

CASH POLICY

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REGULATORY FRAMEWORK OF THE VATICAN CITY STATE

The President of the Governorship of the City of the Vatican City has issued - on January 25th 2012 - Decree # CLIX enacting amendments and additions to the Law for preventing and combating money laundering from criminal activities and the financing of terrorism, d.d. December 30th 2010, # CXXVI.

In particular, Paragraph XI of a.m. Decree, entitled “Cash Money”, Art. 39 on the “Statement of Cash Transfer” specifies the following:

1. Each person entering the State with cash amounts equal to or greater than the threshold established by the Pontifical Commission for the State of Vatican City - on the same basis as of the European legislation currently in force on this subject - shall be required to make a written statement to the Authority of Financial Intelligence.
2. The statement, as referred to in subsection 1, shall contain the following information:
 - a) personal information of the registrant, the owner and the recipient of the cash amount;
 - b) the sum of the cash amount and its origin;
 - c) the itinerary and the destination of such amount;
3. All information contained by the statement as described in subsection 2 shall be registered and kept by the Authority of Financial Intelligence for a period of five years.
4. The Gendarmerie Body shall carry out checks and inspections in order to verify the implementation of the obligations set out in subsection 1 within the limits of its powers as established by the current legislation.

In this respect, in Art. 1 of the Financial Intelligence Authority Regulation No. 2 as of November 14th 2011 the threshold of the mandatory reporting requirement for such Statement of Cash Transfer has been set to Euro 10,000.

Details on the cash policy applying in the Vatican City State/ Holy See as set forth by the Financial Intelligence Authority can be found here:

http://www.aif.va/ENG/pdf/Regolamenti/2R_REGOLAMENTO_VALORI_AL_SEGUITO.pdf .

INTERNAL PROCEDURES OF THE IOR

In order to monitor cash transactions and for the purpose of preventing money laundering, in addition to the provisions by above mentioned law, the Institute provides for the control of all cash transactions equal to or greater than Euro 1,000. Such procedures require that the withdrawing person declares the purpose of the withdrawal and the beneficiary, and, in case of deposit, the origin of the money and the payer. Such information, as set forth above, shall be stated in the withdrawal or deposit form which shall be undersigned by the cashier and by the person performing the cash transaction.