



Financial Intelligence Unit

Annual Report 2009

Summary

Rome, May 2010

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INTRODUCTION

This Report describes the activity performed by the Italian Financial Intelligence Unit in 2009 as part of the system serving to prevent and combat money laundering and the financing of international terrorism.

Article 6(5) of Legislative Decree 231/2007, as amended by Legislative Decree 151/2009 provides for the Report to be transmitted to Parliament via the Ministry for the Economy and Finance, accompanied by a report prepared by the Bank of Italy on the financial and other resources made available to the Unit.

The opinion of the Committee of Experts referred to in Article 6(4) of Legislative Decree 231/2007 was not rendered since this body, established by a Ministerial Decree dated 4 August 2009, only became operational in 2010.

The Report discusses the evolution of international and national legislation in the field of preventing and combating money laundering and the financing of international terrorism and gives an account of the Italian Financial Intelligence Unit's activity with special reference to the financial analysis of suspicious transaction reports, the analysis of aggregate data, inspections, investigating irregularities and bringing charges, and international cooperation and collaboration with the judicial authorities.

SUMMARY

The Italian Parliament charged the Italian Financial Intelligence Unit (the Unit), set up at the Bank of Italy in 2008, with receiving and analyzing information on suspicious transactions, submitted by all the various entities subject to reporting requirements, and channeling it to the country's investigative and judicial authorities. In accordance with international standards and Community law, the Italian legal system has adopted an administrative model for the Unit marked by the performance of preventive action consisting in the analysis of the financial aspects of suspicious transaction reports, independently of the activity aimed at the repression of crimes.

The delicate functions assigned to the Unit to ensure a constant and linear link between the financial system and the repressive apparatus of the State are intended to pursue goals of prevention, designed to protect the integrity of the financial system and the economy, and intended to foster correct conduct by businesses.

There was again a substantial increase in the suspicious transaction reports submitted in 2009. In fact the Unit received more than 21,000 reports (up by more than 44 per cent on the previous year) and, following its analysis, sent nearly 19,000 to the investigative bodies (up by about 41 per cent). The results for the early months of 2010 suggest there will be further significant increases this year.

The regional breakdown of suspicious transaction reports in 2009 shows that the most again came from Lombardy and Lazio, where the size of the population and the level of economic activity made them the main areas for the investment of the proceeds from crime. The small proportion of reports from regions traditionally held to have a high crime rate is also presumably due in part to social factors.

Banks are again the category most committed to cooperating, but there was also a significant increase in reports from other financial intermediaries. The negligible proportion of reports coming from non-financial businesses and members of the professions is evidence of these categories' limited commitment to effective anti-money-laundering activity.

The growing number of reports also expands the volume of data available to the Unit, increases their information value, and has a positive effect on the Unit's cooperation with other national and foreign authorities. The trend also points to intermediaries' growing awareness of the importance of carefully examining customers and their transactions, as a first line of defence against criminal infiltration and contamination.

The quality of reports is of fundamental importance if they are to make an effective contribution to combating money laundering. Common sense and an ability to discern and weigh anomalous factors in transactions must guide the activity of

persons subject to reporting requirements. Reports must derive from a reasonable suspicion, have passed through a fine filter and spring from a real desire to cooperate rather than fear of incurring the sanctions established by law. The spirit and the letter of the law exclude the possibility of so-called “active cooperation” being restricted to activating automatic observation mechanisms, which would reduce the assessment of the risk inherent in each transaction to a mere bureaucratic formality.

The new task entrusted to the Unit of issuing instructions regarding the data and information that reports must contain will make it indispensable to back suspicious facts with essential information and adequate reasons. The revision of the report form will also make it possible for reports to be more complete and uniform.

The Unit has begun to distribute forms and codes of conduct designed to focus attention on specific sectors of business and types of conduct that point to anomalies of criminal origin. The Unit has also drawn up anomaly indicators for non-financial operators and professionals and submitted them to the Interior and Justice Ministries (the decree concerning professionals has already been published). New indicators are will also be issued shortly for financial intermediaries, which will replace those published in 2001.

Neither the forms nor the indicators are binding. However, they help to build objective and subjective profiles that assist in identifying suspicious transactions and consequently in choosing those to report. There is no inevitable link between one of the cases described in the forms or the indicators occurring and the triggering of the obligation to submit a report, which arises only after the operator has made a careful assessment.

The systematic analysis of the aggregate data that intermediaries send to the Unit in the manner the latter establishes, makes it possible to identify and monitor anomalies in relation to particular areas and types of transaction. This can produce useful indications serving to prevent the spread of important pathologies through the financial system. In this connection there is also the analysis of the risks linked to the availability, territorial distribution and use of large-denomination banknotes.

The Unit’s inspection activity is especially valuable for heightening operators’ awareness and encouraging them to take every step needed to avoid the risk of being involved, including unwittingly, in economic and financial criminal activity.

In 2009 the Unit carried out 18 inspections at intermediaries, including non-bank intermediaries. Among other things, the following were analyzed: suspicious transactions involving the production of wind power, anomalous financial flows between intermediaries located in Italy and San Marino, and some cases of usury.

Reports of suspicious transactions are a front line in the fight against money laundering; they make it possible to draw attention, even before there is a “*notitia criminis*”, to conduct that could turn out to be criminal. Reports and the subsequent financial analysis normally provide a starting point for investigations and only in exceptional circumstances do they produce information about specific crimes.

In 2009 off-site and on-site supervision led to 89 cases of potentially penal relevance being reported to the competent judicial authorities (31 in 2008). On-site supervision activity led to another 12 fact sheets being sent to the judicial authorities aimed at providing supplementary information for ongoing investigations (10 in 2008). As for administrative infractions, the Unit has started 16 procedures aimed at the imposition of fines for failure to report suspicious transactions.

Cooperation with the judicial authorities was further intensified in 2009 and enabled the Unit to make a valuable contribution to important and delicate financial investigations. A total of 94 requests for documentation and cooperation were received from the judicial authorities, consequently analyses were begun of more than 1,300 persons and reports issued on suspicious transactions involving more than 200 persons.

The Unit participated in the activity of the Financial Security Committee, which is proving to be the most important forum for linkage and coordination among the national authorities involved in various ways in the action to prevent and combat money laundering and the financing of international terrorism.

The agreements reached during the year between the Unit and the Bank of Italy exploit the synergies between the two institutions and give special importance to the relationships of complementarity and integration between banking supervision and anti-money-laundering checks.

Increasingly efficient and advanced forms of cooperation are at the basis of relations with the Finance Police and the Bureau of Antimafia Investigation, with which memorandums of understanding are being prepared.

Cooperation and the exchange of information at both national and international level are essential for the whole anti-money-laundering system. Exchanges of information with other countries' FIUs increased by more than 20 per cent, thus fostering, by means of rogatory letters, the prompt intervention of foreign judicial authorities with regard to sums illegally held abroad.

The important international activity testifies to the Unit's commitment in the leading fora of international cooperation. In fact it participates actively in the work of the competent Community and international bodies, contributes to the drafting and revision of the regulations, *inter alia* with a view to overcoming the additional risks for the integrity of transactions deriving from the financial crisis.

Clear and comprehensive legal bases are of fundamental importance for increasing the effectiveness of the action to prevent and combat money laundering and the financing of international terrorism. A further effort to systematize the law on money laundering – called for also by the Governor in his testimony to the Parliamentary Antimafia Committee on 22 July 2009 – is essential if there is to be a certain legal framework.

The problems that experience has revealed suggest: alignment of the penal and administrative notions of money laundering by introducing the crime of self-money-laundering; amendment of the sanction system, by identifying a limited number of

crimes, marked by determinacy and a binding nature, and decriminalization of the other cases, to be punished with more immediate fines; and adoption of more flexible procedures for issuing and updating anomaly indicators, so as to permit prompt adjustment to the rapid development of criminal practices.

Strengthening the information system is essential for the effective performance of the Unit's institutional duties. The initiatives launched by the Unit in close coordination with the competent functions of the Bank of Italy will produce technological solutions that will facilitate the prompt identification of the most important cases and improve the exchange and sharing of information through the use of ICT, service-oriented web-based architectures, and new functionalities for internal work processes.

* * *

Italian legislation on preventing and combating money laundering and the financing of international terrorism puts the Unit at the centre of a complex network of relationships that, starting from the categories of persons subject to cooperation obligations, has relationships with the other institutions engaged in protecting the integrity of the financial system and fostering the sound and orderly growth of the country's economy.

The proper functioning of the defences against money laundering depends on the commitment of the authorities. Another key factor is the availability and sense of duty of operators, entrusted by the law with the extraordinary opportunity to promote correct and responsible behaviour directly and actively.

In performing its institutional tasks, the Unit has been supported by the belief that every profitable form of cooperation and every measure promoting dialogue between public authorities and private persons has a strategic value to the advantage of the correct fulfilment of anti-money-laundering obligations, integrity, and the soundness and stability of the entire economic system.

1 INTERNATIONAL ACTIVITY

1.1 The setting

In its most significant forms, economic criminality is on a transnational scale. The prevention and combating of money laundering and the financing of international terrorism cannot be performed effectively from a purely national perspective but require shared and uniform rules able to limit shortcomings and discrepancies between legal systems, restrict the scope for arbitrage, and establish efficient methods of international cooperation. Numerous international organizations are involved in the definition of standards so that countries can adjust their legal systems on a uniform basis.

The international financial crisis has created weaknesses that may affect economies' recovery and accentuate the risks for the integrity of economic transactions. The need to re-establish conditions of adequate transparency and the proper functioning of markets is behind the initiatives aimed at strengthening the defences against money laundering as part of the revision of financial regulations being undertaken at national and international level.

In this context the Unit is continuing its efforts in international cooperation fora, participates actively in the competent bodies, on its own or as part of Italian delegations, and contributes to the drafting of legislation and the definition of policies.

1.2 The development of the regulatory framework

Taking account of the G20 recommendations and the debate triggered by the crisis, the Financial Action Task Force (FATF) has directed its efforts to improving the regulatory framework, studying particular sources of risk and identifying non-cooperative countries.

A building site for rules has therefore been opened to update the Forty Recommendations and the Nine Special Recommendations against the financing of terrorism. For the sake of uniformity and due to the detail reached by the standards, the space for national regulation is limited. It is therefore essential to follow the international regulatory process and contribute to establishing the orientations that will shape domestic regulation. The issues still under discussion are particularly important.

Thanks also to the constant dialogue with the private sector, the FATF is working to identify types and draw up guidelines for the correct application of the standards; reports have been published on the vulnerabilities found in firms providing gambling services and in the sports sector; best practices have been collected concerning the freezing of assets and the confiscation of criminal proceeds. Work continues on specifying the content and implications of the risk-based approach, with special reference to insurance companies and intermediaries operating in the transfer of funds.

In 2009 the Egmont Group's assessment of the Unit continued, to determine its compliance with the applicable international standards. The Egmont Group has taken steps to encourage the creation of FIUs in countries that do not have one, develop training activities, and collect and share information on significant cases of money laundering and the financing of international terrorism and judgments concerning the activity of FIUs in various countries. The Group is continuing its examination of FIUs' governance systems and its work on the identification and reporting of suspicious transactions in the context of financial groups.

1.3 Initiatives in Europe

After the first two anti-money-laundering directives (91/308/EEC and 2001/97/EC), the third (2005/60/EC) provided, in line with the indications of the FATF, for a basically new system, in which the strength of the applicable measures is related in many cases to assessment of the real risk of money laundering and the financing of terrorism.

The focus is now above all on implementation, impact analysis, and the establishment of best practices to be used as a common factor. There will probably be major new interventions as a result of the above-mentioned revision of the international standards and the overhaul of the European architecture for banking and financial supervision takes on particular importance.

In 2009 the efforts of the Committee set up to prevent and combat money laundering and the financing of terrorism were aimed, among other things, at the ways of applying the international rules within the Community and at identifying the main problems met with in transposing and applying Community regulations. Thanks to these efforts, the EU has been recognized as a supranational jurisdiction for the purposes of some FATF standards.

Questions remain open in Community legislation regarding adequate verification measures to be applied in interbank dealings with banks of other EU countries or countries deemed to be "equivalent".

The platform of the European FIUs is continuing the analysis of important operational questions and the identification of best practices. Within the Council of Europe the MoneyVal Committee has completed the third cycle of assessing member countries using the FATF standards and methods. A start has been made on the fourth cycle, focusing on priority aspects bearing, in particular, on effectiveness.

2 DOMESTIC LEGISLATION

2.1 The development of primary legislation

2.1.1 Legislative Decree 231/2007 revised by Legislative Decree 151/2009

Article 1 of Law 29/2006 (the 2005 Community Law) provided expressly for the adoption of provisions supplementing and correcting Legislative Decree 231/2007 within eighteen months of its entry into force. Taking advantage of this opportunity,

Legislative Decree 151/2009 set out to overcome some of the applicative difficulties and clarify some interpretative doubts that had emerged in the initial application of Legislative Decree 231/2007. The decree amended several aspects of Italy's anti-money-laundering legislation, many of which were of special interest to the Unit.

Legislative Decree 151/2009 has had a major impact on the Unit's tasks, by specifying some characteristics and ways of proceeding, and has intervened with regard to the mechanisms for coordinating between abstaining, suspending and reporting suspicious transactions (Article 23.2 of Legislative Decree 231/2007), while specifying the obligation to refrain from carrying out transactions when operators suspect a connection with money laundering or the financing of terrorism, also so as to give the Unit a chance to exercise its power of suspension.

The constraints aimed at protecting the identity of reporters (Article 45 of Legislative Decree 231/2007) in the event of a report under Articles 331 and 347 of the Code of Criminal Procedure (previously restricted to the natural persons who make the reports) have been extended to "persons subject to the obligations referred to in Article 10". Legislative Decree 151/2009 specified, in addition, that the identity of reporters (natural persons or intermediaries) may be revealed only when the judicial authorities issue a reasoned decree declaring it to be indispensable for the purpose of proving the crimes under investigation.

With reference to the activity of analysis and investigation of the reports received, the new wording of Article 47 assigns the Unit the task of defining, after consulting the Financial Security Committee, methods for the analysis of reports.

Legislative Decree 151/2009 has also provided for companies' control bodies not to be required to inform the Unit of infractions of which they learn involving the registration of customers, leaving in force the obligation to notify the supervisory authorities of infractions of the rules they have established in implementing Legislative Decree 231/2007, including those concerning registration.

2.1.2 Other important amendments to the law

Law 94/2009, containing "Provisions on public security", also made some amendments to Legislative Decree 231/2007.

As already laid down for the Bank of Italy, Consob, Isvap and Covip, Law 94/2009 extends the limitation of responsibility to the Unit and its employees, exclusively in cases of fraud or gross negligence (Article 3.37).

The same law provides for the Unit to notify reporters directly or via professional associations only of the dismissal of suspicious transaction reports but not the forwarding of such reports to the investigative bodies. The scope of feedback on reports is therefore restricted to cases in which the communication is actually useful.

Lastly, Legislative Decree 11/2010 transposed the Payment Services Directive (2007/64/EC) into Italian law. The decree broadens the range of persons subject to the anti-money-laundering provisions by including payment institutions and non-bank entities authorized to provide payment services within the EU, which will therefore be required to fulfil the active and passive cooperation obligations.

2.2 Secondary implementing legislation

2.2.1 Anomaly indicators

To facilitate the identification of suspicious transactions by persons subject to the related obligations, Legislative Decree 231/2007 provides for the issue, at the proposal of the Unit, and periodic updating, of anomaly indicators. During the year the Unit drew up proposals for non-financial operators and professionals and submitted them respectively to the Ministry of the Interior and the Ministry of Justice. The decree issued by the Ministry of Justice containing “Determination of anomaly indicators to facilitate the identification of suspected money-laundering transactions by some categories of professionals and auditors” was published in *Gazzetta Ufficiale* no. 101 of 3 May 2010.

Formattato: Tipo di carattere: Garamond, Inglese (U.S.A.)

In agreement with the competent departments of the Bank of Italy, the Unit has prepared draft anomaly indicators for intermediaries. When they have been examined by the Financial Security Committee, they will be issued by the Governor.

2.2.2 Models of anomalous conduct

Pursuant to Article 6.7 of Legislative Decree 231/2007, the Unit is required to distribute models of anomalous conduct for the reporting of suspicious transactions. From September 2009 onwards, the Unit has sent out a series of communications in which it has drawn operators’ attention to specific areas of operations and courses of conduct that can involve anomalies of potentially criminal origin. The communications contain recommendations for operators to assess transactions carefully, also so as to fulfil their obligations to report suspicious transactions.

In particular, consideration was given to cases of firms in difficulty or exposed to the risk of usury, the use of dedicated accounts opened in the names of firms involved in public works in the post-earthquake reconstruction in Abruzzo, and IT and intra-Community VAT fraud.

Furthermore, in its communication dated 9 November 2009, the Unit called operators’ attention to cases of lira banknotes being presented at Bank of Italy branches for conversion into euros, which is possible until 29 February 2012.

2.2.3 Aggregate statistical data

Article 40 of Legislative Decree 231/2007 requires the Unit to specify the ways in which intermediaries are to carry out the monthly aggregation and transmission of data on transactions recorded in companies’ Single IT Archive (Anti-Money-Laundering Aggregate Reports). The Unit analyses these data with the aim of identifying episodes of money laundering or financing of terrorism in specific areas of the country.

In order to achieve the best possible coordination with the provisions of the Bank of Italy Regulation of 31 December 2009, containing implementing provisions on keeping the aforementioned archive (see below), the measure adopted by the Head of the Unit on 27 April 2010 updated the tables reconciling

the analytical and aggregate reasons and altered the summary sectors of economic activity to take account of the imminent adoption of the ATECO classification.

2.2.4 The Bank of Italy instructions

In a measure issued on 23 December 2009 the Bank of Italy, in agreement with the other financial supervisory authorities and after consulting the Unit, established rules on how the Single IT Archive is to be kept.

The measure – issued in conformity with the principles of proportionality, the containment of legal and reputational risks, and the safeguarding of the smooth functioning of the financial system – contains the fundamental rules for registering and keeping the Single IT Archive and is accompanied by three technical-operational annexes that establish respectively: the rules on the correct use of the analytical payment details of the transactions recorded, the technical and IT rules for the regular keeping of the Archive, and the tables of codes to be used when recording transactions.

On 25 January 2010 the Bank of Italy began consultations on the draft measure regarding the organizational aspects, procedures and internal controls that act as safeguards against the risk of money laundering and the financing of terrorism. The Unit is contributing to the drafting of the measure, which will be issued in agreement with Consob and Isvap.

The Bank of Italy, in a measure issued on 27 May 2009 in agreement with the Unit, has prepared operational regulations for intermediaries subject to supervision concerning the conduct to be followed and the controls to be carried out in any dealings and transactions with counterparties involved, directly or indirectly, in programmes for the development of arms of mass destruction.

3 ACTION REGARDING SUSPICIOUS TRANSACTIONS

3.1 Trends

The Unit receives reports of transactions suspected of involving money laundering or the financing of terrorism, carries out the financial analysis and transmits them, accompanied by a technical report, to the Special Foreign Exchange Unit of the Finance Police and the National Antimafia Bureau for additional investigation if appropriate. In 2009 the number of suspicious transaction reports (STRs) increased further, with the Unit receiving 21,066, up on 2008 by 44.3 per cent or more than 6,400. The increase in the number of reports received was matched by an equally significant increase in those examined and transmitted to the Special Foreign Exchange Unit of the Finance Police and the National Antimafia Bureau, up on 2008 by 40.7 per cent to a total of 18,838 (Table 3.1).

Table 3.1

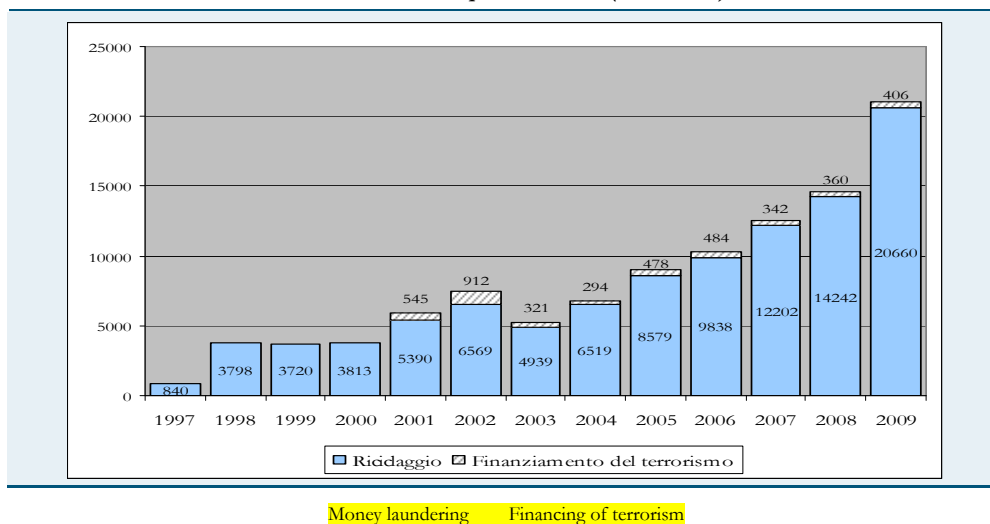
Half-yearly flows of reports of suspicious transactions

		<i>Number</i>		<i>Percentage change on previous-year period</i>	
		<i>Received</i>	<i>Transmitted</i>	<i>Received</i>	<i>Transmitted</i>
2008	H-1	6,862	5,946	5.0%	-5.1%
	H-2	7,740	7,436	28.8%	36.3%
	Annual total	14,602	13,382	16.4%	14.2%
2009	H-1	9,936	8,909	44.8%	49.7%
	H-2	11,130	9,929	43.8%	33.5%
	Annual total	21,066	18,838	44.3%	40.7%

Since 1997 a total of 105,000 reports have been received, of which 4,142 concerning suspected financing of terrorism (Figure 3.1).

Figure 3.1

Number of reports received (1997 - 2009)



The increase in suspicious transaction reports has enriched the Unit's information base, which in turn has had a positive effect on the entire system, including the exchange of information with foreign FIUs and other financial supervisory authorities.

The problems inherent in this exponential growth must not be glossed over, however. In fact the increase in number is not always accompanied by satisfactory quality; reports are often the result of the observation of a single anomaly rather than a firmly-based suspicion. From this point of view it is likely that some intermediaries apply a rather unselective assessment filter to reports coming from branches. Equally, the fear of incurring the sanctions provided for by law may cause some persons subject to reporting requirements to submit reports for precautionary more than collaborative motives.

The Unit has promoted an intense activity aimed at the comparison and sharing of criteria and conduct to enhance the awareness of the persons subject to the obligations of anti-money-laundering law. As part of the revision of the system for handling suspicious transactions, a new report form has been prepared aimed at standardizing the layout of the STRs submitted by all reporters and increasing the amount of structured information available. During 2009 a feasibility study was approved for the creation of a new information system to handle suspicious transactions.

3.2 The financial analysis of suspicious transaction reports

The collection and processing of information deriving from a variety of sources is the basis of the Unit's financial analysis and investigation of the suspicious transaction reports submitted by the persons subject to reporting requirements.

The memorandum of understanding with the Bank of Italy and the agreement with the Inland Revenue Office signed in 2009 for access to the archive of financial dealings have broadened the range of information and data available for analysis by the Unit.

Other sources contribute by providing information serving to complete the analysis of the suspicious transaction reports received (interlocution with persons subject to reporting requirements, links with other reports or with information transmitted by foreign FIUs, consultation of the archive of Chamber of Commerce and foreign commercial databases).

The aim of the subsequent activity of analysis is to reconstruct financial flows by identifying the source and destination of the funds involved and to understand the financial context in which the person reported operates.

The processing of the information gathered and the results of the financial analysis are described in the technical report, which sometimes indicates the possible aims of the person reported and, if appropriate, contains hypotheses concerning the crimes deducible from the investigations conducted.

In the analysis of suspicious transaction reports priority is given to transactions that show a higher risk, including on the basis of preliminary research carried out using the archives available within the Unit.

Pursuant to Article 6(7)(c) of Legislative Decree 231/2007, the Unit may suspend transactions for up to a maximum of 5 working days if they are suspected of involving money laundering or terrorist financing, including at the request of the Special Foreign Exchange Unit of the Finance Police, the National Antimafia Bureau or the judicial authorities. In 2009, in agreement with the competent investigative bodies, 14 transactions were suspended for a total value of €29 million, more than three times the figure for 2008, primarily owing to the freezing of the transfer of very large sums deposited by a company.

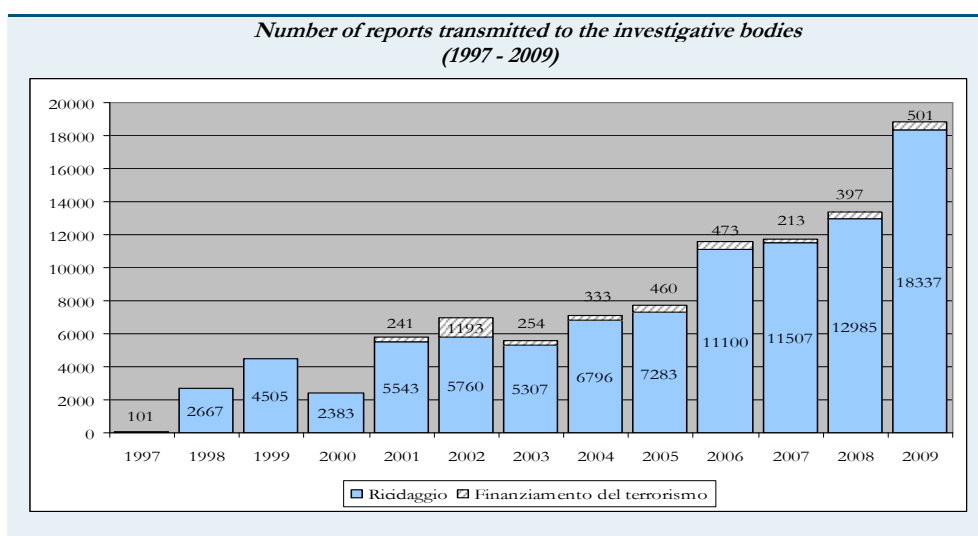
The power to dismiss reports deemed to be unfounded was exercised 4,024 times in 2009; the increase compared with the previous year reflects the larger

number of reports received and the agreements with the investigative bodies, whereby other hypotheses of suspicious transactions were excluded because deemed of little significance. In accordance with the law, the dismissal of reports deemed unfounded by the Unit is notified to the reporter.

In 2009 a total of 18,838 reports were analyzed and sent to the competent investigative bodies. Since 1997 a total of 98,000 reports have been transmitted (Figure 3.2).

Figure 3.2

1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
101	2,667	4,505	2,383	5,784	6,953	5,561	7,129	7,743	11,573	11,720	13,382	18,838	98,339



Money laundering Financing of terrorism

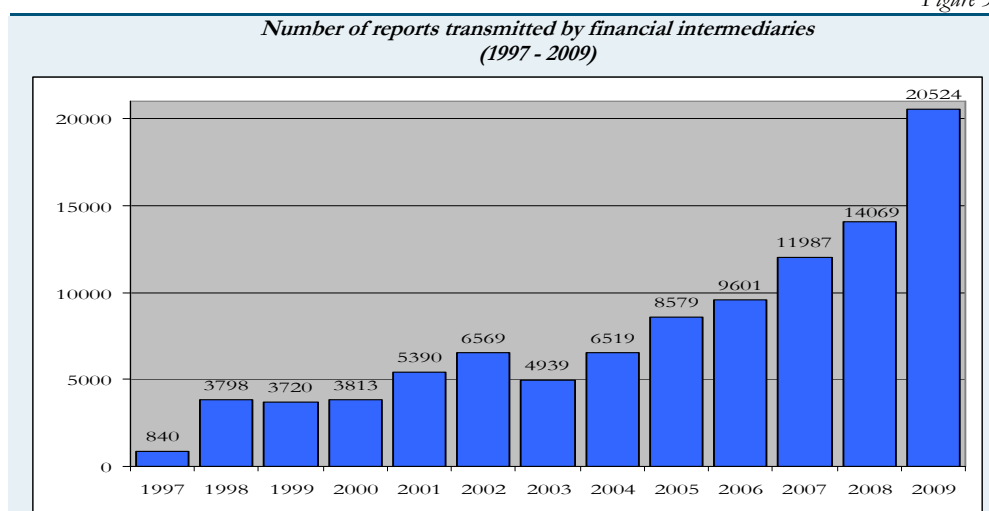
The financial analysis of some particularly complex reports and some hypotheses of failure to submit reports were carried out in part through inspections.

Article 48(2) of Legislative Decree 231/2007 lays down that the investigative bodies shall inform the Unit of suspicious transaction reports that are no longer being investigated. The information available confirms the positive trend already observed in the past. In 2009, as in the preceding year, about 60 per cent of the reports transmitted were investigated by the Special Foreign Exchange Unit of the Finance Police and the National Antimafia Bureau. A significant proportion of the reports investigated by the investigative bodies led, moreover, to reports to the judicial authorities and in some cases to the ascertainment of administrative violations.

3.3 Financial intermediaries and other entities engaged in financial activities

In 2009 financial intermediaries and other entities engaged in financial activities submitted more than 20,000 reports on transactions suspected of involving money laundering (Figure 3.3). Since 1997 about 100,000 such reports have been received.

Figure 3.3



As for the distribution of reports by type of intermediary, the downward trend of the share produced by banks continued in 2009, as did the rising trend of Poste Italiane S.p.A. At the same time the percentage of reports submitted by financial companies operating under Articles 106 and 107 of the Consolidated Law on Banking (mainly money transfer companies) nearly doubled, rising from 8.7 per cent in 2008 to 15.1 per cent in 2009; the share of the insurance industry remained very small. The banks continued to be the intermediaries that submitted by far the largest number of reports (Table 3.2).

Table 3.2

**Distribution of reports by type of financial intermediary
(per cent)**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Banks	94.4	88.6	85.1	85.8	88.2	80.0	82.8	81.5	78.5	65.1
Poste Italiane S.p.A.	0.9	3.4	3.5	1.6	2.5	4.1	6.2	8.8	11.5	18.4
Financial companies (Articles 106 and 107 of the Consolidated Law on Banking)	3.4	3.5	7.0	9.6	6.3	13.5	8.9	7.5	8.7	15.1
Insurance enterprises and entities	0.9	2.9	3.7	2.3	2.2	1.8	1.6	2.0	1.1	1.1
Other	0.4	1.6	0.7	0.7	0.8	0.6	0.5	0.2	0.2	0.3

The number of entities that made at least one report in 2009 increased, for both banks and financial companies operating under Articles 106 and 107 of the Consolidated Law on Banking. However, whereas one-report banks accounted for more than 50 per cent of all reporting banks, the figure for one-report financial companies was less than 3 per cent.

Promptness in dispatching reports is crucial for the proper functioning of the system. In this respect, the situation is far from optimal since some months elapse on average between a transaction and the dispatch of its report. The time needed to

complete the assessment is also a factor. In some cases the suspicion derives from news in the public domain on the customer's involvement in investigations. Equally, a lag between the carrying out of transactions and the sending of the related reports is inherent in the IT equipment used for the automatic discovery of unexpected financial transactions. However, the Unit monitors reports submitted late to see whether the lag is due to pathological features which need to be sanctioned.

3.3.1 Value and nature of transactions reported

The total value of the transactions reported in 2009 was more than three times the figure for 2008 and exceeded €7.7 billion (Table 3.3). The increase was due in part to the increase in the number of transactions from 24,967 to 36,856.

Table 3.3

	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total value	866.07	972.83	912.04	2,149.44	2,139.10	2,398.52	2,321.14	2,514.16	7,718.10
Number of transactions	9,480	12,617	9,279	12,137	16,451	16,860	20,942	24,967	36,856
Average value	0.09	0.08	0.10	0.18	0.13	0.14	0.11	0.10	0.21

The importance of transactions involving financial instruments has increased, rising from 5.3 to 30.7 per cent of the total value of transactions reported (Table 3.4). In view of the heterogeneous nature of the component, the category in question fluctuates erratically from year to year since it is affected by individual transactions involving particular items.

Compared with 2008 there was a reduction in the value of cash transactions, both withdrawals and inpayments, and in that of credit transfers, which nonetheless increased in number, as did money transfers.

Table 3.4

	2008			2009		
	No. of trans- actions (%)	Value of trans- actions (%)	Average value (€ millions)	No. of trans- actions (%)	Value of trans- actions (%)	Average value (€ millions)
Cash transactions	44.3	22.5	0.05	38.7	9.0	0.05
<i>of which:</i>						
<i>withdrawals</i>	24.6	13.0	0.05	22.7	5.6	0.05
<i>inpayments</i>	19.7	9.5	0.05	16.0	3.4	0.04
Order/Receive credit transfers:	18.5	40.1	0.24	22.9	20.8	0.20
<i>of which:</i>						
<i>national</i>	12.8	24.5	0.19	18.4	13.8	0.16
<i>abroad</i>	5.7	15.6	0.28	4.5	7.0	0.3
Deposit of credit instruments	13.2	11.4	0.09	9.3	5.1	0.11
Amounts debited for settlement of cheques	6.3	4.5	0.07	5.0	1.0	0.04
Issuance/Encashment of cashier's cheques	5.8	7.0	0.12	4.5	8.7	0.4
Money transfers	3.5	0.1	0.00	11.4	0.2	0.00
Transactions in financial instruments	1.6	5.3	0.34	1.7	30.7	3.8
Deposit in/Withdrawal from a savings book	1.3	0.6	0.05	0.6	0.1	0.05
Other	5.5	8.5	0.2	5.9	24.4	0.9
Total	100.0	100.0		100	100	

3.3.2 Survey of the reports

During the year some types of reports were identified as being of special interest for the subsequent financial analysis.

Business with counterparties located in San Marino

In 2009 the Unit received numerous reports (about 1,200) concerning financial flows involving entities and intermediaries having their registered office in San Marino. The anomalous transactions reported appear designed, on the one hand, to transfer funds into San Marino via corporate actions and, on the other, to lead to the reinvestment with Italian banks and financial institutions of funds accumulated abroad, often hidden by fiduciary or corporate stratagems.

Business with entities involved in the production of wind power

In 2009 the Unit received several reports of suspicious transactions concerning very large financial flows between firms and entities in the wind-power sector and companies located in countries with preferential tax regimes; one report was received from a foreign FIU.

The reports in question are being carefully monitored, also in view of additional financial evidence on the involvement of organized crime in the establishment of some vehicle companies to which wind farms have been entrusted.

Phishing and IT fraud

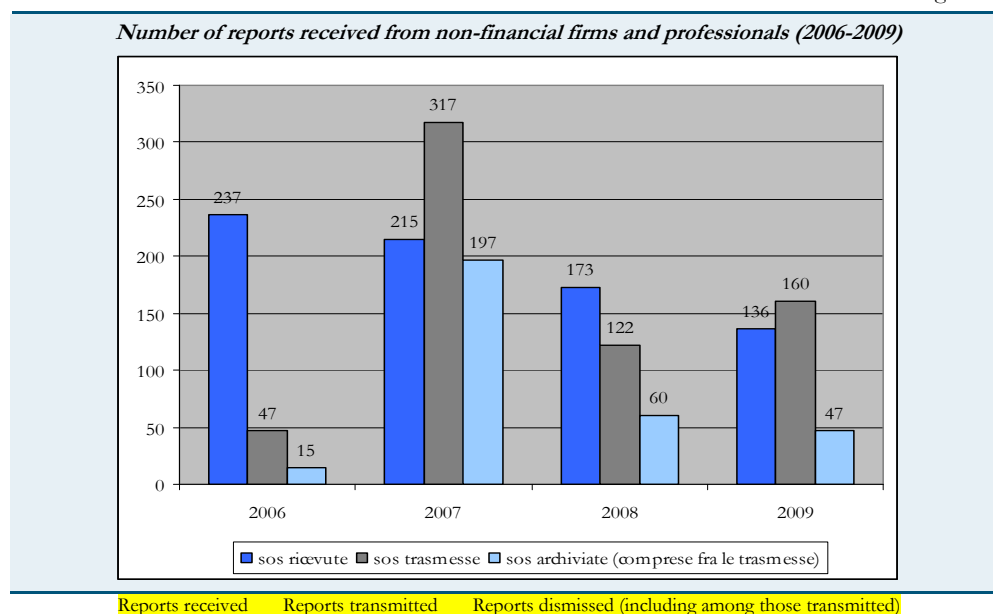
Reports of phishing increased more than threefold compared with 2008, rising from 791 to 2,687. The total amount of the frauds reported rose from about €3 million to more than €8 million (while the average value of each fraud remained between €3,000 and €4,000).

The Unit also identified important phenomena due to the type of suspicious transaction reported (evasion of intra-Community VAT, misappropriation of public funds disbursed in the form of concessional credit) or the frequency of reports received (insurance policies taken out for cash, improper use of prepaid cards and pawn tickets, anomalous transactions by foreign citizens resident in Italy).

3.4 Non-financial operators and professionals

The number of reports concerning persons referred to in Articles 12, 13 and 14 of Legislative Decree 231/2007 fell from 173 to 136 between 2008 and 2009. The downward trend is even more pronounced in comparison with the two previous years (Figure 3.4).

Figure 3.4



The number of such reports fell further in relation to the total number of reports received, from 1.2 per cent in 2008 to 0.65 per cent. The Unit transmitted 160 reports to the investigative bodies in 2009, of which 47 had already been dismissed by the Unit as being manifestly unfounded.

The fall in the flow of reports (Table 3.5) was mainly due to that of notaries, who, although still the category that collaborated most, transmitted 69 reports, down from 103 in 2008. In most cases the reports originated in public acts, such as the purchase/sale of buildings and the establishment and winding up of companies.

Table 3.5

Distribution by category of reporter

	2006	2007	2008	2009	Total
Notaries and the National Council of Notaries	170	127	103	69	469
Book-keepers and commercial experts	15	21	19	10	65
Accountants	24	37	17	28	106
Estate agents	6	10	13	3	32
Lawyers	3	8	6	3	20
Casino management companies	0	0	4	6	10
Auditors	2	4	3	7	16
Loan and financial brokerages	0	1	2	0	3
Auditing firms	9	2	2	2	15
Other	8	5	4	8	25
Total	237	215	173	136	761

The Unit has signed MOUs with the National Council of Notaries and the National Council of Labour Consultants on the electronic exchange of information on suspicious transaction reports under Article 43 of Legislative Decree 231/2007. The system came into operation on 1 July 2009.

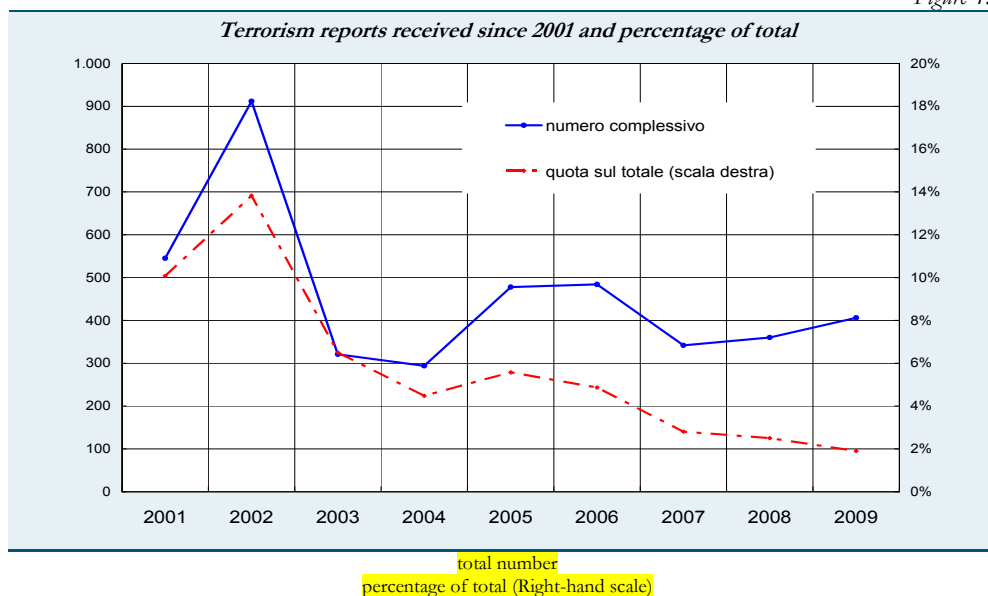
4 FINANCIAL ACTIVITY TO PREVENT AND COMBAT TERRORISM

The Unit's activity aimed at preventing and combating terrorist financing is governed, at national level, by Legislative Decrees 109/2007 and 231/2007; it was extended to include programmes for the proliferation of arms of mass destruction by Council Regulation (EC) No. 423/2007 as amended by Council Regulation (EC) No. 1110/2008. As part of its duties, the Unit collects communications concerning asset freezing, facilitates the dissemination, among the persons required to fulfil the active cooperation obligations, of lists of persons indicated as terrorists, and receives and analyzes suspicious transaction reports.

4.1 Suspicious transaction reports

In 2009 the Unit received 406 suspicious transaction reports concerning the financing of international terrorism, corresponding to 1.9 per cent of the total number of reports received (Figure 4.1). The increase on 2008 was basically similar to that recorded in the previous year (11.7 per cent).

Figure 4.1



In the last two years there has been an increase, due mainly to the growth in the number of reports unrelated to the system of lists of terrorists and to the extension of active cooperation to cases of suspected financing of proliferation programmes.

The reports sent by intermediaries on the basis of their own assessments grew again, significantly (from 47 in 2008 to 78); in relation to all the reports sent by intermediaries, they rose from 12.9 to 19.3 per cent. This result reflects the work done to make operators aware of the types of transactions with features deemed likely to be related to terrorist financing or programmes for the proliferation of arms of mass destruction.

Nearly 40 per cent (50 per cent in 2008) of the reports deriving from lists concerned names assigned in Community measures, in particular Council Regulation (EC) No. 881/2002, as amended, containing restrictions vis-à-vis individuals and entities associated with Osama bin Laden, the Al-Qaeda network and the Taleban; a share of 5 per cent concerned individuals and entities included in Council Regulation (EC) No. 2580/2001 and measures concerning persons linked to the governments of countries accused of violations of human rights (Myanmar, Liberia and Belarus) or threats to peace and international security (Iran). Just over 50 per cent (30 per cent in 2008) derived from the public databank of the Office of Foreign Assets Control of the US Treasury Department or other lists of terrorists, mainly compiled by international institutions following the 9/11 terrorist attacks. The remaining 5 per cent of reports involved names inserted in reserved lists drawn up some years ago by public prosecutor's offices in connection with proceedings related to international terrorism; at 21, their number was less than half that recorded in 2008.

The geographical origin of reports basically reflects the regional distribution of immigration. The origin of reports by country of origin of the persons reported tends to match the composition of the official lists of international terrorism (Table 4.1).

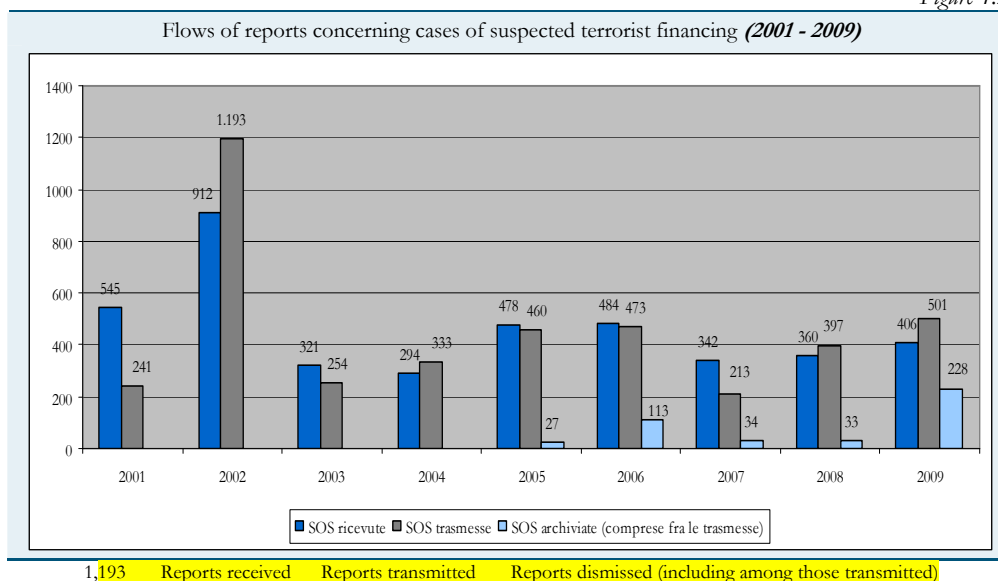
Table 4.1

Persons reported by country of origin (number and percentage of total in 2009)							
	2008	2009	% share		2008	2009	% share
<i>Central and Southern Asia</i>				<i>Northern Africa</i>			
Pakistan	89	87	20.8	Egypt	28	37	8.8
Bangladesh	26	37	8.8	Morocco	27	30	7.1
India	9	5	1.2	Tunisia	13	23	5.5
Afghanistan	10	3	0.7	Algeria	8	9	2.1
<i>Western Asia</i>				Libya	3	5	1.2
Iran	16	19	4.5	Sudan	9	2	0.5
Iraq	7	6	1.4	<i>Western Africa</i>			
Jordan	2	4	1.0	Senegal	3	22	5.2
Syria	6	5	1.2	Ghana	3	3	0.7
Lebanon	3	2	0.5	Nigeria	1	-	-
Israel	3	1	0.2	<i>Eastern Africa</i>			
Saudi Arabia	3	-	-	Somalia	1	5	1.2
<i>Eastern Asia</i>				<i>Central and Eastern Europe</i>			
Myanmar/Burma	8	7	1.7	ex-Yugoslavia	4	1	0.2
<i>Other</i>							
Italy	22	53	12.6				
Other countries	43	54	12.9				

As for reporters, there was a further increase in the percentage of reports sent by non-bank intermediaries, above all insurance companies (from 9 to 20.8 per cent) and financial companies (from 11.2 to 18.4 per cent). This is partly due to the progressive adjustment of their organizational and informational defences to the applicable sectoral law.

The reports analyzed and sent on to the investigative bodies in 2009 numbered 501, up by 26.2 per cent on 2008 (Figure 4.2).

Figure 4.2



4.2 Terrorism lists and asset freezing

In 2009 the Unit received asset freezing communications concerning three different entities for a total of about €150,000 (€410,000 in 2008). As in 2008, the assets frozen almost all belonged to a bank included, pursuant to Council Decision 2008/475/EC, in the annex to Council Regulation (EC) No. 23/2007.

As part of its duties, the Unit has verified the regularity of intermediaries' asset freezings and of the derogations they have been granted by the Financial Security Committee in respect of cases otherwise provided for by law.

As regards the public lists of terrorists, the Financial Security Committee continued with its revision of the UN lists of individuals and entities linked to Al-Qaeda and included, acting on a proposal from Italy. It is expected that this process will be completed by the end of June 2010; the analogous revision of the EU lists was completed in 2009, with the delisting of two names.

5 AGGREGATE DATA ANALYSIS AND INVESTIGATIVE ACTIVITY

In order to identify cases of money laundering and terrorist financing and to prevent their spreading, the Unit analyzes financial flows. The aim of this activity is

both to identify individual anomalies and to investigate broader phenomena, in relation to given geographical areas, sectors of the economy deemed to be at risk, and specific types of payment instruments.

A measure adopted by the head of the Unit on 27 April 2010 updated the criteria for aggregating the data to be reported as of 1 June 2010.

With reference to the various types of reporting intermediaries, Table 5.1 contains the average number of records sent monthly in 2009, the average total monthly amounts, the corresponding cash component and the corresponding average total number of transactions per month, in total and in cash. A very large part of the data reported comes from banks and Poste Italiane S.p.A. (more than 99 per cent of the total number of records and about 92 per cent of the total amounts).

Table 5.1

*Monthly averages for movements in the Anti-Money-Laundering Aggregate Reports Archive
January – December 2009 (amounts in millions of euros)*

<i>Type of intermediary</i>	<i>Average number of records sent monthly</i>	<i>Average total monthly amount</i>	<i>Average monthly amount in cash</i>	<i>Average total number of transactions per month</i>	<i>Average number of transactions per month in cash</i>
Banks and Poste Italiane S.p.A.	4,496,684	5,212,662	34,122	25,237,826	4,309,361
Other financial intermediaries	112	472,779	20	27,897	25,872
Trust companies	3,331	5,698	1	13,648	137
Asset management companies	333	1,562	„	26,993	1
Italian securities firms	268	1,265	3	14,003	343
Insurance enterprises and entities	5,786	784	„	26,824	7
Electronic Money Institutions	399	25	0	1,921	0

In 2009 the use of Anti-Money-Laundering Aggregate Reports data focused on statistical and descriptive processing for areas and intermediaries deemed to be of interest for the purpose of providing information to support inspections and the investigation of suspicious transaction reports. Requests to act were also received from other institutions involved in the fight against criminal financial activity and terrorist financing (the Finance Police and the judicial authorities).

Special attention was paid to financial flows involving financial centres of special importance for anti-money-laundering purposes (regions at risk of criminality, border provinces) and payment instruments (cash, credit transfers) whose features and frequency of adoption make them prone to be used for issuing and camouflaging illicit sums within the legal economy and financial system.

Table 5.2 shows a regional and macro-area breakdown of the average total monthly amounts reported in 2009 and those reported in cash; it also shows an indicator of the importance of cash with respect to the total. Compared with the rest of the country, cash is much more important in the South and Islands (respectively 7.87 and 8.74 per cent). The result is influenced by the financial deepening of the different areas but in any case is valuable for the Unit's institutional activity.

Table 5.2

*Total movements and movements in cash: average monthly amounts and percentage ratio
Regions ranked by decreasing percentage ratio within each Italian macro area
January – December 2009 (amounts in millions of euros)*

	Average monthly movements in cash	Average total monthly movements	% ratio of movements in cash to total movements
North-West	8,720	1,792,818	0.49%
Valle d'Aosta	87	2,180	3.99%
Liguria	928	40,723	2.28%
Piedmont	2,026	181,773	1.11%
Lombardy	5,679	1,568,142	0.36%
North-East	6,874	2,811,386	0.24%
Trentino Alto Adige	552	21,336	2.59%
Veneto	3,267	131,306	2.49%
Friuli Venezia Giulia	610	46,087	1.32%
Emilia Romagna	2,445	2,612,657	0.09%
Centre	7,515	954,393	0.79%
Marche	847	27,818	3.04%
Tuscany	2,341	85,478	2.74%
Umbria	530	46,667	1.14%
Lazio	3,797	794,430	0.48%
South	7,850	99,690	7.87%
Calabria	1,025	8,901	11.52%
Molise	210	2,251	9.33%
Basilicata	293	3,342	8.77%
Puglia	2,155	27,784	7.76%
Campania	3,338	43,359	7.70%
Abruzzo	829	14,053	5.90%
Islands	3,189	36,488	8.74%
Sicily	2,368	26,310	9.00%
Sardinia	821	10,178	8.07%
Italy	34,148	5,694,775	0.60%

As regards credit transfers, attention is paid constantly to payments involving counterparties or financial intermediaries resident in geographical areas deemed “sensitive” from the point of view of the fight against financial crime. As for transfers to and from countries and territories that are uncooperative and have preferential tax regimes, highly concentrated distributions are found, with Switzerland in the lead (about 60 per cent of the amounts intermediated) followed by San Marino. Still significant, but on a much smaller scale we find Hong Kong, Singapore and the United Arab Emirates (Abu Dhabi, Dubai). Compared with 2008, there was a significant increase in inward credit transfers: in some cases this was largely due to the adoption of disclosure schemes for illegally held foreign assets.

Anti-Money-Laundering Aggregate Reports data are also used for an overall monitoring of the banking system, which supplies nearly all the information reported per month. The aim of this monitoring is to compare the business of the various banks so as to identify anomalies deserving to be further investigated with a view to preventing and combating financial crime.

6 THE CONTROLS

6.1 Inspections

The Unit's inspection activity is directed, on the one hand, towards financial analysis of reported suspicious transactions and the hypotheses of omitted reporting it learns about from third-party authorities and, on the other, towards verifying compliance with the provisions concerning preventing and countering money laundering and terrorist financing, with reference to the obligation to report suspicious operations from a primarily preventive standpoint.

The "Inspection Guide", which was drawn up by the Unit in 2009, provides a methodological path aimed at ensuring the necessary uniformity of behaviour on the part of inspectors. In 2009 the Unit carried out 18 inspections. Compared with the previous year, inspections were also carried out at non-bank intermediaries, in particular at "static" trust companies referred to in Law 1966/1939. Narrow-focus inspections of a similar nature were carried out at 7 banks in 2009. By contrast, nine banks were the subject of general inspections.

The criteria for selecting the intermediaries to be inspected kept account of various factors: quantitative and qualitative indices of the collaboration provided by persons subject to reporting requirements; specific reports of suspicious transactions deserving additional investigation; anomalies that emerged during the analysis of aggregate data transmitted monthly to the Unit; information sent by corresponding foreign authorities; and communications from other institutional bodies, such as the judicial authorities, investigative bodies and sectoral supervisors.

In several cases inspections revealed failures by persons subject to reporting requirements to comply with the obligation to report suspicious transactions. They showed in fact that some intermediaries had not yet made significant improvements, in terms of observing and reporting suspicious transactions from the entry into force of the new obligations concerning the verification of customers' identities and, in particular, the obligation to obtain information on the purpose and nature of business dealings and to maintain continuous controls on customers.

6.2 Identification of irregularities

Inspections and prudential checks revealed irregularities of a penal nature that have been reported to the competent judicial authorities; in the case of administrative infractions the Unit began sanction proceedings for which it was competent and sent the reports to the Ministry for the Economy and Finance for the completion of the investigation, under the adversary system, and the imposition of sanctions.

The judicial authorities received 89 communications concerning cases of possibly penal relevance (31 in 2008), of which 14 following inspections (15 in 2008). Last year also saw the transmission in connection with inspections of 12 information documents (10 in 2008), intended to provide supplementary information for investigations already under way.

For violations subject to administrative sanctions a total of 16 proceedings were initiated in 2009 (compared with 28 in 2008), all in the wake of inspections and leading to the imposition of fines for failing to report suspicious transactions. Two of these proceedings involved a “static” trust company. At the end of the inspections six banks were invited to monitor specific types of customer transactions for which anomalies had been found.

6.3 Examinations for sanction proceedings

Legislative Decree 195/2008 altered the legal framework of examinations for sanction proceedings for violations of the obligation to declare cash, securities and valuables carried abroad or brought from abroad.

With reference to Law 7/2000 (“New rules for the gold market”), in 2009 the Unit handled the examinations for five sanction proceedings for failure to comply with the notification obligation for transactions for the purchase/sale of gold in amounts exceeding €12,500.

7 INTERNATIONAL COOPERATION AND COLLABORATION WITH THE JUDICIAL AUTHORITIES

7.1 Cooperation with other countries’ FIUs

International cooperation on the investigation of suspicious transactions consists, on the basis of international standards, in exchanges of information in order to obtain data on suspicious transactions and allow the investigative bodies to intervene promptly in relation to financial balances held abroad, thus fostering the prompt intervention of foreign judicial authorities by means of rogatory letters.

The exchanges with other FIUs avail of the infrastructures of the Egmont Group and, within Europe, of the FIU.NET Project. Bilateral relations with the FIUs of other countries are often conducted under memorandums of understanding aimed at ensuring that the actual collaboration procedures are aligned with the procedures and provisions respectively applicable.

In 2009 the Unit received 697 requests for information from foreign FIUs, of which 561 via the Egmont channel and 136 via the FIU.NET channel. Some 530 responses were sent to foreign FIUs, of which about 400 via the Egmont channel and about 130 via the FIU.NET channel.

In the same period the Unit sent 79 requests for information to foreign counterparts. Of these 60 concerned collaboration with Italian judicial authorities, while 19 referred to the investigation of reports of suspicious transactions.

In several cases the information received from foreign FIUs tallied with the findings of investigations under way or in earlier reports of suspicious transactions, thus providing the basis for further enquiries. When the collaboration with foreign counterparts permitted the identification of possibly criminal activity, the competent

investigative bodies were informed; in some cases the funds were blocked by the foreign FIU to permit subsequent intervention by the competent authorities.

The increase in the number of requests for information received from foreign FIUs has led to the Unit paying special attention to the related operating procedures. In turn this has led to more intense relations with the judicial authorities when the information in question was relevant for investigations already under way. The exchange of information with the investigative bodies was also strengthened, both to obtain more complete information to pass on to foreign FIUs and, subject to the latter's consent, to share data notified by them with the investigative bodies.

7.2 Collaboration with the judicial authorities

The Unit is required by law to provide the judicial authorities with support and collaboration. In 2009 this activity expanded considerably: the Unit received 94 requests from public prosecutor's offices and antimafia offices, of which 68 under Article 256 of the Code of Penal Procedure and 26 under Article 9 of Legislative Decree 231/2007 (in 2008 there were respectively 47 and 6 requests). These requests resulted in the Unit initiating investigations into more than 1,300 persons and making reports on suspicious transactions and immediately releasing related technical reports on more than 200 names from its archives. In order to provide more complete responses to applicant magistrates, 60 exchanges of information were initiated with foreign FIUs.

The activity of the Unit has allowed the judicial authorities to identify substantial amounts of funds of illicit origin transferred abroad using shell companies and nominees. In this connection, where possible, the Unit asked its foreign counterparts to freeze the funds to prevent their transfer before rogatory letters were activated. This activity has taken on particular importance owing to the effectiveness of the checks involving countries with which judicial collaboration is less firmly established.

Cooperation continued with the Forlì public prosecutor's office with regard to the financial activity of entities located in San Marino or related to the Republic.

8 ORGANIZATIONAL ASPECTS AND RESOURCES

8.1 Human resources and the organization

At the beginning of 2009 the Unit's staff numbered 99. Despite the addition of new resources, transfers and retirements kept the staff basically unchanged: at 31 December 2009 there were 97 members. In view of the increased workload, the Bank of Italy has recognized the need for a significant increase in the number of staff. The organizational structure of the Unit, which began operation on 1 July 2008, consists of six operational divisions, a nucleus of staff managers and some collegial bodies.

To promote the effective performance of the tasks established by law and the Unit's international obligations, it has a Committee of Experts made up of the Bank of Italy's Governing Board and four other members meeting the applicable experience and integrity requirements. The members of the Committee were appointed, in accordance with the principle of gender balance, at the end of 2009 by a decree issued by the Minister for the Economy and Finance after consulting the Governor of the Bank of Italy. At the beginning of 2010 the Committee met for the first time and initiated its activity.

In 2009 considerable efforts were made in the training field, both inside and outside the Unit.

8.2 Technological resources: information technology

IT activity in 2008-09 was especially dynamic. The incremental evolution of the information system of the Unit continued, and further progress was made with the initiatives supporting its tasks. The upgrading of the hardware and software has been completed with the introduction of material of the latest generation. Together with the competent areas of the Bank of Italy, two projects have been launched that will have a considerable impact on reporters.

Plans have been completed for the new system for handling suspicious transactions aimed at creating a new application that will improve the procedures for exchanging information with a plurality of external entities and increase the degree of automation of work. Through the adoption of the "New Data Collection" Internet platform, the solution identified will guarantee the use of computer-based channels for the exchange of data with the outside world, the implementation of advanced technological solutions involving service-oriented web-based architectures and the creation of new functionalities supporting internal work processes. Pending a definitive solution, the channeling of suspicious transaction reports has been achieved by the seven leading reporting entities by means of "Data Collection Via the Internet", which concerns about 50 per cent of all suspicious transaction reports.

Following the conclusion of memorandums of understanding with the National Council of Notaries and the National Council of Labour Consultants, a start has been made on the electronic transmission of suspicious transaction reports by notaries. Similar, but simplified, procedures have been agreed with the labour consultants.