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Pope Francis confirms continuing existence of Vatican bank

Cindy Wooden Catholic News Service | Apr. 7, 2014
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Pope Francis, accepting the recommendations of his international Council of Cardinals and other advisory groups, has decided the Vatican bank will continue to exist and has approved a plan to increase its transparency and accountability.

The Vatican press office issued a statement Monday saying the pope "has approved a proposal on the future" of the Institute for the Works of Religion, the formal title of the bank. The Vatican, however, did not release details of the proposal.

In June 2013, Pope Francis established a commission to review the activities of the Vatican bank, asking the five commission members to study whether the bank was in harmony with the mission of the universal church.

During a news conference in July on his flight back from Rio de Janeiro, Pope Francis said some people had suggested the institute should be transformed into a "charitable fund, others say it should be closed. I don't know. I have confidence in the work of the people at IOR, who are working a lot, and in the commission" studying the bank.

"Whatever it ends up being -- whether a bank or a charitable fund -- transparency and honesty are essential," he said.

The pope spoke only a few weeks after the bank's director and deputy director both resigned, following the previous month's arrest of an account holder, Msgr. Nunzio Scarano, on charges of fraud, corruption and slander. In 2010, Italian treasury police seized 23 million euros that the Vatican bank had deposited in a Rome bank account, but later released the funds when new financial laws, promulgated by Pope Benedict XVI, went into effect.

While not providing details on proposed changes for the bank, the Vatican's statement Monday seemed intended to reassure the bank's employees and clients that the institute would have a future.

"The IOR will continue to serve with prudence and provide specialized financial services to the Catholic Church worldwide," the statement said. "The valuable services that can be offered by the institute assist the Holy Father in his mission as universal pastor and also aid those institutions and individuals who collaborate with him in his ministry."

The Vatican statement said Australian Cardinal George Pell, head of the Vatican's new Secretariat for the Economy, has asked the bank's president and management to finalize plans and procedures "to ensure that the IOR can fulfill its mission as part of the new financial structures of the Holy See-Vatican City State."

The plan, it said, will be given to Pope Francis' Council of Cardinals, which is scheduled to meet in late April and again in July, and to the Council for the Economy, an international group of cardinals and lay experts

appointed to set economic and financial policies for the Vatican and all its offices.

The Vatican statement also confirmed the continuing role of the Vatican Financial Intelligence Authority to ensure the Vatican bank cannot be used for money laundering or the financing of terrorism.

The "strict regulatory supervision and improvements in compliance, transparency and operations initiated in 2012 and substantially accelerated in 2013 are critical" for the bank's future, the Vatican statement said.

At the end of 2012, the IOR had approximately 18,900 customers, about half of whom were religious orders. Vatican offices and nunciatures (Vatican embassies around the world) accounted for about 15 percent of the clientele, while about 13 percent of the accounts belonged to cardinals, bishops and priests, and 9 percent belonged to dioceses. Most of the remaining accounts were held by Vatican employees and religious education institutes, according to a report released by the bank in October.

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