation of available human and material resources. This activity may be carried out through the production of complete statistics on the issues that address the efficacy of these systems, including through the activities carried out by the Supervisory and Financial Information Authority in accordance with Article 14[85];

ii) coordinates the identification, evaluation, information, management and mitigation of the risks of money laundering and the financing of terrorism and the proliferation of weapons of mass destruction by the competent authorities;

iii) coordinates the adoption and regular updating of policies and procedures for the prevention and the countering of money laundering, financing of terrorism and the proliferation of weapons of mass destruction;

iv) drafts a report on the institutional structure and main procedures of the system for preventing and countering money laundering and terrorism and proliferation financing, including the main competent authorities indicated in Article 8, and the human and financial resources allocated[86];

v) drafts a report on the activities and on the human and financial resources tasked with preventing and countering money laundering and terrorism and proliferation financing[87].

b) the Supervisory and Financial Information Authority:

i) shall monitor the effectiveness of the system for the prevention and countering of money laundering and the financing of terrorism and the proliferation of weapons of mass destruction;

ii) shall communicate to the obliged subjects the results of the general risk assessment;

iii) shall provide the competent authorities and the obliged subjects with the data, information and analyses which allow them to carry out their own risk assessment;

iv) shall indicate to the obliged subjects the high-risk factors to be taken into account in the elaboration of their own risk assessment;

v) shall indicate to the obliged subjects the sectors where they shall apply enhanced measures and, where necessary, the procedures and controls to be adopted;

v bis) taking into account the provisions of Article 25 of the Vienna Convention on Diplomatic Relations, indicates to the obliged subjects the procedures and controls to be adopted towards diplomatic missions;[88]

vi) shall inform the competent authorities and obliged subjects about the risks and the vulnerabilities of the systems for prevention and countering of money laundering in other Jurisdictions and, to that end, shall publish a list of high risk Jurisdictions (“black list”) and Jurisdiction subject to enhanced monitoring (“grey list”)[89];

[85] Sub-Paragraph amended by Article 7 (2) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[86] Sub-Paragraph introduced by Article 7 (3) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[87] Sub-Paragraph introduced by Article 7 (3) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[88] Sub-Paragraph introduced by Article 9 (1) of Law No. DCXIV of 7 November 2023.
[89] Sub-Paragraph introduced by Article 9 (2) of Law No. DCXIV of 7 November 2023.

vii) shall identify and order adequate and proportionate counter measures to the risks in the case where a Jurisdictions persistently does not observe or observes insufficiently the international standards in the field of prevention and countering of money laundering and the financing of terrorism and the proliferation of weapons of mass destruction;

viii) shall order the application of enhanced customer due diligence, proportionate to the risks, for the relations, operations or transactions with natural or legal persons, including financial institutions, of Jurisdictions with a high risk of money laundering and the financing of terrorism and the proliferation of weapons of mass destruction;

ix) may identify and publish a list of Jurisdictions that impose obligations equivalent to those established in this Title;

x) shall publish and regularly update a list that indicates the functions that, based on the existing legal framework, are considered import public functions for the purposes of Article 1, paragraph 16[90].

3. A summary of the general risk assessment and of the updates thereto shall be published in a dedicated section of the website of the Supervisory and Financial Information Authority. Such summaries shall not include sensitive or classified information[91].

Article 10 – Particular risk evaluation

1. The obliged subjects shall identify, evaluate, manage and mitigate the risks of money laundering and the financing of terrorism and the proliferation of weapons of mass destruction. To that end, each subject shall prepare and periodically update its own risk evaluation.

1bis. In preparing their risk assessment, obliged subjects shall take into account,[92] inter alia:

a) the category of counterparts;

b) the Jurisdiction or geographical area in question;

c) the typology of relationship, the level of assets deposited and the size of transactions undertaken, the product, the service, the operation, the transaction and the channel of distribution[93].

2. The particular risk assessment shall be documented and sent to the Supervisory and Financial Information Authority, which may require its review[94].

3. The obliged subjects shall pay particular attention to:

a) relationships, operations and transactions with natural or legal persons, including financial institutions, from or in Jurisdictions included in the list referred to in Article 9, paragraph 2, letter b), point vi). If those operations and transactions do not appear to have an economic or lawful purpose, the motives and purpose for such operations and transactions shall be examined as far as possible, and the outcome of such exam shall be documented in writing and made available to assist the Supervisory and Financial Information Authority and other competent authorities and accountants[95];

b) any risk of money laundering or of financing of terrorism or of the proliferation of weapons of mass destruction connected to products or operations which could favour anonymity, adopting adequate procedures

[90] Sub-Paragraph introduced by Article 7 (4) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[91] Paragraph introduced by Article 7 (5) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[92] Paragraph introduced by Article 8 of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[93] Sub-Paragraph amended by Article 8 of Law No. CCXLVII of 19 June 2018.
[94] Paragraph amended by Article 10 (1) of Law No. DCXIV of 7 November 2023.
[95] Sub-Paragraph amended by Article 10 (2) of Law No. DCXIV of 7 November 2023.

and measures to prevent their use for activities of money laundering or the financing of terrorism or the proliferation of weapons of mass destruction.

4. The senior management of the obliged subject shall adopt policies, procedures, measures and controls necessary to fulfil the requirements established in this article. Such provisions shall be communicated on a timely basis to the Supervisory and Financial Information Authority, which may require its modification or strengthening.

Article 11 – Internal controls

1. On the basis of the general risk assessment established in Articles 9 and 10, the obliged subjects shall:

a) adopt policies, procedures, measures and controls designed to manage and mitigate the identified risks of money laundering and the financing of terrorism and the proliferation of weapons of mass destruction;

b) monitor the implementation of controls, enhancing them, where necessary;

c) adopt enhanced measures to manage and mitigate risks, where higher risks are identified.

2. Policies, procedures, measures and controls under paragraph 1 are approved by the senior management and shall be proportionate to the nature, dimensions and activity of the obliged subject.

These include:

a) policies, procedures and measures of customer due diligence, registration, record- keeping and reporting;

b) internal controls;

c) means of compliance management;

d) the appointment of a person, at management level, with the ability to timely access all the information relating to customer due diligence, operations and transactions[96];

e) selection and employment procedures, including enquiries prior to employment, which guarantee a high professional and ethical level of personnel;

f) programs of training and updating for personnel;

g) independent audit function to test the system.

3. In addition to the requirements established by paragraphs 1 and 2, the groups of which those obliged subjects are part shall adopt programs for the prevention and countering of money-laundering and the financing of terrorism and the proliferation of weapons of mass destruction applicable to all branches and subsidiaries of the group.

These programs include:

a) policies, procedures and measures for the sharing of documents, data and information necessary for customer due diligence and the management of risks of money- laundering and the financing of terrorism and the proliferation of weapons of mass destruction;

b) the exchange of documents, data and information on customers, accounts, operations and transactions, and the transmission to the organs responsible for compliance, accounting, the prevention and countering of

[96] Sub-Paragraph amended by Article 11 of Law No. DCXIV of 7 November 2023.

money-laundering and the financing of terrorism and the proliferation of weapons of mass destruction at group level;

c) adequate procedures and measures to ensure the integrity, confidentiality, security and appropriate use of information exchanged.

Article 12 – Foreign branches and subsidiaries

1. The obliged subjects shall ensure that their foreign branches and subsidiaries adopt and apply procedures and measures conforming to this Title if the legislation in force in the host Jurisdiction is less strict or is not in conformity with international standards in force, insofar as the legal system of the host Jurisdiction allows it.

2. In the case where the legal system of the host Jurisdiction does not allow the proper fulfilment of all the procedures and measures required by this Title, the groups which obliged subjects are part of shall adopt and apply adequate additional procedures and measures for the effective management of risks, duly informing the Supervisory and Financial Information Authority. If the Supervisory and Financial Information Authority considers those additional procedures and measures insufficient, it orders their modification or the cessation of the activities in the host Jurisdiction.

Article 13 – Simplified risk management and assessment

1. The Supervisory and Financial Information Authority, on the basis of risks assessments referenced in Articles 9 and 10, shall identify by its regulation the sectors and typologies of relationship, product, service, operation, transaction and channels of distribution of low risk[97].

2. On the basis of the determination established in paragraph 1, if all the requirements established by the legal system have been fulfilled, the Supervisory and Financial Information Authority can authorize the adoption of simplified procedures and measures for the management and containment of risks by the obliged subjects, indicating the procedures and measures to be adopted and the requirements to be fulfilled.

3. The procedures and measures for the simplified risk management and mitigation of low risks cannot be applied when there is a suspicion or a higher risk of money-laundering or of financing of terrorism or of the proliferation of weapons of mass destruction [98].

Article 13bis – Specific provisions for reporting subjects[99]

1. The reporting subjects referred to in article 1, number 23, letters b) and c), shall identify, assess, manage and contain the risk that their activities are exploited for the purposes of money laundering and terrorist financing and to report suspicious activities that may occur in the fulfilment of their institutional purposes, pursuant to article 40 paragraph 2.

2. In order to comply with the provisions of paragraph 1:

a) the reporting subjects referred to in article 1, number 23, letter b):

i) shall carry out self-assessment activities aimed at drawing up and periodically updating their own particular risk assessment, in line with the indications provided and based on the tools developed by the Supervisory and Financial Information Authority and the Governorate of the Vatican City State in agreement with each other[100];

[97] Paragraph amended by Article 12 (1) of Law No. DCXIV of 7 November 2023.
[98] Paragraph amended by Article 12 (2) of Law No. DCXIV of 7 November 2023.
[99] Article introduced by Article 10 of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[100] Sub-Paragraph amended by Article 13 of Law No. DCXIV of 7 November 2023.

ii) shall assess, on the basis of the results of the activities referred to in the previous point, the applicability of the provisions of articles 11, 12 and 13, taking into particular consideration the principle of proportionality and according to a risk-based approach.

b) the reporting subjects referred to in article 1, number 23, letter c):

i) shall carry out self-assessment activities aimed at drawing up and periodically updating their own particular risk assessment, in line with the indications provided and on based on the tools developed by the Secretariat for the Economy, through the Supervisory and Financial Information Authority;

ii) the Secretariat for the Economy shall, on the basis of the results of the particular risk assessment of each Authority, within the limits and in line with the provisions of its Statute and by current legislation and having consulted, in particular, the Authorities concerned, the Supervisory and Financial Information Authority and the Office of the Auditor General, adopt and/or recommend the adoption of the measures provided for in articles 11, 12 and 13, taking into particular consideration the principle of proportionality and according to a risk-based approach.

Article 14 – Analyses and studies

The Supervisory and Financial Information Authority:

a) elaborates analyses and studies relating to:

i) the economic, commercial and professional sectors;

ii) specific matters or activities at risk;

iii) anomalies which can indicate cases of money-laundering or financing of terrorism or of the proliferation of weapons of mass destruction;

b) elaborates statistics on matters and activities relevant to the effectiveness of the system of prevention and countering of money laundering and the financing of terrorism and the proliferation of weapons of mass destruction, including:

i) statistics on the dimension and importance of various sectors falling within the scope of application of this Title, including the number of obliged subjects and the economic relevance of each sector;

ii) statistics on the number of suspicious activity reports and follow-up given to those reports, on the investigations and judicial phases, on the number of persons prosecuted or convicted for money laundering or financing of terrorism or of the proliferation of weapons of mass destruction offences, for crimes connected to money-laundering or the financing of terrorism or of the proliferation of weapons of mass destruction and the typologies of predicate offences, and on the value of funds or other assets frozen, seized or confiscated[101];

iii) statistics on the number of suspicious activity reports sent by reporting subjects and on the outcome of the same, as well as the number and percentage of reports that give rise to investigations[102];

iv) statistics concerning international cooperation in the context of supervision and financial intelligence, especially in relation to the number of domestic and international requests received and declined, and those that were processed, in whole in or part, broken down by Jurisdiction, including the timing for the different phases of analysis [103];

[101] Sub-Paragraph amended by Article 9 of Law No. CCXLVII of 19 June 2018.
[102] Paragraph introduced by Article 11 of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[103] Paragraph introduced by Article 11 of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021 and amended

v) statistics on the supervisory activities carried out in the context of preventing and countering money laundering and terrorism financing and the proliferation of weapons of mass destruction and in relation to prudential supervision, including off-site and on-site inspection, the number of violations identified as a result of the supervisory activities, and the sanctions and administrative measures applied by the supervisory authority[104];

vi) statistics concerning investigative and judicial activities, including international cooperation[105].

c) elaborates and coordinates preliminary studies and analyses for the general risk assessment of the Holy See and the State.

CHAPTER III
CUSTOMER DUE DILIGENCE

Article 15 – Cases of application

1. The following subjects shall carry out customer due diligence:

a) the subjects indicated by Article 2, letter a):

i) when they establish a relationship;

ii) when they carry out operations, transactions or transfer of funds within the context of an existing relationship, according to the procedures established by the Supervisory and Financial Information Authority in its Regulation[106];

iii) when they carry out occasional operations or transactions equal to or above EUR 10,000, regardless of the fact that the operation or transaction is executed in a single operation or in several operations which appear to be linked[107];

iv) when they make an occasional transfer of funds equal to or above EUR 1,000[108];

b) the subjects indicated by Article 2, letter b), shall fulfil the requirements of customer due diligence in carrying out their professional activity, as individuals or in a group:

i) when a professional service has as its object funds or other assets of a value equal to or above EUR 10,000;

ii) when the transaction is of a value equal to or above EUR 10,000, regardless of the fact that the operation or transaction is executed in a single operation or in several operations which appear to be linked;

iii) in all cases in which either the funds or other assets that constitute the object of the professional service, or the transaction, are of an indeterminate or indeterminable amount. For the purposes of customer due diligence, the constitution, management or administration of legal persons are cases of professional service of an indeterminable value;

c) the subjects indicated by Article 2, letters c), d), e) and f).

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by Article 14 of Law No. DCXIV of 7 November 2023.
[104] Paragraph introduced by Article 11 of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[105] Paragraph introduced by Article 11 of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[106] Sub-Paragraph introduced by Article 15 (1) of Law No. DCXIV of 7 November 2023.
[107] Sub-Paragraph introduced by Article 15 (2) e (3) of Law No. DCXIV of 7 November 2023.
[108] Sub-Paragraph introduced by Article 15 (2) e (4) of Law No. DCXIV of 7 November 2023.

2. All the subjects indicated in Article 2 shall in any case fulfil the requirements of customer due diligence:

a) where there is a suspicion of money- laundering or the financing of terrorism or of the proliferation of weapons of mass destruction, regardless of an exemption or applicable threshold;

b) where there are doubts as to the reliability or adequacy of the data previously obtained for the identification of the customer, of persons acting in the name of and on behalf of the counterpart or of the beneficial owner.

Article 16 – Requirements

1. For the purposes of customer due diligence, the obliged subjects shall fulfil, inter alia, the following requirements:

a) identify the counterpart and verify his identity on the basis of documents, data or information obtained from a reliable and independent source, including, where available, the means for electronic identification, or other remote or electronic identification procedures Supervisory and Financial Information Authority[109] [110];

b) identify the persons who intend to act in the name of and on behalf of the counterpart verifying that they have been authorised to do so as well as their identity on the basis of documents, data and information obtained from a reliable and independent source;

c) identify the beneficial owner and adopt adequate measures to verify his identity, in order to satisfy the obliged subject regarding its actual knowledge of beneficial owner itself on the basis of documents, data or information obtained from a reliable and independent source[111];

d) understand and verify if the counterpart is acting in the name and on behalf of other subjects[112];

e) verify and obtain documents, data and information relating to the purpose and nature of the relationship and the origin of funds.

1bis. With regard to paragraph 1, subparagraph c), where the counterpart is a legal person, obliged subjects are required to adopt the fulfilments established in Article 17 [113] [114] .

2. Customer due diligence and, in particular, the identification and verification of the identity of the counterpart, of the persons authorized to act in the name of and on behalf of the counterpart, and of the beneficial owner, shall be carried out:

a) in cases involving subjects indicated by Article 2, letter a), before establishing a relationship or carrying out an operation or transaction within an existing relationship, according to the procedures established by the Supervisory and Financial Information Authority through a regulation issued by it, or before carrying out an occasional operation or transaction[115];

b) in case involving subjects indicated by Article 2, letter d), e), f), g) and h), before establishing a relationship or carrying out any operation or transaction[116];

[109] Sub-Paragraph amended by Article 12 (1) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[110] Sub-Paragraph amended by Article 16(1) of Law No. DCXIV of 7 November 2023.
[111] Sub-Paragraph amended by Article 16(2) of Law No. DCXIV of 7 November 2023.
[112] Sub-Paragraph amended by Article 16(3) of Law No. DCXIV of 7 November 2023.
[113] Sub-Paragraph introduced by Article 12 (2) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[114] Sub-Paragraph amended by Article 16(5) of Law No. DCXIV of 7 November 2023.
[115] Sub-Paragraph amended by Article 16(6) of Law No. DCXIV of 7 November 2023.
[116] Sub-Paragraph amended by Article 16(7) of Law No. DCXIV of 7 November 2023.

c) in cases involving subjects indicated by Article 2, letters b) and c), at the initial phase of the evaluation of the position of the counterpart and in any case before establishing a relationship or carrying out an operation or transaction.

3. If it is not possible to carry out customer due diligence in accordance with the above paragraphs, it is forbidden to establish a relationship or carry out an occasional operation or transaction or, in the case of existing relationships[117], to perform an operation or transaction. In such cases, the obliged subjects shall report to the Supervisory and Financial Information Authority[118].

4. In establishing a relationship, carrying out an occasional operation or transaction and providing an occasional service, the obliged subjects provide the counterpart with general information about their legal obligations on the processing of personal data for the purposes of preventing money laundering and the financing of terrorism and the proliferation of weapons of mass destruction. This information must include at least:

a) the purposes of the processing of personal data;

b) the recipients or categories of recipients of the counterpart's personal data;

c) the obligation of the counterpart to provide the requested information, as well as the fact that a failure to respond would prevent the establishment of the relationship or the provision of the service requested;

d) the right of the counterpart, without prejudice to the prohibition of disclosure established by law, to access the own personal data kept by the obliged subject, as well as to rectify them[119] [120].

5. Personal data obtained for the customer due diligence purpose cannot be used for commercial purposes[121].

Article 17 – Further requirements in the cases of legal persons

1. In the case where the counterpart is a legal person, the obliged subject shall acquire knowledge and understanding of the structure of ownership and control and of the nature of the activity carried out by the legal person, for the purpose of identifying and verifying of the identity of the beneficial owner[122] [123].

2. For the purposes of identification and verification of the identity of the counterpart, the obliged subjects shall gather, inter alia, the following information:

a) the denomination, legal nature and proof of the existence of the legal person;

b) the organs and powers that regulate the functioning and legally bind the legal person, including, inter alia, the names of the persons who exercise management and senior management functions;

c) the address of the registered office and, if different, of the principal place of business.

3. For the purposes of identification and verification of the identity of the beneficial owner, the obliged subjects shall gather information to satisfy them on the identification of the same, as stipulated in Article 1, number 24 [124,125].

[117] Paragraph amended by Article 12 (3) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[118] Paragraph amended by Article 16(8) of Law No. DCXIV of 7 November 2023.
[119] Sub-Paragraph introduced by Article 10 (1) of Law No. CCXLVII of 19 June 2018.
[120] Paragraph amended by Article 16(9) of Law No. DCXIV of 7 November 2023.
[121] Paragraph introduced by Article 10 (2) of Law No. CCXLVII of 19 June 2018.
[122] Paragraph amended by Article 11 of Law No. CCXLVII of 19 June 2018.
[123] Paragraph amended by Article 17(1) of Law No. DCXIV of 7 November 2023.
[124] Paragraph amended by Article 17(2) of Law No. DCXIV of 7 November 2023.
[125] Paragraph deleted by Article 17(3) of Law No. DCXIV of 7 November 2023.

4. When entering into a new business relationship with a legal person, or a trust or a legal arrangement having a structure or functions similar to trusts, obliged subjects shall collect proof of registration in the relevant register, including the presence of adequate, accurate and current information on beneficial ownership. Proof of registration in the relevant register does not satisfy in and of itself the due diligence requirements of the counterpart, under a risk-based approach [126,127].

5. Obliged subjects shall keep a record of the measures adopted, and of any difficulties encountered during the process of identifying and verifying the beneficial owner[128].

Article 18 – Further requirements in the case of life or other investment-related insurances[129]

1. In cases of life or other investment-related insurances[130], as soon as the beneficiary has been identified or designated, the obliged subjects shall gather, inter alia, the following information:

a) the name of the natural or legal person, when the beneficiary is identified or designated as a specific natural or legal person;

b) sufficient information to identify the beneficiary at the time of the payout, where the beneficiary is designated according to a set of characteristics or by category or by other criteria;

c) the verification of the identity of the beneficiary at the time of the payout, in both cases established under subparagraphs a) and b).

2. In determining whether the enhanced customer due diligence measures should be applied, the obliged subjects shall consider the beneficiary of life or other investment-related insurances[131] among the elements relevant to the risk assessment.

3. In the case where the beneficiary, be it a natural or legal person, presents a higher risk, the obliged subject shall apply enhanced measures, including, inter alia, measures to identify and verify the identity of the beneficial owner at the time of payout [132].

Article 19 – Ongoing customer due diligence

1. Customer due diligence shall be carried out on an ongoing basis as a function of the risk of the customer, new or existing, and in the event of a change in the customer's situation and in the context of the periodic verification of the information concerning beneficial ownership[133].

1bis[134]. Ongoing customer due diligence must include, *inter alia*:

a) the constant monitoring of the relationship, including by scrutinizing operations or transactions undertaken throughout the course of that relationship, so as to ensure that they are consistent with the category and knowledge of the customer, his activity and risk profile, including the source of funds;

b) the updating and pertinence of documents, data and information acquired for the purposes of customer due diligence, and undertaking reviews of existing records, with particular attention to categories of higher-risk

[126] Paragraph introduced by Article 13 (2) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[127] Paragraph amended by Article 17(4) of Law No. DCXIV of 7 November 2023.
[128] Paragraph introduced by Article 17(5) of Law No. DCXIV of 7 November 2023.
[129] Title amended by Article 12 (1) of Law No. CCXLVII of 19 June 2018.
[130] Paragraph amended by Article 12 (2) of Law No. CCXLVII of 19 June 2018.
[131] Paragraph amended by Article 12 (3) of Law No. CCXLVII of 19 June 2018.
[132] Paragraph amended by Article 18 of Law No. DCXIV of 7 November 2023.
[133] Paragraph amended by Article 14 (1) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[134] Paragraph introduced by Article 14 (2) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.

customers [135].

1ter[136]. The ongoing customer due diligence referred to in paragraph 1bis, subparagraph a) shall include, as far as possible, the background and purpose of all transactions that meet at least one of the following conditions:

a) they are complex transactions;

b) they are unusually large transactions;

c) they are conducted in an unusual pattern;

d) they do not have an apparent economic or lawful purpose.

In particular, obliged subjects shall increase the degree and nature of monitoring of the business relationship, in order to determine whether those transactions or activities appear suspicious.

2. If it is not possible to carry out customer due diligence in accordance with paragraph 1, it is mandatory to terminate the relationship and it is forbidden to carry out operations or transactions. In such cases, the obliged subjects shall report to the Supervisory and Financial Information Authority.

Article 20 – Customer due diligence of the existing customers

1. For existing customers at the time of entry into force of the obligations established in the present Title, customer due diligence shall be carried out on a timely basis and with a risk-based approach, taking into account the requirements already fulfilled and the adequacy of the documents, data and information already acquired.

2. If it is not possible to carry out customer due diligence in accordance with paragraph 1, it is mandatory to terminate the relationship. In such a case, the obliged subjects shall file a suspicious activity report to the Supervisory and Financial Information Authority.

Article 21 – Duty to refrain

When there is a suspicion of money laundering or of financing of terrorism or of the proliferation of weapons of mass destruction and carrying out customer due diligence could alert the customer or affect the activity of the competent authorities, the obliged subjects shall carry out the service, operation or transaction and report immediately to the Supervisory and Financial Information Authority.

Article 22 – Risk-based approach

1. Customer due diligence shall be carried out in a manner proportionate to the risks connected to the category and to the Jurisdiction or geographical area of the counterpart and to the typology of relationship, product or service, operation or transaction, or channel of distribution.

2. For the purposes of paragraph 1, the obliged subjects shall take into account, inter alia, the risk assessments established by articles 9 and 10[137].

[135] Paragraph amended by Article 19 (2) of Law No. DCXIV of 7 November 2023.
[136] Paragraph introduced by Article 14 (2) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[137] Paragraph deleted by Article 20 of Law No. DCXIV of 7 November 2023.

Article 23 – New technologies

1. The obliged subjects shall identify and assess the risks of money laundering and of the financing of terrorism or of the proliferation of weapons of mass destruction connected to the development of new activities, products and commercial practices, including new channels of distribution and the use of new or developing technologies, for existing and new products or services [138].

2. For the purposes of paragraph 1, the obliged subjects shall, inter alia:

a) assess the risks prior to launching, supplying or using products or services, operations and transactions, including channels of distribution and technologies;

b) adopt adequate measures for the management and mitigation of risks.

3. The obliged subjects shall adopt secure technologies in carrying out their activities, that are less vulnerable to abuse for the purposes of money- laundering and the financing of terrorism and the proliferation of weapons of mass destruction activities.

Article 24 – Simplified customer due diligence

1. In the case of a low risk of money-laundering or of financing of terrorism or of the proliferation of weapons of mass destruction, associated with the category or Jurisdiction or geographical area of the counterpart, or the type of relationship, product or service, operation or transaction, including channels of distribution, the Supervisory and Financial Information Authority may authorise the obliged subjects to carry out simplified due diligence.

2. The Supervisory and Financial Information Authority, having taken into account the risk assessments referred to in articles 9 and 10, shall identify cases of application of simplified customer due diligence and indicate the procedures and measures to be adopted, including the requirements to be fulfilled.

3. In any case, simplified customer due diligence:

a) cannot be applied when there is suspicion of money-laundering or financing of terrorism or of the proliferation of weapons of mass destruction and in a higher-risk case;

b) does not exempt it from the fulfilment of registration and record-keeping, and suspicious activities report requirements;

c) may be applied only if adequate mitigation measures are in place[139].

Article 25 – Enhanced customer due diligence

1. In the case of a higher risk of money-laundering or of financing of terrorism or of the proliferation of weapons of mass destruction, associated with the category and Jurisdiction or geographical area of the customer, or the type of relationship, product or service, operation or transaction, including channels of distribution, the obliged subjects shall carry out enhanced customer due diligence [140].

2. The Supervisory and Financial Information Authority, also taking into account the risk assessment referred to in articles 9 and 10, shall identify the cases of application of simplified customer due diligence and indicate the procedures and measures to be taken, including the requirements to be fulfilled.

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[138] Paragraph amended by Article 21 of Law No. DCXIV of 7 November 2023.
[139] Paragraph amended by Article 22 of Law No. DCXIV of 7 November 2023.
[140] Paragraph amended by Article 23 (1) of Law No. DCXIV of 7 November 2023.

3. The Supervisory and Financial Information Authority shall order the application of enhanced due diligence proportionate to the risks connected to the relationships, operations are transactions, with natural or legal persons, including financial and credit institutions of Jurisdiction at higher risk of money-laundering and the financing of terrorism and the proliferation of weapons of mass destruction. In such cases, the Supervisory and Financial Information Authority shall indicate the countermeasures adequate and proportionate to the risks [141].

4. The obliged subjects shall in any case carry out enhanced customer due diligence in the cases established by articles 26, 27, 28, 29, 30, 30bis and 41[142].

Article 26 – Counterpart not physically present

1. When the counterpart, the beneficial owner and/or the subjects who act in the name of and on behalf of the counterpart, are not physically present, the obliged subjects shall adopt procedures that are suitable and proportionate to the risk to identify and verify their identity, based on documents, data or information from a reliable and independent source.

2. The obliged subjects, for the purposes of paragraph 1, may use means of electronic identification or other secure remote or electronic identification procedures, in accordance with Article 23.

3. The Supervisory and Financial Information Authority shall establish, through a regulation issued by it, the procedures referred to in paragraph 1 and the means and procedures referred to in paragraph 2 of this Article, having heard the opinion of the Financial Security Committee[143].

Article 27 – Cross-border correspondent relationships with[144] the financial and credit institutions of third Jurisdiction[145]

1. In the case of cross-border correspondent relationships with financial and credit institutions of the third Jurisdiction, the obliged subjects, when entering into a new relationship[146], in addition to ordinary measures for customer due diligence, shall adopt, inter alia, the following measures[147] [148]:

a) to gather sufficient information on the corresponding financial or credit institution of the third Jurisdiction in order to fully understand fully nature of its activities and to determine, on the basis of the information available to the public, its reputation and the quality of its supervision including whether it was subject to an investigation or measure in the context of money laundering, the financing of terrorism or the proliferation of weapons of mass destruction and the eventual outcome of such investigation or measure[149];

b) to ascertain that the corresponding financial or credit institution of the third Jurisdiction is neither a shell bank nor allows shell banks the use of its accounts[150];

c) to evaluate controls relating the prevention and countering of money-laundering and financing of terrorism and the proliferation of weapons of mass destruction applied by the corresponding financial or credit institution of the third Jurisdiction[151];

[141] Paragraph amended by Article 23 (2) of Law No. DCXIV of 7 November 2023.
[142] Paragraph amended by Article 23 (3) of Law No. DCXIV of 7 November 2023.
[143] Paragraph amended by Article 24 of Law No. DCXIV of 7 November 2023.
[144] Title amended by Article 13 (1) of Law No. CCXLVII of 19 June 2018.
[145] Title amended by Article 25 (1) of Law No. DCXIV of 7 November 2023.
[146] Paragraph amended by Article 15 of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[147] Paragraph amended by Article 13 (2) of Law No. CCXLVII of 19 June 2018.
[148] Paragraph amended by Article 25 (2) of Law No. DCXIV of 7 November 2023.
[149] Paragraph amended by Article 25 (3) (4) of Law No. DCXIV of 7 November 2023.
[150] Paragraph amended by Article 25 (3) of Law No. DCXIV of 7 November 2023.
[151] Paragraph amended by Article 25 (3) of Law No. DCXIV of 7 November 2023.

d) to obtain the authorisation of the senior management prior to opening new corresponding accounts;

e) to establish and clearly understand in writing the respective responsibilities of the obliged subject and the corresponding financial or credit institution of the third Jurisdiction [152].

2. In the case of payable through accounts, the obliged subjects shall furthermore ensure that the corresponding financial or credit institution of the third Jurisdiction:

a) has carried out customer due diligence on the customers who have direct access to those accounts;

b) has fulfilled the requirements of customer due diligence, including adequate ongoing customer due diligence and, upon request, is able to supply on a timely basis data and information obtained following the fulfilment of those requirements.

Article 28 – Politically exposed persons

1. The obliged subjects shall:

a) determine on a timely basis if the counterpart or the beneficial owner is a politically exposed person;

b) obtain the authorisation of the senior management before starting a relationship with a politically exposed person and, in the case of an existing relationship, in order to continue such a relationship;

c) establish the origin of the patrimony and funds of the customers and the effective titular identified as politically exposed persons;

d) carry out enhanced ongoing monitoring of that relationship;

e) adopt adequate procedures and measures based upon the risk to fulfil the requirements established by this article.

2. When a politically exposed person ceases to be entrusted with a prominent public function, the obliged subjects continue to apply these measures for at least 18 months after the politically exposed person has left the office and until the moment in which they believe, after accurate analysis, that the risk has ceased.

Article 29 – Life or other investment-related insurance[153]

1. In the case of life or other investment-related insurances[154], the obliged subjects, in addition to ordinary measures of customer due diligence, shall adopt adequate measures to determine whether the beneficiary and, where necessary, the beneficial owner of the beneficiary, is a politically exposed person.

2. Such measures are to be adopted no later than the moment of payout, in whole or in part.

3. In higher-risk cases, the obliged subjects shall adopt, inter alia, the following measures:

a) to inform the senior management before payout;

b) to execute enhanced controls on the entire relationship with the policy holder;

c) to evaluate the conditions for filing a suspicious activity report to the Supervisory and Financial Information

[152] Paragraph amended by Article 25 (3) (5) of Law No. DCXIV of 7 November 2023.
[153] Title amended by Article 14 (1) of Law No. CCXLVII of 19 June 2018 and by Article 27 (1) of Law No. DCXIV of 7 November 2023.
[154] Paragraph amended by Article 14 (2) of Law No. CCXLVII of 19 June 2018.

Authority [155].

Article 30 – Family members and close associates of politically exposed persons

Articles 28 and 29 shall be applied also to family members and close associates of a politically exposed person.

Article 30bis – Relationships and transactions involving higher-risk Jurisdictions[156]

1. With respect to relationships or transactions involving the higher-risk Jurisdictions identified in the list published by the Supervisory and Financial Information Authority pursuant to Article 9, paragraph 2, subparagraph b), point vi), obliged subjects shall apply the following enhanced customer due diligence measures, on a risk basis[157]:

a) obtain additional information on the counterpart and on the beneficial owner(s)[158];

b) obtain additional information on the intended scope and nature of the business relationship;

c) obtain information on the source of funds and source of wealth of the counterpart and of the beneficial owner(s)[159];

d) obtain information on the reasons for the intended or performed transactions;

e) obtain the approval of senior management for establishing or continuing the business relationship;

f) conduct enhanced monitoring of the business relationship by increasing the number and frequency of controls applied, and selecting the patterns of transactions that need further examination [160].

2. In addition to the provisions set out in the preceding paragraph, the Supervisory and Financial Information Authority may, through the issuance of an Instruction, require that obliged subjects apply additional measures proportionate to the risk. Such Instruction may take into account pertinent evaluations or reports drawn up by international organizations and standard setters with competence in the field of preventing money laundering and countering terrorist financing, in relation to the risks posed by individual third Jurisdiction[161].

3. The measures referred to in paragraph 2 may, inter alia, provide that:

a) the first transfer of funds shall be executed through an account in the counterpart's name with a credit institution subject to customer due diligence standards in line with those laid down in this Law;

b) operations with certain Jurisdictions are systematically reported;

c) the establishment of subsidiaries or branches or representative offices of obliged subjects of the third-party Jurisdiction concerned is refused, or in any case the fact that the obliged subject concerned comes from a Jurisdiction which does not have adequate regimes to prevent and counter money laundering, the financing of terrorism and the proliferation of weapons of mass destruction is considered;

d) it is required that the obliged subjects review and modify or, if necessary, terminate relationships, dealings

[155] Paragraph amended by Article 26 of Law No. DCXIV of 7 November 2023.
[156] Paragraph introduced by Article 16 of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[157] Paragraph amended by Article 27 (2) of Law No. DCXIV of 7 November 2023.
[158] Sub-Paragraph amended by Article 27 (3) of Law No. DCXIV of 7 November 2023.
[159] Sub-Paragraph amended by Article 27 (3) of Law No. DCXIV of 7 November 2023.
[160] Paragraph amended by Article 27 (4) of Law No. DCXIV of 7 November 2023.
[161] Paragraph amended by Article 27 (4) of Law No. DCXIV of 7 November 2023.

and/or operations with counterparts, financial institutions or correspondent banks in the Jurisdiction concerned;

e) the establishment, by obliged subjects, of branches or representative offices in the third-party Jurisdiction concerned is prohibited, or in any case the fact that the branch or representative office in question is located in a Jurisdiction that does not have adequate regimes to prevent and counter money laundering, the financing of terrorism and the proliferation of weapons of mass destruction is considered;

f) it is required that there be greater supervision or stricter external audit obligations for branches and subsidiaries of obliged subjects established in the third Jurisdiction;

g) it is required that there be stricter external audit requirements for financial groups in relation to their branches and subsidiaries located in the third Jurisdiction[162].

CHAPTER IV
TRANSFER OF FUNDS

Article 31 – Cross-border wire transfers

1. In the case of cross-border wire transfers the originator and beneficiary payment service providers, or money or value transfer service providers, shall ensure that the transfers of funds[163] shall always be accompanied by the following data and information[164]:

a) with reference to the originator:

i) the name and surname or, in the case of a legal person, the denomination in full;

ii) the account number or, in the absence of an account, a unique identification number that allows the traceability of the transaction;

iii) the address of residence or domicile, the official personal document number, the customer identification number or[165] date and place of birth or, in the case of a legal person, the address of the registered office;

b) with reference to the beneficiary:

i) the name and surname or, in the case of a legal person, the denomination in full;

ii) the account number or, in the absence of an account, a unique identification number that allows the traceability of the transaction.

1bis. Where all payment service providers, or money or value transfer service providers, involved in the cross-border wire transfer are part of Euro area payment systems and the transfer is exclusively carried out between the State and a Jurisdiction that is part of the European Union, the transfers of funds shall be accompanied at least by the payment account number of the originator and of the beneficiary or, in the absence of an account, by the unique identification number that allows the traceability of the individual transaction and its link to the originator and to the beneficiary. The Supervisory and Financial Information Authority establishes, by regulation, the requirements to be fulfilled[166].

[162] Paragraph introduced by Article 27 (5) of Law No. DCXIV of 7 November 2023.
[163] Paragraph amended by Article 15 (1) of Law No. CCXLVII of 19 June 2018.
[164] Paragraph amended by Article 28 (1) of Law No. DCXIV of 7 November 2023.
[165] Sub-Paragraph amended by Article 15 (2) of Law No. CCXLVII of 19 June 2018.
[166] Paragraph introduced by Article 15 (3) of Law No. CCXLVII of 19 June 2018 and by Article 28 (2) and (3) of Law No. DCXIV of 7 November 2023.

2. The data and information mentioned in paragraph 1, subparagraphs a) and b), shall be accurate and verified with enhanced measures in the case of suspicion of money-laundering or financing of terrorism or of the proliferation of weapons of mass destruction.

Article 32 – Batch transfers

1.In the case of cross-border batch transfers sent from the State to a third Jurisdiction, the batch file shall include complete and accurate data and information relating to the originator and beneficiary, indicated in Article 31, paragraph 1, subparagraphs a) and b), and that allows the traceability in the Jurisdiction of the beneficiary.

2. In the case of batch transfers originating in a third Jurisdiction, the data and information relating to the originator shall be included in the batch transfer and not in the single transfers.

3. The non-routine transfers of funds shall be not batched where this increases risks of money- laundering and financing of terrorism and the proliferation of weapons of mass destruction.

Article 33 – Domestic wire transfers

1. In the case of domestic wire transfers, the originator payment service provider, or money or value transfer service provider, shall accompany the domestic wire transfer with data and information established in Article 31, paragraph 1, subparagraph a).

2. Where the data and information accompanying the domestic wire transfer can be made available to the beneficiary payment service provider, or money or value transfer service provider, and to the competent authorities by other means, the originator payment service provider, or money or value transfer service provider, shall include the account number, in case this is used for the transaction or, in the absence of an account, a unique identification code that allows the traceability of the transaction and which leads back to the originator or the beneficiary.

3. The originator payment service provider, or money or value transfer service provider, shall make the data and information available within three business days of receiving the request of the beneficiary payment service provider, or money or value transfer service provider, or the competent authorities. In any case, supervisory, law enforcement and judicial authorities can order the immediate production of such data and information.

Article 34 – Registration record-keeping and duty to refrain

1. The originator payment service provider, or money or value transfer service provider, with reference to the data and information which accompany the wire transfers, shall comply with the obligations of registration and record-keeping found in this Title and shall keep for ten years the data and information received from the originator payment services provider or from another intermediary payment services provider.

2. The originator payment service providers, or money or value transfer service providers, shall not execute a wire transfer when it is not possible to fulfil all of the requirements established by the previous paragraphs, as well as those established by articles 31, 32, and 33.

Article 35 – Intermediary payment service providers, or money or value transfer service providers

1. In the case of international wire transfers, the intermediary payment service providers, or money or value transfer service providers, shall ensure that the transfer is accompanied by all the data and information on the originator and beneficiary.

2. Where technical limitations prevent maintenance of data and information on the originator and on the beneficiary which accompany an international wire transfer linked to a domestic wire transfer, the intermediary payment service provider, or money or value transfer service provider, shall comply with the requirements of registration and record- keeping established in this Title, keeping for ten years the data and information received by the payment service provider, or money or value transfer service provider, of the originator or by another intermediary payment service provider, or money or value transfer service provider,.

3. Intermediary payment service providers, or money or value transfer service providers, shall adopt adequate procedures and measures that allow an immediate and direct analysis in order to identify international transfers of funds which lack required data and information on the originator or on the beneficiary.

4. The intermediary payment service providers, or money or value transfer service providers, shall adopt adequate risk-based policies procedures and measures to determine:

a) when to execute, reject or suspend a wire transfer lacking required originator or beneficiary data or information;

b) the appropriate follow-up actions.

Article 36 – Beneficiary payment service providers, or money or value transfer service providers

1. Beneficiary payment service providers, or money or value transfer service providers, shall take adequate procedures and measures, including post- event monitoring or, where possible, real-time monitoring, to identify wire transfers which lack required data and information on the originator or on the beneficiary.

2. For cross-border wire transfers equal to or above EUR 1,000, the beneficiary payment service provider, or money or value transfer service provider, shall verify the identity of the beneficiary, if his identity has not been previously verified and register this data and information in accordance with the registration and record-keeping requirements established by the present title, keeping for ten years that data and information.

3. The beneficiary payment service providers, or money or value transfer service providers, shall adopt adequate risk-based policies, procedures and measures, to determine:

a) when to execute, reject or suspend a wire transfer lacking required originator or beneficiary data or information;

b) the appropriate follow-up actions.

Article 37 – Implementation of targeted financial sanctions

The obliged subjects and payment service providers, or money or value transfer service providers, shall implement the financial measures and other preventive measures relating to subjects who threaten international peace and security.

CHAPTER V
REGISTRATION AND RECORD-KEEPING OF DOCUMENTS, DATA AND INFORMATION

Article 38 – Registration and record-keeping requirements

1. The obliged subjects shall register and keep the following documents, data and information, for a period of 10 years from the end of the relationship, from the closure of an account, from the performance of a service or from the execution of an occasional operation or transaction[167]:

a) with reference to customer due diligence:

i) all the documents collected, including originals or copies of identity documents;

ii) all data, including identification data and collected information;

iii) records, account books and the statements, with a detailed description of the movement;

iv) correspondence;

v) results of reviews and analyses;

b) with reference to transactions, whether domestic or international, in addition to what is established in subparagraph a):

i) the name, address, identification data and information of the counterpart, the beneficiary and the beneficial owner;

ii) the nature, reason and date of the transaction;

iii) the currency and amount of the transaction;

iv) the identification number or code of the accounts in question;

v) all documents, data and information sufficient for the reconstruction of the single transaction and, where necessary, for the collection of evidence in view of the investigative or judicial activities;

c) with reference to suspicious activity reporting:

i) copy of the report to the Supervisory and Financial Information Authority;

ii) all the documents, data and information connected to the report, sufficient for the analysis and understanding of the suspect activity and, where necessary, to the collection of evidence for the purpose of investigative or judicial activities;

iii) correspondence with the Supervisory and Financial Information Authority or other competent authorities.

2. For the purposes of fulfilling requisites for the registration and record-keeping established by paragraph 1 the obliged subjects shall:

a) register the documents, data and information established by subparagraphs a), b) and c), immediately at the moment of their acquisition or reception;

[167] Paragraph amended by Article 29 (1) of Law No. DCXIV of 7 November 2023.

b) adopt procedures and measures for registration and record-keeping that allow:

i) to immediately provide documents, data and information required by the Supervisory and Financial Information Authority or other competent authorities[168];

ii) to register accurately and update documents, data and information, in particular with reference to higher risk categories of counterpart, typology of relationship, product or service, operation transaction, including channels of distribution[169];

iii) to ensure the integrity, security and confidentiality of the documents, data and information.

3. At the end of the period referred to in paragraph 1, the personal data of the counterpart are deleted[170].

Article 39 – Access of competent authorities

1. The Supervisory and Financial Information Authority and the judicial authority may request, in specific cases and with motivated decision, the registration and record- keeping established in article 38, paragraphs a), b) and c), for a period longer than 10 years.

2. The data, documents and information registered according to the previous paragraph shall remain at the disposal of the competent authorities for the activities of analysis and detailed study, as well as for investigative or judicial activities.

CHAPTER VI
SUSPICIOUS ACTIVITY REPORT

Article 40 – Reporting suspicious activity

1. The obliged subjects shall send a report to the Supervisory and Financial Information Authority:

a) when they suspect or have reasonable grounds to suspect, that funds or other assets are the proceeds of criminal activities, or are linked or related to the financing of terrorism or the proliferation of weapons of mass destruction or to be used for terrorism, terrorist acts or by terrorist organizations or those who finance terrorism;

b) in the case of activities, operations or transactions which they consider particularly likely, by their own nature, to have a link with money-laundering or the financing of terrorism or the proliferation of weapons of mass destruction or with terrorist organizations or those who finance terrorism.

2. The public authorities and the other reporting subjects[171] shall send a report to the Supervisory and Financial Information Authority in the cases mentioned in paragraph 1.

3. Suspicious activities, operations or transactions, including attempted operations or transactions, shall be reported irrespective of their value, or any other element, including, inter alia, elements of a fiscal nature.

4. The report shall be carried out immediately, as soon as the obliged subject becomes aware of, suspects or has reasonable grounds to suspect, the elements established by paragraph 1.

[168] Paragraph amended by Article 29 (2) of Law No. DCXIV of 7 November 2023.
[169] Paragraph amended by Article 29 (3) of Law No. DCXIV of 7 November 2023.
[170] Paragraph introduced by Article 16 of Law No. CCXLVII of 19 June 2018.
[171] Paragraph amended by Article 17 of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.

5. The Supervisory and Financial Information Authority shall adopt guidelines relating the reporting of suspicious activity.

6. Lawyers, notaries and other legal and accounting professionals, mentioned in Article 2, paragraphs abis) and b), when acting as independent legal professionals, are not required to report suspicious activities if the relevant information obtained:

a) in the course of evaluating the legal position of their counterpart[172];

b) when performing their role of defending or representing their counterpart or if their function relates to judicial, administrative, arbitration or mediation procedures[173].

Article 41 – Complex or unusual activities

1. Reporting subjects shall pay particular attention, inter alia, to complex activities, operations or transactions, or the ones of a notable or unusual value, or to unusual types of activities, operations or transactions, which have no clear or recognisable economic or legal purpose.

2. Reporting subjects shall examine the background and purpose of such operations or transactions and shall put their conclusions in writing, registering and recording those conclusions in accordance with the registration and record keeping requirements established by this Title and making them available for ten years to the competent authorities and accountants.

Article 42 – Duty to refrain

1. Reporting subjects shall refrain from establishing a relationship, or carrying out an operation or transaction, or from performing a service if they know of, suspect or have reasonable grounds to suspect the presence of elements established in Article 40, paragraph 1.

2. Where it is not possible to refrain, or where doing so would obstruct the activity of the judicial authority, the reporting subjects shall send a suspicious activity report to the Supervisory and Financial Information Authority, without delay, after having established a relationship, carried out an operation or transaction, or performed a service.

Article 43 – Reporting in good faith and exemption from liability

1. Reporting in good faith, including the communication of related data and information, shall not imply any kind of civil, criminal or administrative responsibility for breach of official secret, confidentiality in financial matters, or any other restriction upon communication imposed by any legislative, administrative or contractual provision for the reporting subjects, members of the management, officers, employees, advisors and assistants of any kind.

2. The exemption from responsibility under paragraph 1 covers all cases, including those in which the reporting subject does not know exactly what the underlying criminal activity is and if it has taken place or not.

Article 44 – Prohibition of disclosure

1. The reporting subjects, members of the management and senior management, officers, employees, advisors and assistants of any kind, shall not disclose to the interested subject or to third parties' knowledge of the

[172] Sub-Paragraph amended by Article 30 (1) of Law No. DCXIV of 7 November 2023.
[173] Sub-Paragraph amended by Article 30 (2) of Law No. DCXIV of 7 November 2023.

suspicious activity, or the sending or preparation to send of a suspicious activity report, including related data and information.

2. The cases in which lawyers, notaries, other independent legal professionals and accountants, in their capacity as independent legal professionals, attempt to dissuade a client from committing an illicit activity, does not constitute a breach of the prohibition of disclosure.

3. The prohibition of disclosure established by paragraphs 1 and 2 is without prejudice to the communications and reports to the Supervisory and Financial Information Authority and to the investigative and judiciary authorities[174].

Article 45 – Integrity, security and confidentiality of reports

The reporting subjects shall adopt adequate policies, procedures and measures to ensure the integrity, security and confidentiality of the reports to the Supervisory and Financial Information Authority and of the related documents, data and information.

CHAPTER VII
SUPERVISION AND REGULATION FOR THE PREVENTION AND COUNTERING OF MONEY LAUNDERING AND THE FINANCING OF TERRORISM AND THE PROLIFERATION OF WEAPONS OF MASS DESTRUCTION

Article 46 – Supervision and regulation for the prevention and countering of money laundering and the financing of terrorism and the proliferation of weapons of mass destruction

The Supervisory and Financial Information Authority is the central authority for the supervision and regulation for the prevention and countering of money laundering and the financing of terrorism and the proliferation of weapons of mass destruction, and to this end shall:

a) supervise and verify the fulfilment, by the obliged subjects, of the obligations established in this Title, the related obligations established in the regulations, and the guidelines[175] adopted by the Supervisory and Financial Information Authority;

b) access, or request the production of, documents, data, information, registers and books, relevant for the purposes of supervision, including, inter alia, those related to accounts, operations and transactions, including the analyses carried out in order to identify unusual or suspicious activities, operations and transactions[176];

c) access, or request the production of, documents, data and information, relevant for supervisory purposes, from the legal persons with a registered office in the State or included in the registers of legal persons held by the State, including documents, data and information relating to the legal person's nature and activity, beneficial owners, beneficiaries and members of senior management[177];

d) adopt the measures necessary to avoid criminals and their associates, directly or indirectly, holding or being the beneficial owners of a significant holding or control or having a management function in the executive or supervisory organs within the supervised subjects;

[174] Paragraph amended by Article 18 of Law No. CCXLVII of 19 June 2018.
[175] Sub-Paragraph amended by Article 19 of Law No. CCXLVII of 19 June 2018.
[176] Sub-Paragraph amended by Article 18 (1) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[177] Sub-Paragraph amended by Article 18 (2) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.

e) carry out off-site and on-site inspections, including, inter alia, a check and review of policies, procedures, measures, books and registers, as well as sample tests;

f) collect and analyse information of a financial nature and other relevant information relating to the supervised entities[178].

g) publish an annual report with non-confidential data, information and statistics relating to the activities carried out in the exercise of its institutional functions.

Article 47 – Administrative sanctions

1. The Supervisory and Financial Information Authority, after having verified the commission of the wrongful acts, shall apply administrative sanctions in the following cases:

a) violations or systemic non-fulfilment of the requirements relating to integrity, stability and transparency of the economic, commercial and professional sectors established in Article 5 and the related obligations established by regulations of the Supervisory and Financial Information Authority;

b) violations or systematic non-fulfilment of the requirements relating to risk assessment, internal controls, foreign branches and subsidiaries, established in Articles 10, 11, 12 and 13[179] and the related obligations established by[180]the regulations of the Supervisory and Financial Information Authority;

c) violation or systematic non-fulfilment of the requirements relating to customer due diligence, transfer of funds, registration and keeping of documents, data and information, and suspicious activity report, and of fulfilments related to Financial Intelligence activities, set out in Title II, Chapters III, IV, V, VI, VIII, and related requirements established by the regulations of the same Supervisory and Financial Information Authority[181];

d) violation by obliged subjects of the obligations ensuing from the financial measures and to the preventive measures related to subjects which threaten international peace and security, established by Articles 75, 76, 77 and 78[182];

e) obstruction of the supervisory activity established in Article 46.

2. In the cases established by paragraph 1, the Supervisory and Financial Information Authority shall apply the following administrative sanctions, in accordance with Law No. X, introducing general norms in the question of administrative sanctions, of 11 July 2013:

a) a written warning, with a separate letter or within an audit report;

b) an order to comply with specific instructions, including an order to the natural or legal person to refrain from carrying out the behaviour in question and to abstain from repeating it[183], with fines in case of full or partial non-compliance;

c) an order to make regular reports on the measures adopted by the sanctioned subject, with fines in the case of total or partial non- compliance;

d) corrective measures;

[178] Sub-Paragraph amended by Article 18 (3) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[179] Sub-Paragraph amended by Article 19 (1) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[180] Sub-Paragraph amended by Article 20 (1) of Law No. CCXLVII of 19 June 2018.
[181] Sub-Paragraph amended by Article 31 (1) of Law No. DCXIV of 7 November 2023.
[182] Sub-Paragraph amended by Article 31 (2) of Law No. DCXIV of 7 November 2023.
[183] Sub-Paragraph amended by Article 19 (2) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.

e) a fine of up to EUR 5 million for natural persons, and up to 10% of the gross annual income in the preceding financial year for legal persons. The fine must be at least equal to double the amount of the profit made through the violation if this amount can be calculated, or at least equal to EUR 1 million[184].

Where the obliged subject is a parent undertaking or a subsidiary of a parent undertaking which is required to prepare consolidated financial accounts, the relevant total annual turnover shall be the total annual turnover or the corresponding type of income according to the last available consolidated accounts approved by the management body of the ultimate parent undertaking[185].

3. In the most serious cases, the Supervisory and Financial Information Authority shall recommend to the President of the Governorate the application of the following administrative sanctions:

a) the permanent or temporary interdiction of natural persons, from carrying out activities in the economic, commercial or professional sectors;

b) the removal or limitation of the powers of members of the management or the senior management, or persons with analogous functions;

c) the suspension or withdrawal of the authorisation to carry out professionally a financial activity;

d) the conservatorship.

4. The administrative sanctions established in paragraphs 2 and 3 shall be applied to all natural and legal persons, including members of the management and senior management of the legal persons.

5. In determining the sanction, the Supervisory and Financial Information Authority shall apply the principle of proportionality and considers, inter alia, the following elements:
a) the seriousness and duration of the violation;

b) the level of responsibility of the natural or legal person that is liable;

c) the financial capacity of the liable natural or legal person that is liable;

d) the consistency of the profits gained or the losses avoided with the illicit activity of the natural or legal person that is liable, to the extent they can be determined;

e) the losses suffered by third parties because of the violation;

f) the level of cooperation of the liable natural of legal person responsible with the competent authority;

g) the previous violations of the natural or legal person that is liable.

6. The sanctions applied, against which no appeal has been filed, shall be published in the manner established by Law, including publication on the website of the Supervisory and Financial Information Authority[186], as soon as the sanctioned subject is informed of the decision. The publication shall contain, at a minimum, information on the type and nature of the violation and the identities of those responsible. The publication shall not regard decisions that apply measures of an investigative nature[187].

6bis. The information published in accordance with this Article shall remain on the website of the Supervisory and Financial Information Authority for a period of ten years from the date of publication. However, personal data contained therein shall be kept on the website of the Supervisory and Financial Information Authority

[184] Sub-Paragraph amended by Article 19 (3) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[185] Provision introduced by Article 20 (2) of Law No. CCXLVII of 19 June 2018.
[186] Paragraph amended by Article 20 (3) of Law No. CCXLVII of 19 June 2018.
[187] Paragraph amended by Article 19 (4) (5) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.

only for the period necessary pursuant with the legislative provisions on the protection of personal data[188].

7. Where, following a case-by-case assessment conducted on the proportionality of the publication of such data the publication of the identity of the persons responsible as referred to in the paragraph 1, the Supervisory and Financial Information Authority considers to be disproportionate the publication of such data, or where such publication jeopardizes the stability of financial sector or an on-going investigation, competent authorities shall:

a) delay the publication of the decision to impose an administrative sanction or measure until the moment at which the reasons for not publishing it cease to exist;

b) publish the decision to impose an administrative sanction or measure on an anonymous basis, if such anonymous publication ensures an effective protection of the personal data concerned; in the case of a decision to publish an administrative sanction or measure on an anonymous basis, the publication of the relevant data may be postponed for a reasonable period of time if it is foreseen that within that period the reasons for anonymous publication shall cease to exist;

c) not publish the decision to impose an administrative sanction or measure at all in the event that the options set out in letters a) and b) are considered insufficient to ensure:

i) that the stability of financial sector would not be put in jeopardy; or

ii) the proportionality of the publication of the decision with regard to measures which are deemed to be of a minor nature[189].

CHAPTER VIII
FINANCIAL INTELLIGENCE

Article 48 – Receipt and analysis of suspicious activity reports, including transmission and domestic and international cooperation[190]

The Supervisory and Financial Information Authority is the central authority for the financial intelligence, and to this end:

a) receives suspicious activity reports;

b) receives and, where necessary, requests all documents, data and information relevant to the purposes of preventing and countering money laundering and the financing of terrorism and the proliferation of weapons of mass destruction;

b bis) without prejudice to the cases set out in Article 40, paragraph 6, requests from the obliged subjects all the relevant documents, data and information and uses them for the purposes of preventing and countering money laundering and terrorism and proliferation financing, even in the absence of a suspicious activity report[191];

c) receives declarations of cross-border transportation of currency;

d) carries out the analysis of the suspicious activity reports, documents, data and information received:

[188] Paragraph introduced by Article 19 (6) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[189] Paragraph introduced by Article 20 (4) of Law No. CCXLVII of 19 June 2018.
[190] Title amended by Article 20 (1) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[191] Sub-Paragraph introduced by Article 20 (2) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.

i) at the operational level: using the documents, data and information available and obtainable in order to identify specific objectives, trace operations and transactions, establish links between the above- mentioned objectives and the potential proceedings of crimes;

ii) at the strategic level: using the documents, data and information available or obtainable, including for the purposes set out in Article 14[192];

e) disseminates reports, documents, data and information to the Promotor of Justice if there is a reasonable ground to suspect an activity of money-laundering or financing of terrorism or of the proliferation of weapons of mass destruction;

f) files the suspicious activity reports which are not disseminated to the Promotor of Justice;

g) shall keep the reports disseminated to the Promotor of Justice and the suspicious activity reports filed for ten years in order to ensure their integrity, security and confidentiality and in such a way as to allow subsequent investigative or judicial activity;

h) shall communicate to the reporting subject the receipt of a suspicious activity report;

i) shall communicate to the reporting subject the filing of a suspicious activity report;

j) shall suspend the execution, for up to five working days, of transactions and operations suspected of money laundering or terrorism or proliferation financing, as well as any other linked operation or transaction, where this does not obstruct investigative or judicial activity, and such suspension may be ordered also upon the request of similar authorities of other Jurisdictions, within the limits established by Article 69bis[193];

k) shall adopt the preventive freezing of accounts, funds and other assets up to five working days in the case of suspicion of money laundering or terrorism or proliferation financing, where this does not obstruct investigative or judicial activity, and such freezing may be adopted also upon the request of similar authorities of other Jurisdictions, within the limits established by Article 69bis[194];
l) shall reply in a timely manner to requests for information from other competent authorities, unless that communication may prejudice ongoing investigations or analyses or, in exceptional circumstances, where disclosure of the information would be clearly disproportionate to the legitimate interests of a natural or legal person, or irrelevant with regard to the purposes for which it has been requested[195];

lbis) shall exchange with its foreign counterparts, spontaneously or upon request, any information that may be relevant for the processing or analysis of information related to money laundering or terrorist financing and the natural or legal person involved, regardless of the type of associated predicate offences and even if the type of associated predicate offences is not identified at the time of the exchange, within the limits established by Article 69bis[196];

lter) shall, within the scope of application of this law and subject to the condition of reciprocity, actively cooperate with foreign counterparts to ensure that prior consent to disseminate the information to competent authorities is granted promptly and to the largest extent possible, regardless of the type of associated predicate offences, unless doing so could lead to the impairment of a criminal investigation or would not be in accordance with fundamental principles of law[197];

m) shall publish an annual report with non-confidential data, information and statistics relating to the activities carried out in the exercise of its functions;

[192] Paragraph amended by Article 20 (3) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[193] Sub-Paragraph amended by Article 20 (4) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[194] Sub-Paragraph amended by Article 20 (5) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[195] Sub-Paragraph amended by Article 20 (6) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[196] Sub-Paragraph introduced by Article 20 (7) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[197] Sub-Paragraph introduced by Article 20 (7) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.

n) receives feedback from the competent authorities about the use made of the information provided and the outcome of the investigations or inspections performed on the basis of that information[198].

Article 49 – Guidelines and communications to reporting subjects

The Supervisory and Financial Information Authority shall:

a) give the reporting subjects guidelines on the methods of reporting, supplying templates and indications on the procedures to be followed in reporting[199];

b) give the reporting subjects updated information, including models and typologies of activity and behaviours in the financial sector which may indicate cases of money laundering or financing of terrorism or of the proliferation of weapons of mass destruction, also with a view to promoting the training of personnel[200].

Article 50 – Access to information

The Supervisory and Financial Information Authority:

a) has access, on a timely basis, to all information of a financial, administrative and investigative nature relevant to the purpose of preventing and countering money laundering and the financing of terrorism and the proliferation of weapons of mass destruction;

abis) has access to information that renders it possible to promptly identify any natural or legal person that holds immoveable property[201];

b) has access, on a timely basis, to other relevant additional information possessed by all reporting subjects, in accordance with the current legislation[202];

c) has access, on a timely basis, to information of a financial and administrative nature possessed by the reporting subjects and by legal persons with their legal seat in the State or registered in the registers held by the State, including those indicated in Article 5bis, paragraph 1, letter a), in accordance with the current legislation [203];

d) collects and files relevant documents, data and information;

e) shall publish an annual report with non-confidential data, information and statistics relating to the activities carried out in the exercise of its institutional functions.

Article 51 – Protection of the suspicious activity reports and connected documents, data and information

1. The Supervisory and Financial Information Authority shall ensure the integrity, security and confidentiality of the suspicious activity reports and of the connected documents, data and information.

2. The dissemination of the suspicious activity reports to the Promoter of Justice and the exchange of information at the domestic or international levels take place using adequate procedures and measures suitable

[198] Sub-Paragraph introduced by Article 21 (2) of Law No. CCXLVII of 19 June 2018.
[199] Sub-Paragraph amended by Article 21 of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[200] Sub-Paragraph amended by Article 21 of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[201] Sub-Paragraph introduced by Article 22 (1) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[202] Sub-Paragraph amended by Article 32 (1) of Law No. DCXIV of 7 November 2023.
[203] Sub-Paragraph amended by Article 22 (2) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021 and by Article 32 (2) of Law No. DCXIV of 7 November 2023.

for ensuring integrity, security and confidentiality of documents, data and information.

3. The Supervisory and Financial Information Authority, the public prosecutor and the Corps of the Gendarmes may stipulate appropriate agreement protocols regarding adequate procedures and measures for guaranteeing the integrity, security and confidentiality of the exchange of information.

4. The Supervisory and Financial Information Authority shall ensure the confidentiality of the name and personal data of persons who have submitted the suspicious activity report and that these persons are protected from being exposed to threats or hostile action, and in particular from adverse or discriminatory employment actions[204].

In the case of dissemination to the Promoter of Justice, the name and personal data of the persons who have submitted the suspicious activity report, even if known, shall not be mentioned.

Individuals who are exposed to threats, retaliatory or hostile actions, or adverse or discriminatory employment actions for reporting suspicions of money laundering or terrorist financing internally or to the Supervisory and Financial Information Authority are entitled to present a complaint in a safe manner to the respective competent authorities. Without prejudice to the confidentiality of information gathered by the Supervisory and Financial Information Authority, such individuals shall have the right to resort to the judicial authorities to safeguard their rights under this paragraph[205].

5. The identity of the persons mentioned in paragraph 4 may only be revealed when the judicial authority, with a motivated decision, considers it indispensable for the purposes of the investigative or judicial activity.

6. Apart from the cases mentioned in paragraph 5, in the case of the seizure of documents, the competent authorities shall adopt adequate procedures and measures to ensure the confidentiality of the identity of the natural persons who submitted the reports and the appropriate protection for the accused person[206].

Article 51bis – Central Register[207]

1. The Supervisory and Financial Information Authority will maintain a register for the prompt identification of all natural and legal persons that hold or control relationships, payment accounts, accounts identified by IBAN and safe deposit boxes with the entities that carry out financial activities on a professional basis.

2. The information contained in the register referred to in paragraph 1 shall be directly and immediately accessible by the Supervisory and Financial Information Authority, which can exchange information with its counterparts in a timely manner for the purposes of financial information pursuant to Articles 69bis and 70 of this Law. The information shall be accessible pursuant to Article 69, including to the other authorities that are competent for fulfilling the obligations that are assigned to them under this Law.

3. By means of the register referred to in paragraph 1, at a minimum the following information shall be accessible:

a) for the account holder and each person that is authorized to operate on behalf of the account holder: their name and the other identification data set out in Article 1, paragraph 7, or a unique identification number[208];

b) for the beneficial owner: their name and the other identification data set out in Article 1, paragraphs 7 and 24, or a unique identification number[209];

[204] Paragraph amended by Article 22 (1) of Law No. CCXLVII of 19 June 2018.
[205] Provision introduced by Article 23 of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[206] Paragraph amended by Article 22 (2) of Law No. CCXLVII of 19 June 2018.
[207] Article introduced by Article 24 of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[208] Sub-Paragraph amended by Article 33 (1) of Law No. DCXIV of 7 November 2023.
[209] Sub-Paragraph amended by Article 33 (1) and (2) of Law No. DCXIV of 7 November 2023.

c) for the account or payment account: the IBAN number and the opening and closing date of the account;

d) for the safe deposit box: the name of the lessee, and the other identification data set out in Article 1, paragraph 7, or a unique identification number and the duration of the lease period[210].

4. The Supervisory and Financial Information Authority shall govern, through a Regulation issued by it, the means for creating, updating, maintaining, managing and safeguarding the register referred to in paragraph 1.

TITLE IIII
PRUDENTIAL SUPERVISION AND REGULATION OF THE ENTITIES CARRYING OUT PROFESSIONALLY A FINANCIAL ACTIVITY

Article 52 – Scope of application

1. The contents of the present title shall be applied to entities which carry out a professional activity of a financial nature.

2. Public authorities carrying out institutionally a financial activity in the name and on behalf of organs of the Holy See and the State are excluded from the scope of application of this Title.

3. The Supervisory and Financial Information Authority shall publish and update a list of the entities under prudential supervision.

Article 53 – Criteria of application

Policies, procedures, measures and controls requested by this Title shall be adopted consistently with the institutional, legal, economic, commercial and professional framework of the State.

Article 54 – Authorization

1. The Supervisory and Financial Information Authority authorises the carrying out professionally of a financial activity.

2. The Supervisory and Financial Information Authority shall establish, by regulation, the criteria and the procedures for authorization, including its suspension and withdrawal.

3. This article and subsequent regulations of the Supervisory and Financial Information Authority relating to the authorization shall be without prejudice of the norms in force relating to the creation and cessation of organisms and entities.

Article 55 – Activities carried out in a third Jurisdiction

1. The entities carrying out professionally a financial activity can carry out those activities in a foreign Jurisdiction with the prior authorization of the Supervisory and Financial Information Authority.

2. The Supervisory and Financial Information Authority shall establish, by means of a regulation, criteria and procedures for the authorization to carry out financial activities in a foreign Jurisdiction.

[210] Sub-Paragraph amended by Article 33 (1) of Law No. DCXIV of 7 November 2023.

Article 56 – Participation in other entities which carry out professionally a financial activity

1. The Supervisory and Financial Information Authority authorizes the purchase and transfer, of any kind, of shares involving the control or the possibility of having a significant influence on an entity carrying out professionally a financial activity.

2. The Supervisory and Financial Information Authority shall establish, by means of a regulation, the criteria and procedures for authorisation to participate in parties which exercise a professional financial activity.

Article 57 – Participation in groups of entities carrying out professionally a financial activity

1. The Supervisory and Financial Information Authority shall authorize the entry into and participation of entities in groups of entities who carry out professionally a financial activity. It shall establish limits and rules relating to shares that may be held by entities under the scope of application of this Law.

2. The Supervisory and Financial Information Authority shall establish, by means of a regulation, the criteria and procedures for entering into, and participating in, groups which carry out professionally a financial activity.

Article 58 – Structure and management of an authorized entity

1. The Supervisory and Financial Information Authority shall establish, by means of a regulation, the criteria for the organisation and governance of entities which carry out professionally an authorised financial activity.

2. The criteria established in paragraph 1 include:

a) the strategic direction of the entity and the group of which it is a part;

b) the structure of the entity and the group of which it is a part;

c) the responsibilities of the management and senior management;

d) the role of management and senior management in the approval of the strategic direction, the risk appetite, and the promotion of the culture and values of the entities;

e) the criteria of appointment and the requirements of the members of management and senior management;

f) policies, procedures and measures of internal control;

g) governance policies and procedures;

h) systems of remedy and compensation;

i) systems of remuneration and incentives;

j) the appointment of subjects entrusted with accounting;

k) the administrative and accounting organisation.

Article 59 – Capital and liquidity requirements

The Supervisory and Financial Information Authority shall establish, by regulation, the capital and liquidity requirements, consistently with the risks assumed and presented by the entities carrying out professionally a financial activity, within the economic and financial framework and the macroeconomic conditions in which they operate.

Article 60 – Risk management

1. The Supervisory and Financial Information Authority shall establish, by regulation, the criteria for risk management by the entities carrying out professionally a financial activity and the group of which the entities are part.

2. The criteria established in paragraph 1 include:

a) the adoption of adequate risk management strategies, approved by the management, the senior management or analogous bodies, consistently with the risk appetite which the entities and the group of which the entities are part can assume or tolerate. In particular, the management strategies include the following risk categories:

i) market risks;

ii) credit risks;

iii) payment and liquidity risks;

iv) interest and exchange risks;

v) intermediary risks;

vi) risks by a lack of conformity to the law, regulations and internal procedures;

vii) legal risks;

viii) operational risks;

ix) risks to reputation.

b) monitoring by the senior management or by analogous bodies, so that:

i) adequate procedures and measures are adopted for managing all relevant risks consistently with the established strategies and the risk appetite of the entities;

ii) within the entities, a culture of sound risk management is established;

iii) the policies adopted for the assumption of risks is coherent with the established strategies and the risk appetite of the entities;

iv) the uncertainties which characterize risk management are acknowledge;

v) consistent limits are established to the risk appetite, to the risk profile and to the capital and liquidity requirements ensuring that these are understood by, and regularly communicated to, competent personnel.

3. On the basis of the criteria established in paragraph 1, the entities shall adopt programs to identify, evaluate, understand, manage and contain all the relevant risks.

4. The programs established in paragraph 3 must include procedures, measures and controls:

a) which allow the establishment of a clear overview of the entity relating risks in the different risk categories;

b) which allow the evaluation of risks deriving from the macroeconomic context which affects sectors and markets within which the entities operate and the inclusion of such evaluations in the risk management;

c) which are consistent with the risk profile and the systemic relevance of the entities.

Article 61 – Expertise and integrity requirements

1. The Supervisory and Financial Information Authority shall establish, by regulation, the expertise and integrity requirements of the members of management, organs of control and senior management or of those who hold or shall hold internal control functions or important organizational and management responsibilities[211] within the entity carrying out professionally a financial activity, and examine potential conflicts of interest.

2. Expertise and integrity requirements shall include, inter alia, the evaluation of the following elements:

a) adequate expertise and experience with regard to the activity in question;

b) absence of criminal convictions or serious administrative sanctions which would make a person unfit.

3. In carrying out professionally a financial activity, the entities under the scope of application of this Title shall:

a) behave diligently, correctly and transparently, in the interest of the counterpart and for the integrity and stability of the markets;

b) acquire the necessary information from counterparts and act in such a way as to ensure that they are always adequately informed.

Article 62 – Communication of documents, data and information

1. The Supervisory and Financial Information Authority shall establish, by regulation, the procedures for entities who carry out professionally a financial activity to send the documents, data or information requested for the purpose of prudential supervision.

2. The documents, data and information mentioned in paragraph 1, shall include, inter alia:

a) the balance sheet of the entity;

b) the structure and management of the entity;

c) the economic and financial condition of the entity;

d) the activities of the entity;

e) the strategies and policies of risk management by the entity;

f) the appointment and removal of subjects in charge for auditing;

[211] Paragraph amended by Article 25 of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.

g) any other document, data or information relevant for the purposes of prudential supervision.

3. The Supervisory and Financial Information Authority shall establish, by regulation, the communication and information duties of the entities carrying out professionally a financial activity towards counterparts and the general public.

Article 63 – Promotion of high moral and professional standards and the prevention of abuses in the financial sector

1. The Supervisory and Financial Information Authority shall establish, by regulation, criteria which the subjects who carry out professionally a financial activity shall observe for the promotion of a high moral and professional standard within the authorised entities.

2. The criteria established in paragraph 1 shall include:

a) selection criteria for members of management, senior management, personnel and collaborators, in any capacity, of the entity;

b) policies, procedures and measures for the promotion of high professional and moral standards within the entity;

c) policies, procedures and measures for the prevention of any kind of abuse, intentional or not, in the financial sector for unlawful purposes;

d) policies, procedures and measures for customer due diligence, registration and record keeping, and reporting of suspicious activities that are consistent with the risk appetite;

e) policies, procedures and measures for auditing and control;

f) any other sector relevant for the purposes of preventing abuses in the financial sector.

Article 64 – Procedure for the adoption of regulations

The regulations implementing the provisions of this Title are submitted for prior consideration of the Supreme Pontiff, through the Secretariat of State[212].

Article 65 – Prudential supervision and regulation

The Supervisory and Financial Information Authority is the central authority for the prudential supervision and regulation of the entities carrying put professionally a financial activity, and to this end shall:

a) supervise and verifies the fulfilment, by the obliged subjects, of the requirements established in this Title, the related obligations established in the regulations, and the guidelines, adopted[213] by the same Supervisory and Financial Information Authority;

b) supervise the organisation of the supervised entities and their activities, including non-financial activities, at the domestic and international levels;

c) evaluate the governance policies and practices of the supervised entities and their implementation and determines if the supervised entities have sound governance policies and procedures adequate to their risk

[212] Article amended by Article 34 of Law No. DCXIV of 7 November 2023.
[213] Paragraph amended by Article 23 of Law No. CCXLVII of 19 June 2018.

profile and their systemic importance, requesting, when necessary, the rectification of deficiencies in a timely manner;

d) evaluate the adequacy of capital and liquidity requirements;

e) evaluate the procedures, measures and controls for risk management and intervenes from the start to deal with flawed activities or practices which may cause risks, including risks of contamination and reputation, for the supervised entities or the financial sector;

f) verify the competence and integrity of members of the management and senior management, or those who have an analogous function within the supervised entity, examining potential conflicts of interest;

g) carry out off-site and on-site inspections. On-site inspections include, inter alia, a check and review of policies, procedures, measures, books and registers, as well as sample test;

h) access or requests the production of, documents, data and information, registers and books, relevant for the purposes of the supervision;

i) access or requests the production of, documents, data and information, from the legal persons with a registered office in the State's territory or registered in the registers of legal persons held by the State, related to their nature and activity, to the beneficial owners, beneficiaries, members and administrators, including members of the management and senior management;

j) collect and analyses information of a financial nature and other relevant information relating to the supervised subject;

k) publish an annual report with non- confidential data, information and statistics relating to the activities carried out in the exercise of its institutional functions.

Article 66 – Administrative sanctions

1. The Supervisory and Financial Information Authority, after having verified the commission of the wrongful acts, shall apply administrative sanctions in the following cases:

a) violation or systematic non-compliance with the obligations relating to prudential supervision established in Title III and the related obligations established in the regulations adopted by the same Supervisory and Financial Information Authority[214];

b) obstruction of the supervisory activity established in Article 65.

2. In the cases established in paragraph 1, the Supervisory and Financial Information Authority shall apply the following administrative sanctions, in accordance with Law No. X, introducing general norms in the question of administrative sanctions, of 11 July 2013:

a) a written warning, by a separate letter or within an audit report;

b) an order to comply with specific instructions, including an order to the natural or legal person to refrain from carrying out the behaviour in question and to abstain from repeating it, with fines in case of full or partial non-compliance[215];

c) an order to make regular reports on the measures adopted by the sanctioned subject, with fines in the case of total or partial non- compliance;

[214] Sub-Paragraph amended by Article 24 (1) of Law No. CCXLVII of 19 June 2018 and by Article 35 of Law No. DCXIV of 7 November 2023.
[215] Sub-Paragraph amended by Article 26 (1) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.

d) corrective measures;

e) a fine of up to EUR 5 million for natural persons, and up to 10% of the gross annual income in the preceding financial year for legal persons. The fine must be at least equal to double the amount of the profit made through the violation if this amount can be calculated, or at least equal to EUR 1 million[216].

Where the obliged entity is a parent undertaking or a subsidiary of a parent undertaking which is required to prepare consolidated financial accounts, the relevant total annual turnover shall be the total annual turnover or the corresponding type of income according to the last available consolidated accounts approved by the management body of the ultimate parent undertaking[217].

3. In the most serious cases, the Supervisory and Financial Information Authority shall recommend to the President of the Governorate the application of the following administrative sanctions:

a) the permanent or temporary interdiction of natural persons, from carrying out activities in the economic, commercial or professional sectors;

b) the removal or limitation of the powers of members of the management or the senior management, or persons with analogous functions;

c) the conservatorship;

d) suspension or withdrawal of the authorisation to carry out professionally a financial activity.

4. The administrative sanctions established in paragraphs 2 and 3 shall be applied to all natural and legal persons, including members of the management and senior management of the legal persons.

5. In determining the sanction, the Supervisory and Financial Information Authority shall apply the principle of proportionality and considers, inter alia, the following elements:

a) the seriousness and duration of the violation;

b) the level of responsibility of the natural or legal persons that is liable;

c) the financial capacity of the natural or legal person that is liable;

d) the consistency of the profits gained or the losses avoided with the illicit activity of the liable natural or legal person, to the extent they can be determined;

e) the losses suffered by third parties because of the violation;

f) the level of cooperation of the natural of legal person that is liable with the competent authority;

g) the previous violations of the natural or legal person that is liable.

6. The sanctions applied, against which no appeal has been filed, shall be published in the manner established by Law, including publication on the website of the Supervisory and Financial Information Authority[218], as soon as the sanctioned subject is informed of the decision. The publication shall contain, at a minimum, information on the type and nature of the violation and the identities of those responsible. The publication shall not regard decisions that apply measures of an investigative nature[219].

[216] Sub-Paragraph introduced by Article 26 (2) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[217] Provision introduced by Article 24 (2) of Law no. CCXLVII of 19 June 2018.
[218] Paragraph introduced by Article 24 (3) of Law No. CCXLVII of 19 June 2018.
[219] Paragraph amended by Article 26 (3) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.

6bis. The information published in accordance with this Article shall remain on the website of the Supervisory and Financial Information Authority for a period of ten years from the date of publication. However, personal data contained therein shall be kept on the website of the Supervisory and Financial Information Authority only for the period necessary pursuant to the legislative provisions on the protection of personal data[220].

7. Where, following a case-by-case assessment conducted on the proportionality of the publication of such data the publication of the identity of the persons responsible as referred to in the paragraph 1, the Supervisory and Financial Information Authority considers to be disproportionate the publication of such data, or where such publication jeopardizes the stability of financial sector or an on-going investigation, competent authorities shall:

a) delay the publication of the decision to impose an administrative sanction or measure until the moment at which the reasons for not publishing it cease to exist;

b) publish the decision to impose an administrative sanction or measure on an anonymous basis, if such anonymous publication ensures an effective protection of the personal data concerned; in the case of a decision to publish an administrative sanction or measure on an anonymous basis, the publication of the relevant data may be postponed for a reasonable period of time if it is foreseen that within that period the reasons for anonymous publication shall cease to exist;

c) not publish the decision to impose an administrative sanction or measure at all in the event that the options set out in letters a) and b) are considered insufficient to ensure:

i) that the stability of financial sector would not be put in jeopardy; or

ii) the proportionality of the publication of the decision with regard to measures which are deemed to be of a minor nature[221].

TITLE IV
PROTECTION OF DOCUMENTS, DATA AND INFORMATION POSSESSED BY THE SUPERVISORY AND FINANCIAL INFORMATION AUTHORITY

Article 67 – Official Secret

1. All documents, data and information possessed by the Supervisory and Financial Information Authority in the exercise of the function of supervision and regulation and the function of financial intelligence shall:

a) be used exclusively for the purposes established by Law;

b) protected for the purposes of ensuring their security, integrity and confidentiality;

c) under professional secret.

2. Without prejudice to cases covered by criminal law, confidential information acquired in the course of supervisory and regulatory functions may only be disclosed in summary or aggregate form[222].

3. The duty of staff to observe the office secret shall apply also after the end of their service with the Supervisory and Financial Information Authority.

[220] Paragraph introduced by Article 26 (4) of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[221] Paragraph introduced by Article 24 (4) of Law No. CCXLVII of 19 June 2018.
[222] Paragraph introduced by Article 27 of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.

4. The provisions of this Law are implemented without prejudice to the right to privacy.

Article 68 – Procedures and measures of protection

In order to ensure the security, integrity and confidentiality of the documents, data and information, the Supervisory and Financial Information Authority shall adopt adequate procedures and measures:

a) for their treatment, filing and dissemination;

b) to ensure a controlled and limited access to its premises and to documents, data and information in its possession, including information and technology systems;

c) to ensure that members of staff have necessary levels of authorization, security, knowledge and understanding of their responsibilities in treating, analysing, filing and disseminating documents, data and information.

TITLE V
COOPERATION AND EXCHANGE OF INFORMATION AT THE DOMESTIC AND INTERNATIONAL LEVELS[223]

Article 69 – Cooperation and exchange of information at the domestic level[224]

1. The competent authorities referred to in Article 8, the entities 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.

2. Obliged subjects and the reporting subjects referred to in Article 1, number 23, letter b) shall promptly provide to the Supervisory and Financial Information Authority the documents, data and information that are relevant to help identify every instance in which there are facts and situations the knowledge of which may be used to prevent money laundering or terrorism or proliferation financing.

3. The Supervisory and Financial Information Authority may cooperate and exchange information with the authorities of the Holy See and Vatican City State under the following conditions:

a) the authorities have institutional responsibilities that are clearly set out by the legal framework in place within the context of countering or investigating money laundering, associated predicate offenses or terrorism or proliferation financing;

b) the authorities have a precise mandate to assess supervisory and regulatory activities within the context of: (i) the prevention and countering of money laundering and terrorism and proliferation financing and (ii) prudential supervision[225];

c) the information is strictly necessary for the exercise of the mandate referred to in paragraphs a) and b);

d) the requests for information by the Authorities are motivated by needs relating to money laundering

[223] Title amended by Article 28 of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[224] Article fully amended by Article 29 of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[225] Sub-Paragraph amended by Article 36 (1) of Law No. DCXIV of 7 November 2023.

activities, associated predicate offences, or activities to finance terrorism and the proliferation of weapons of mass destruction[226];

e) the persons that have access to the information are subjects that are bound by professional secrecy;

f) the information, when provided by a foreign counterpart, is not communicated without the explicit prior consent of the competent authority that provided it and only for the purposes authorized.

Article 69-bis – Cooperation and exchange of information at the international level[227]

1. The competent authorities referred to in Article 8 shall actively cooperate and exchange information for the purposes of preventing and countering money laundering and terrorism and proliferation financing with similar authorities of foreign Jurisdictions, in the manner and within the limits established by law.

2. The Supervisory and Financial Information Authority, for the purposes of adequately performing its supervisory, regulatory and financial intelligence functions, shall cooperate and exchange information with similar authorities of foreign Jurisdictions, upon the condition of reciprocity and on the basis of memoranda of understanding. The Secretariat of State shall be informed of the signing of any such Memoranda of Understanding.

3. The cooperation and exchange of information referred to in paragraph 2 shall not be limited or refused for any of the following grounds:

a) the request is also considered to involve tax matters;

b) the request concerns persons or facts that are part of an ongoing inquiry, investigation or proceeding being carried out by the investigative or judicial authorities, unless there is the concrete possibility that the assistance would impede that inquiry, investigation or proceeding;

c) the nature or status of the requesting counterpart is different from that of the Supervisory and Financial Information Authority.

4. The cooperation and exchange of information referred to in paragraph 2 may be refused where the information requested is protected by legal privilege or where legal professional secrecy applies.

5. The information exchanged under paragraph 2 by the Supervisory and Financial Information Authority as the central supervisory authority pursuant to Articles 46 and 65 shall only be used as follows:

a) in the performance of supervisory functions within the context of preventing and countering money laundering and terrorism and proliferation financing and within the context of prudential supervision, including regulatory activities and the application of sanctions;

b) in the event of an administrative sanction applied pursuant to the provisions of Article 47 and 66.

Article 70 – Secrecy and exchange of information

1. Official secret and financial secrecy do not inhibit or limit the activities indicated in Articles 69 and 69bis[228].

2. Nothing is established that may prejudice the norms into force relating to the pontifical secret and secret of state.

[226] Sub-Paragraph introduced by Article 36 (2) of Law No. DCXIV of 7 November 2023.
[227] Article introduced by Article 30 of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.
[228] Paragraph amended by Article 31 of Decree No. CCCLXXII of 9 October 2020 converted into Law N. CCCXCVI of 7 January 2021.

TITLE VI
MEASURES AGAINST SUBJECTS WHO THREATEN INTERNATIONAL PEACE AND SECURITY

Article 71 – List of subjects who threaten international peace and security

1. The President of the Governorate, having heard the Secretariat of State, shall approve and update by ordinance a list containing the names of subjects, natural persons and entities, regarding whom there are reasonable grounds to believe that they pose a threat to international peace and security.

2. The list referred to in paragraph 1 shall contain the name and all information necessary to allow for the positive and unequivocal identification of the designated subject.

3. The list referred to in paragraph 1 and its updates a) are published, not only in the Supplement of the Acta Apostolicae Sedis, but also on the websites of the State, of the Supervisory and Financial Information Authority and of the Secretariat for the Economy and shall be posted on the door of the offices of the Governorate and in the Cortile San Damaso [229].

4. The President of the Governorate shall communicate without delay the list referred to in paragraph 1 and its updates, by electronic means, to the reporting subjects and to the Supervisory and Financial Information Authority and to the Secretariat for the Economy, for their respective activities of competences[230].

Article 72 – Identification of the subjects who threaten international peace and security

1. The President of the Governorate shall designate those subjects in relation to whom he has determined that there are reasonable grounds to believe that they:

a) commit, participate, organise, prepare, facilitate or finance acts for a terrorist purpose;

b) promote, constitute, organise, lead, finance, recruit or participate in an association which claims to commit acts for a terrorist purpose;

c) provide, sale or transfer arms, explosive devices or other lethal devices to who commits or participates in the commission of terrorist acts or participates in an association whose purposes is to commit acts with terrorism purposes;

d) participate, organise, prepare, facilitate, contribute, or finance an unlawful program for the proliferation of weapons of mass destruction.

2. The subjects referred to in the previous paragraph are to be included in the list even if there is no criminal conviction or pending criminal process in their regard.

3. The Promoter of Justice, the Corps of the Gendarmerie and the Supervisory and Financial Information Authority propose to the President of the Governorate the designation of those subjects regarding whom there are reasonable grounds to believe that they carry out one of the activities referred to in paragraph 1 and transmit to the President of the Governorate all the relevant information and documentation.

4. In drafting and updating the list, the President of the Governorate may request to the Promoter of Justice, the Corps of the Gendarmerie and the Supervisory and Financial Information Authority any other information

[229] Paragraph amended by Article 37 of Law No. DCXIV of 7 November 2023.
[230] Paragraph amended by Article 37 of Law No. DCXIV of 7 November 2023.

or documentation that may contribute to his own assessment.

5. In drafting and updating the list, the President of the Governorate shall examine without delay the designations made by the competent organs of the Security Council of the United Nations, of the European Union and of other Jurisdictions. The designations made by the competent organs of the United Nations Security Council and of the European Union, even on their own, are deemed to constitute sufficient grounds for designation[231] .

Article 73 – Removal of subjects from the list

1. The President of the Governorate, having heard the Secretariat of State, delists those subjects regarding whom there are no longer reasonable grounds to believe that they pose a threat to international peace and security.

2. The delisting may also take place by proposal of the Promoter of Justice, the Corps of the Gendarmerie or the Supervisory and Financial Information Authority.

3. The President of the Governorate examines also the decisions taken by the competent organs of the Security Council of the United Nations, of the European Union and of other Jurisdictions.

4. Those who believed they have been designated without sufficient grounds or by error may apply for delisting directly to the President of the Governorate. The President of the Governorate shall reply within 15 days from the receipt of the request.

5. In the case of a negative reply or of no reply within the period established in paragraph 4, the designation may be contested before the Tribunal[232].

6. The trial proceeds in accordance with articles 776 and following of the Code of Civil Procedure, insofar as applicable, with the necessary intervention of the Promoter of Justice and in the dispute between the plaintiff and the Governorate.

7. If the Tribunal finds that the grounds for the designation of the subject were not sufficient, it orders its delisting.

Article 74 – International cooperation

The Secretariat of State:

a) receives from the competent organs of the Security Council of the United Nations, of the European Union and of other Jurisdictions, proposals to designate subjects and transmits them to the President of the Governorate;

b) having heard the President of the Governorate, shall formulate to the competent organs of the Security Council of the United Nations and of the European Union as well as other Jurisdictions proposals to designate subjects regarding whom there are reasonable grounds to believe that they pose a threat to international peace and security, communicating the information necessary to that end;

c) having heard the President of the Governorate, shall formulate to the competent organs of the Security Council of the United Nations and the European Union as well as other Jurisdictions proposals for the delisting of subjects from their respective lists, also on the basis of the outcome of recourses presented in accordance with article 73;

[231] Paragraph amended by Article 38 of Law No. DCXIV of 7 November 2023.
[232] Paragraph amended by Article 39 of Law No. DCXIV of 7 November 2023.

d) shall gather from the competent organs of the Security Council of the United Nations and of the European Union as well as from other Jurisdictions any other information which may be useful to the carrying out of the activities mentioned in articles 71, 72 and 73 and forwards it to the President of the Governorate;

e) concludes agreement or memoranda of understanding with the authorities of other Jurisdictions and competent international organisations in order to contribute to the necessary international cooperation.

Article 75 – Financial Measures

1. It is forbidden to provide, directly or indirectly, subjects included in the list with funds or other assets, or to grant them financial services or services connected to them.

2. Reporting subjects must verify without delay the presence within their own institution of funds or other assets owned or held, exclusively or jointly, directly or indirectly, by the subjects included in the list[233].

3. Reporting subjects and natural persons employed by or acting on behalf of the aforementioned persons are required to freeze immediately and without delay:

a) funds or other economic resources owned, possessed, controlled or held exclusively or jointly, directly or indirectly, by the listed subjects;

b) transfers of funds, money or values directly or indirectly related, exclusively or jointly, directly or indirectly, to subjects in the list;

c) the benefits and profits generated by the subjects in the list or other economic resources referred to in letter a).

d) the funds or other economic resources held or controlled by other subjects, natural persons or entities, in the name of, on behalf of or in favor of subjects included in the list[234].

4. Reporting subjects are required to promptly send a report to the Supervisory and Financial Information Authority in cases where they have implemented the obligations referred to in paragraph 3. This report must contain, in particular:

a) the measures taken in compliance with paragraph 3, indicating the persons involved and the amount and nature of the funds or other economic resources;

b) the information concerning the relationships, services or transactions, as well as any other available data that can be traced back to the persons listed;

c) information concerning any attempted financial transaction involving funds or other economic resources previously blocked pursuant to paragraph 3[235].

5. The Supervisory and Financial Information Authority shall communicate to the reporting subject, no later than 24 hours after the report referred to in paragraph 4, its own measure defining the terms, conditions and limits of the freezing referred to in paragraph 3, with a view also to safeguarding the rights of bona fide third parties[236].

6. The reporting subjects shall notify the Supervisory and Financial Information Authority, within seven days

[233] Paragraph introduced by Article 40 of Law No. DCXIV of 7 November 2023.
[234] Paragraph introduced by Article 40 of Law No. DCXIV of 7 November 2023.
[235] Paragraph introduced by Article 40 of Law No. DCXIV of 7 November 2023.
[236] Paragraph introduced by Article 40 of Law No. DCXIV of 7 November 2023.

from the date of issuance of the order referred to in paragraph 5, all information and data useful for monitoring the implementation of the same measure. The Supervisory and Financial Information Authority may request continuous updates[237].

7. In the case of the delisting of a subject, the Supervisory and Financial Information Authority, with its own provision, shall immediately order the cessation of the measures referred to in paragraph 3 and the revocation of the provision referred to in paragraph 5, giving notice, without delay, to the reporting subjects concerned[238].

8. The public Authorities of the Holy See send a copy of the communications referred to in the previous paragraphs to the Secretariat for the Economy. The administrations of the Governorate shall send a copy of the communications to the President of the Governorate[239].

Article 76 – Preventive measures[240]

1. When there are reasonable grounds to believe that a subject poses a threat to international peace and security and that there is also the risk that the funds or other economic resources potentially subject to preventative freezing could be hidden or used for a criminal purpose, the President of the Governorate shall immediately order the preventive freezing of funds or other economic resources, informing, without delay, by electronic means, the reporting subjects, the Secretariat for the Economy, the Supervisory and Financial Information Authority and the Office of the Promoter of Justice.

2. The resolution ordering the freezing referred to in the previous paragraph become ineffective if, after fifteen days from its adoption, the subject has not been included in the list.

Article 77 – Effects of the freezing of assets

1. The frozen funds or other assets cannot be the subject to transfer, modification, use, management or access in such a way as to modify their volume, import, place, property, possess, nature, destination or any other change which would permit the use, including the management of stock portfolios.

2. The frozen assets cannot be subject to transfer, modification, use or management, including sale, rent or constitution of any other real right or guarantee, with a view to obtaining in any way goods and services.

3. The contracts and the acts of disposal having as their object the funds or other assets pursuant to Articles 75 and 76 are void when the third parties knew or should have known that the funds or other assets object of the contract or act of disposal were subject to the measures referred to in 75 or 76.

4. The resolution ordering the freezing of assets referred to in Articles 75 and 76 do not prejudice the effects of any order for the seizure or confiscation adopted in the context of a judicial or administrative procedure, having the same funds or other assets as their object.

5. The freezing of funds or other assets, as well as the omission or refusal to provide financial services, believed in good faith to be in conformity to this Title, do not give raise any kind of liability for the natural or legal person, including its legal representatives, administrators, directors, employees, advisers or collaborators of any kind, who puts them into effect, except in cases of serious fault.

6. The Tribunal is competent over any legal claim against the freezing order referred to in Articles 75 and 76.

7. The trial proceeds in accordance with Articles 776 and following of the Code of Civil Procedure, insofar as

[237] Paragraph introduced by Article 40 of Law No. DCXIV of 7 November 2023.
[238] Paragraph introduced by Article 40 of Law No. DCXIV of 7 November 2023.
[239] Paragraph introduced by Article 40 of Law No. DCXIV of 7 November 2023.
[240] Article amended by Article 41 of Law No. DCXIV of 7 November 2023.

applicable, with the necessary intervention of the Promoter of Justice in the dispute between the plaintiff and the Supervisory and Financial Information Authority.

Article 78 – Safeguarding, administration and management of frozen assets

1. The President of the Governorate shall provide directly, or through the appointment of a custodian or an administrator, to the custody or administration of frozen funds or other assets.

2. Where, in the course of a judicial or administrative trials, the seizure or confiscation of the financial goods or assets referred to in the previous paragraph is ordered, the responsible for their administration is, in the case of seizure, the authority which ordered the seizure, or, in the case of confiscation, the President of the Governorate.

3. The custodian or administrator shall operate under the direct control of the President of the Governorate, following his directives, sending periodic reports and presenting a report at the end of their activity.

4. The expenses of the custody or administration, including the remuneration of the custodian or administrator, are paid from the administered funds or other assets or from the funds or other assets that are their profit.

5. The President of the Governorate shall transmit periodic reports to the Secretariat for the Economy[241] on the Jurisdiction of the funds or other assets and on the activities carried out.

6. In the case of delisting of a subject, the Governorate shall communicate it to the interested party, in accordance with Articles 170 and following of the Code of Civil Procedure. In the same communication, the interested party is invited to take possession of the funds or other assets within six months from the date of the communication and is informed about the activities undertaken pursuant to paragraph 8.

7. In the case of real estate or registered movable goods, an analogous communication is transmitted to the competent authorities with a view to the deleting of the freezing from the public registers.

8. From the end of the freezing and before the take of possession by the interested parties, the President of the Governorate shall continue to provide for the custody or the administration of the funds or other assets.

9. If the interested party does not request the delivering of the funds or other assets within the twelve months after the communication referred to in paragraph 6, the same funds or other assets, taking into account any international agreements for their distribution, are acquired by the Apostolic See and devoted, at least partially, to support the victims of terrorism and their families. The resolution disposing the acquisition is communicated to the interested party and transmitted to the competent authorities by the same means referred to in paragraph 6.

Article 79 – Exceptions[242]

1.The President of the Governorate, having consulted with the Supervisory and Financial Information Authority and having taken note of the relevant decisions of the competent bodies of the United Nations Security Council, may authorize the release of funds or other economic resources previously frozen pursuant to Articles 75 or 76, to the extent necessary for the payment of the essential expenses of their owners, including food, rent, taxes, insurance, medical services, public services and legal expenses.

2. The President of the Governorate, after consultation with the Supervisory and Financial Information Authority and taking note of the relevant decisions of the competent organs of the Security Council of the United Nations, may authorise the release of funds or other economic resources previously blocked pursuant

[241] Paragraph amended by Article 25 of Law No. CCXLVII of 19 June 2018.
[242] Article amended by Article 42 of Law No. DCXIV of 7 November 2023.

to Articles 75 or 76 for the payment of extraordinary expenses.

3.The current accounts and the assets subject to preventive freezing may continue to generate interest and may receive credited payments and profits, as well as debited expenses, deriving from contracts concluded before the adoption of the measures referred to in articles 75 or 76.

4.The President of the Governorate, having consulted the Supervisory and Financial Information Authority and taken note of the relevant decisions of the competent organs of the United Nations Security Council, may authorise the payment of debts owed by persons on the list when:

a) the debt was acquired before the adoption of the measures referred to in Articles 75 or 76;

b) the contract from which the debt arises is not connected to objects, materials, instruments, goods, technologies, assistance, education, training, financial assistance, investments, intermediations or services which may favors a program for the proliferation of weapons of mass destruction;

c) the payment is not received, directly or indirectly, from a natural or legal person on the list referred to in Article 71;

d) there are no further limitations, cautions or requirements imposed by the guidelines and procedures of Article 81.

Article 80 – The protection of the rights of bona fide third parties

Bona fide third parties that have a right on the frozen funds or other assets, may initiate a civil legal action to ascertain their rights and the consequent restitution of the goods or, as an alternative, for the compensation of damages.

Article 81 – Guidelines and Implementation Procedures[243]

The Authorities of the Holy See and of the Vatican City State shall issue, within their competence, guidelines and procedures concerning the implementation of the provisions of this Title.

TITLE VII
CROSS-BORDER TRANSPORTATION OF CURRENCY

Article 82 – Duty to declare

1. Every person carrying out a cross-border transportation of currency equal to or above EUR 10,000, whether entering or leaving the State, shall make a written declaration to the offices of the Corps of the Gendarmerie or to the offices authorized by the Supervisory and Financial Information Authority.

2. The President of the Governorate shall establish, by ordinance, the means and contents of the declaration, supplying a template for the declaration.

3. The declaration shall include:

a) the identifying data of the declaring party;

[243] Article introduced by Article 43 of Law No. DCXIV of 7 November 2023.

b) personal information of the owner and the receiver of the currency;

c) the amount and the nature of the currency;

d) the origin and destination of the currency;

e) the itinerary followed;
f) the means of transport used.

4. The duty to declare is not satisfied if the information provided is inexact or incomplete.

5. A copy of the declaration must be forwarded within twenty-four hours to the Supervisory and Financial Information Authority.

6. If there is any suspicion of money laundering or the financing of terrorism or of the proliferation of weapons of mass destruction, a copy of the declaration must be forwarded immediately to the Supervisory and Financial Information Authority.

Article 83 – Registration and record-keeping

All the information contained in the declaration shall be:

a) treated, registered and kept in accordance with measures and procedures that ensure their security, integrity and confidentiality;

b) kept for a period of ten years by the Corps of the Gendarmerie, by the Supervisory and Financial Information Authority and by the other offices authorized to receive the declaration;

c) under office secret, without inhibiting or limiting the cooperation or exchange of information at the domestic or international level.

Article 84 – Training, exchange of information and enforcement programs

1. The Corps of the Gendarmerie, the Supervisory and Financial Information Authority and the other competent authorities shall adopt adequate programs for the training of personnel and for the exchange of data and information, as well as for the implementation of the legislation in force, including measures for sanctioning and designating.

2. The Corps of the Gendarmerie, the Supervisory and Financial Information Authority and the other competent authorities cooperate actively in the monitoring of cross-border transportation of currency, the exchange of information, the adoption and coordination of adequate procedures, measures and controls.

Article 85 – Controls on means, luggage and persons

1. The Corps of the Gendarmerie, for the purposes of ensuring the implementation of the provisions of this Title, in case of suspicion or in the course of a spot check shall:

a) control the means of transport crossing the State’s border;

b) request persons crossing the State’s border to show the contents of the luggage, objects and values carried about their person.

2. In case of refusal, and where there are reasonable grounds for suspicion, an Officer of the Corps of the Gendarmerie may proceed, with a motivated written provision, to search the means of transport, the luggage and the above-mentioned persons. An official record of the search is made and transmitted within forty-eight hours, together with the motivated provision, to the Promoter of Justice at the Tribunal. The Promoter of Justice, if he considers the provision legitimate, shall confirm it within the successive forty-eight hours.

3. If there is any suspicion of money laundering or of the financing of terrorism or of the proliferation of weapons of mass destruction, the Corps of the Gendarmerie shall seize the currency for seven days in order to verify the suspicions and to search for evidence.

Article 86 – False, omitted or incomplete declarations

1. In the case of a false, omitted or incomplete declaration, the holder of the currency shall rectify, submit or complete the declaration referred to in Article 82.

2. In the case of a false, omitted or incomplete declaration, the holder of the currency incurs a fine ranging from a minimum of 10% to a maximum of 40% of the sum in his possession exceeding EUR 10,000.

3. As a guarantee of payment of the fine, the Corps of the Gendarmerie, at the same time of verification of the violation, shall seize up to 40% of the sum exceeding the EUR 10,000 limit.

4. The seizure pursuant to paragraph 3 continues until the sanctioning procedure is concluded.

Article 87 – Cross-border transportation of gold, and precious metals and stones

1. In the case of the discovery of an unusual cross- border transportation of gold or precious metals or stones, the Corps of the Gendarmerie shall request the holder to make the declaration referred to in article 82.

2. A copy of the declaration shall be forwarded to the Supervisory and Financial Information Authority within twenty-four hours.

3. If there is suspicion of money laundering or financing of terrorism or of the proliferation of weapons of mass destruction, the Corps of the Gendarmerie shall seize the gold or precious metals or stones for seven days in order to verify if there is any evidence of money laundering or financing of terrorism or of the proliferation of weapons of mass destruction, and immediately forwards a copy of the declaration to the Supervisory and Financial Information Authority.

4. The Supervisory and Financial Information Authority may inform equivalent authorities in the sending or receiving States of the gold or precious metals or stones, cooperating with a view to establishing the origin, destination and purpose of the transportation, as well as the adoption of adequate measures.

Article 88 – Cooperation and exchange of information at the national and international level

1. The Corps of the Gendarmerie, the Supervisory and Financial Information Authority and the other competent authorities shall collaborate actively to ensure the monitoring of cross-border transportation of currency, the exchange of information, the adoption and coordination of adequate procedures, measures and controls.

2. The competent domestic authorities shall adopt adequate procedures, measures and controls for the purposes of active cooperation and exchange of information at the international level, in particular in the case of a false or missing declaration of cross- border transportation of currency.

Article 89 – Use of currency

The President of the Governorate may establish by ordinance limits to the use of currency within the State.

TITLE VIII
FINAL PROVISIONS

Article 90 – Publication by display

When the provision of laws or regulations require, for any purpose, the publication by display, this shall be done for a period of thirty days, unless otherwise provided.

Article 91 – Repeals

1. This Law repeals articles 1, 1 bis, 1 ter, 2, 2 bis, 2 ter, 2 quinquies, 2 sexies, 2 septies, 2 octies, 24, 25, 26, 27, 28, 28 bis, 28 ter, 29 bis, 29 ter, 30, 31, 32, 33, 34, 35, 36, 36 bis, 37, 37 bis, 38, 39, 39 bis, 40, 41, 42 and 42 bis and the Annex of Law N. CXXVII concerning the prevention and countering of the laundering of money from criminal activities and financing of terrorism, of 30 December 2010, as modified by Decree of the President of the Governorate of the Vatican City State, N. CLIX of 25 January 2012, confirmed by Law N. CLXVI of 25 April 2012; and by Law n. CLXXXV of 14 December 2012.

2. Anything established in this Law is without prejudice to the norms contained in the regulations and in the instructions of the Supervisory and Financial Information Authority, where they are not incompatible with the provisions of this Law.

Article 92 – Entry into force

The provisions of this Law shall enter immediately into force.

The text of this Law has been submitted to the consideration of the Supreme Pontiff on 5 October 2013.

The original of this Law, bearing the seal of the State, will be deposited in the Archive of the law of the State of the Vatican City and an identical copy will be published in the Supplement to the Acta Apostolicae Sedis, by displaying it in the Cortile di San Damaso, at the door of the offices of the Governorate and in the State's post offices, ordering that whomsoever ought to observe it do so and to make it observed.

Vatican City, 8 October 2013

GIUSEPPE CARD.BERTELLO

President

Visto

H.E. MSGR. FERNANDO VÉRGEZ ALZAGA

Secretary General