

Vatican told to get tough on those caught laundering money

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VATICAN CITY (RNS) A European financial crimes watchdog on Tuesday (December 15) called on the Vatican to prosecute those caught money laundering, stating the Holy See must act to ensure the success of its financial reforms.

“There is a need now for the anti-money laundering and counter terrorist financing system, to deliver effective results in terms of prosecutions, convictions and confiscation,” said the report by the Council of Europe’s Moneyval oversight agency.

Although the Holy See has adopted new legislation in recent years to tackle money laundering within the city-state, there have been no indictments or prosecutions as a result of the new rules.

The Vatican had to agree to the vetting procedure after it joined the European Union Monetary Convention in 2009 as part of an effort to clean up its finances and shed the Holy See’s reputation for financial scandals.

In its latest evaluation, Moneyval urged the Holy See to ensure that its police force and prosecutor’s office are able to “conduct proactive financial investigations in order to deliver real results” from current investigations.

Moneyval recognized that some progress had been made, including the decision to close around 4,800 accounts at the Vatican bank, officially the Institute for the Works of Religion, after checks to verify account holders. The bank is intended for funds dedicated to religious or charity work, and rules on who can hold an account have recently been reinforced.

The checks have led to 329 suspicious transactions being reported between January and September 2015, a sharp rise on previous years, while the Vatican has launched 29 money laundering investigations and frozen 11 million euros (\$12.1 million).

Ahead of the release of the report, the Vatican's deputy foreign minister said it demonstrated that positive steps are being taken.

"The latest progress report confirms that the Holy See has established a functional, sustainable and effective system, aiming at preventing and fighting financial crimes," Monsignor Antoine Camilleri said last week.

Moneyval has given the Holy See until December 2017 to present an update on its financial reforms, initiated by Pope Benedict XVI and continued by Pope Francis.