

Vatican seeks expanded Moneyval review to show compliance efforts

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A major European regulator will conduct an expanded evaluation of the Vatican's latest efforts to prevent money laundering and the funding of terrorism.

Moneyval, the monitoring Committee of the Council of Europe, agreed Tuesday to expand its next scheduled review of Vatican policies and procedures. The decision came in response to a request from the Vatican.

"With this initiative, the Holy See wishes to provide a more complete overview of the measures taken over the last year to further strengthen its institutional structure in the area of preventing money laundering and the financing of terrorism," Vatican Radio reported.

The agreement on the scope of the December 2013 report, the radio said, confirms the Vatican's "commitment to constructive dialogue with Moneyval."

Moneyval's first evaluation of Vatican laws and procedures was released in July. Overall, the Vatican met nine out of 16 key and core recommendations, thereby passing its first major test in an effort to become more financially transparent and compliant with international norms.

"The Holy See has come a long way in a very short period of time and many of the building blocks" of a system to combat money laundering and the financing of terrorism "are now formally in place," the report said.

The core recommendations involved legally defining money laundering; exercising "due diligence" in ascertaining the source of customer's funds; improving record keeping; developing procedures for reporting suspicious transactions; legally criminalizing the financing of terrorism; and enacting procedures to report transactions suspected of financing terrorism.

The key recommendations, which the expanded December review will now consider, included: ensuring there are procedures for confiscating accounts; making certain secrecy rules do not impede the prevention of financial crimes; clarifying the roles and authority of various officials; strengthening the role of the Vatican's Financial Informational Authority; implementing international conventions on finance; and designing procedures for freezing and confiscating terrorist assets.

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