



Financial Intelligence Unit

Annual Report 2010

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SUMMARY

In 2010 the setting in which the Financial Intelligence Unit operates was marked by growing complexity, owing in part to the persistence of the economic and financial crisis. This makes the legal economy more vulnerable to criminal infiltration through the laundering of funds of illicit origin.

In these circumstances the Unit strengthened its action both at international level, in the many fora in which the continuous improvement of the instruments for preventing and combating money laundering and terrorist financing is promoted, and on the domestic front, in connection with the comprehensive system provided for by Legislative Decree 231/2007.

At international level, the relevant bodies continued to pursue the objectives of drafting and updating the international standards, assessing the extent to which countries comply with them and identifying those that fall outside the collaboration mechanisms owing to strategic deficiencies in their legal systems.

There is general agreement at international level on the objectives of strengthening the powers of Financial Intelligence Units (FIUs), better specifying their characteristics, defining their work of analysis more accurately, and broadening the scope of the information available to them, thereby enhancing their ability to provide international cooperation. The aim is to define increasingly advanced standards and to foster the convergence of FIUs' operational features and independence requirements.

On the domestic front, last year saw a further acceleration, compared with the two previous years, in the rate of growth of suspicious transaction reports (STRs): the Unit received about 37,300 STRs, 77 per cent more than in 2009. Faced with this rapid rise, which continued in the early months of 2011, it was only thanks to continuous improvements in the procedures for analyzing reports that the Unit was able – with the same number of staff – to examine and transmit nearly 28,000 reports to the competent investigative bodies (43 per cent more than in 2009).

Lombardy and Lazio remained at the top of the regional distribution of reports received in 2010. Significant increases were recorded in those from Campania, Emilia Romagna and Piedmont.

Again the transactions that aroused most suspicion among reporting parties were cash transactions. There was a steady increase in reports concerning transactions in the money-transfer sector. A significant number of reports (688) concerned transactions related to the foreign assets disclosure scheme (so-called “tax shield”), in many cases owing to intermediaries' difficulty in performing due diligence.

Although the large number of STRs received by the Unit is evidence of the strengthening of the culture of prevention, it is not entirely problem-free. In fact the

reports are submitted almost exclusively by financial intermediaries (mainly banks and Poste Italiane S.p.A.), while the contribution of professionals and non-financial operators (about 200 reports in 2010) continues to be negligible, especially when compared with their role in the country's economy.

Overall, the quality of many reports remains rather unsatisfactory, with shortcomings in the descriptions of conduct and in the reasons for suspicion. In many cases the assessment filters used by intermediaries indicate a totally unsatisfactory selective capacity.

Delayed transmission of reports often makes it difficult to intercept suspicious flows, thus undermining effective prevention. It is essential to bear in mind that any unjustified delay in submitting reports has to be considered a failure to fulfil the related obligation and is punishable with the sanctions provided for by law.

The aim of the new system for reporting suspicious transactions launched by the Unit on 16 May 2011 is precisely to improve the quality and timeliness of reports. In line with Article 6(6)(e-bis) of Legislative Decree 231/2007, on 4 May 2011 the Unit issued instructions regarding the data and information that suspicious transaction reports must contain.

In the new report form – which is the same for all reporting parties and entirely electronic to facilitate the exchange of information – more structured information is available. Reporting parties are required to provide a more detailed and complete description of transactions, the persons involved and the relationships between them and to give an accurate description of the reasons for suspicion. The Unit's work of analysis will benefit from the increased quantity and more structured format of the information in reports.

The anomaly indicators are essential to simplify the prompt identification and correct assessment of suspicious transactions by reporting parties. Last year, acting on a proposal from the Unit and after consulting the Financial Security Committee, on 16 April 2010 the Ministry of Justice issued a decree containing the indicators for professionals and on 24 August 2010 the Bank of Italy issued a regulation addressed to financial intermediaries. In turn the Ministry of the Interior issued a decree on 17 February 2011 containing the indicators for non-financial reporting parties.

The indicators are neither imperative nor exhaustive, not least in view of the constant evolution of the techniques used for money laundering and terrorist financing; they do not cover the whole range of possible suspicious transactions but should be considered as an instrument to be used and possibly supplemented in the light of the whole set of information available.

In 2010 the Unit also continued its activity of issuing models of economic and financial conduct based on the same logic as the anomaly indicators. During the year it focused on IT fraud, intra-Community VAT fraud and frauds in the leasing sector, as well as on operations connected with the abuse of public financing.

The Unit pays special attention to continuous and direct contact with the persons subject to reporting requirements, both during the financial analysis of

reports and during training sessions and discussion meetings. Sharing of methods and experience are of crucial importance for the proper fulfilment of the reporting obligations established by law.

The system for preventing and combating money laundering and terrorist financing is also based on analyses of phenomena of systemic importance that the Unit carries out on the monthly flows of aggregate reports in order to identify circumstances and events related to specific geographical areas, sectors of the economy at risk and selected categories of payment instruments. The observation of single anomalies or anomalous trends can trigger further analysis at the disaggregated level and ultimately may cause the Unit to use its powers of inspection.

Inspections are a useful way of verifying the proper fulfilment of the reporting obligations established by law and improving active collaboration. During the year the Unit carried out 25 inspections (18 in 2009), of which 22 were targeted at specific situations and 3 were general in scope. Especially important were the inspections carried out at the Campania region branches of several banks of national interest aimed at finding potentially usury-related transactions and obtaining information on “static” trust companies found to have been especially active in transactions for repatriating and regularizing funds under the foreign assets disclosure scheme.

In 2010 the Unit notified public prosecutor’s offices of 188 cases of potentially penal relevance (77 in 2009). On-site inspections resulted in 22 reports to prosecutors aimed at providing supplementary information for ongoing investigations (12 in 2009). There was also a substantial increase in the number of requests from public prosecutor’s offices and Antimafia offices (under Article 256 of the Code of Penal Procedure and Article 9 of Legislative Decree 231/2007). In response to the 118 requests received, the Unit gathered information on about 1,200 names in its archives.

Suspicious transaction reports continue to be important for criminal investigations and proceedings. In many cases (some of which have aroused considerable media interest) the activities in question benefited from the financial analyses and research carried out by the Unit and the exchange of information it conducted with its foreign counterparts. According to the Finance Police, about 20 per cent of the reports sent to investigators were incorporated into penal proceedings already under way or gave rise to new proceedings, most of which aimed at ascertaining money laundering, usury, extortion, unauthorized financial activity, tax fraud and swindles or administrative infractions of anti-money-laundering provisions.

As regards international operational cooperation, last year saw a high level of information exchange with other FIUs aimed at further analyzing the reports received and permitting timely action by the investigating bodies with regard to financial assets held abroad. There were also numerous technical assistance initiatives and participations in working groups on operational issues.

* * *

The system for preventing and combating money laundering and terrorist financing, as provided for in Italy by Legislative Decree 231/2007, can be considered as having become firmly established in the Italian legal framework. There remain some issues on the legislative front that, pending a more ambitious, comprehensive reform, would need measures specially targeted to provide pragmatic solutions to the most serious and pressing problems. At the same time, in the background, changes to the international legal framework are taking shape, which are likely to produce significant changes in the Italian legal system.

The record of the activity of the Unit three years after its establishment is a cause for satisfaction in view of the many objectives attained, the role it has come to play in the system and the credibility acquired in Italy and abroad. By its unflagging commitment to performing its institutional tasks, the Unit intends to continue to make its specialized contribution to improving the operational rules and related practices, finding more fruitful forms of cooperation with other authorities and enhancing the awareness of the persons subject to the reporting requirements. It is sustained by the belief that increasingly solid and profitable relationships among the institutions charged with protecting the integrity of the financial system and proper conduct are a guarantee of the efficiency and effectiveness of the entire anti-money-laundering system.

1. INTERNATIONAL ACTIVITY

The continuation of the economic and financial crisis is inevitably affecting the phenomena that the Unit was set up to prevent and combat both internationally and domestically.

In periods marked by reduced levels of economic growth and increased difficulties for firms in accessing credit, the legal economy is more vulnerable to exploitation by organized crime through the use of illicit funds.

Aware of the complexity and continuous evolution of the situation, the Unit is actively engaged with the numerous international bodies that devise strategies for preventing and combating money laundering and improve instruments for strengthening the action of FIUs in their jurisdictions.

In 2010 the activity of the international organizations charged with preventing and combating money laundering and terrorist financing continued in pursuit of firmly established objectives: revising international standards; assessing member countries' compliance therewith; and identifying countries that, due to their strategic deficiencies, do not contribute to the common effort.

1.1 Financial Action Task Force (FATF)

In preparation for the Fourth Round of evaluation of member countries, some time ago the FATF launched an initiative for the revision of its standards (the Forty Recommendations and the Nine Special Recommendations) in the light of the evolution of the overall situation and the lessons learnt from experience.

Updating of
the FATF
standards

Consensus has been reached on many issues. One of the most important is the decision to broaden the scope of the money-laundering predicate offences with a view, in particular, to including tax offences. Issues still under discussion include the risk-based approach (with a view to providing more clarity and details), international cooperation between competent authorities and a clearer specification of the latter's tasks and powers.

The FATF continues its efforts to identify jurisdictions with strategic deficiencies in Anti-Money-Laundering provisions and systems to Combat Financing of Terrorism (AML/CFT). In constant dialogue with the private sector, the FATF is engaged in a series of exercises to identify emerging trends and types of money laundering and terrorist financing.

1.2 Egmont Group

The FATF relies heavily in updating its Recommendations for FIUs, on the principles and best practices established by the Egmont Group, which focus on FIUs' tasks and international cooperation. The alignment of the FATF standards

with those of the Egmont Group will also allow greater uniformity with EU legislation in this field, to which the European FIUs already adhere.

In 2010 the Egmont Group continued to assess individual FIUs to check their compliance with its principles and the relevant international standards. The assessments target not only candidate FIUs but also those that are already members, especially when there have been significant changes in their national legislation. The number of FIUs belonging to the Group rose over the year from 116 to 120.

1.3 European initiatives

The European Union is closely following the revision of the FATF Recommendations, focusing especially on the state of the cooperation between competent authorities within the EU.

European Commission As part of its functions concerning the implementation of EU law, the European Commission chairs the Committee for the Prevention of Money Laundering and Terrorist Financing and the informal FIU Platform working group, which are important coordination fora for the activities of the member states and the FIUs, respectively.

The implementation of the new European architecture for prudential supervision of the financial system is likely to have an important impact on the AML/CFT system, especially as regards coordination of the different authorities responsible for controls and the formulation of common rules applicable to financial institutions.

Council of Europe Significant initiatives at EU level include those of the Council of Europe to identify and resolve problems in the application of the Warsaw Convention of 2005 on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism.

Moneyval Especially important is the activity of Moneyval, an FATF-style regional body set up within the Council of Europe, whose membership includes European countries that are not members of the FATF. Representatives of the Unit provide expert assistance. As part of the Fourth Round of mutual evaluations conducted by Moneyval, a representative of the Unit participated as financial expert in the assessment of the Principality of Andorra.

Initiatives in the Vatican City State In 2010, the Vatican City State adopted anti-money-laundering legislation in fulfillment of its Monetary Convention with the European Union. The new law draws upon the EU provisions and creates a Financial Intelligence Agency to act as the State's FIU.

The new legislation is a positive step toward the improvement of relations with Vatican City, especially with a view to overcoming the problems that Italian banks face in applying customer due diligence measures to the Vatican-based IOR bank.

2. THE DEVELOPMENT OF NATIONAL LEGISLATION

As part of its collaboration with the public authorities and private sector entities that form the Italian anti-money-laundering system, the Unit contributes, with proposals and advice, to the development of national AML/CFT legislation and the related implementing provisions.

2.1 Primary legislation

A number of legislative measures were enacted in 2010 regarding the fight against money laundering and terrorist financing. The measures affected the scope of the persons subject to the anti-money-laundering requirements, extending it to include new operators or updating the existing references in line with the recent amendments of the Consolidated Law on Banking.

Measures regarding the persons subject to Legislative Decree 231/2007

Legislative Decree 11 of 27 January 2010, implementing EU Directive 2007/64/EC (the Payments Services Directive), included payment institutions – non-bank payment services providers authorized within the EU – among the persons subject to the anti-money-laundering provisions.

Legislative Decree 39 of 27 January 2010, implementing EU Directive 2006/43/EC (on statutory audits of annual accounts and consolidated accounts) instituted the register of statutory auditors and audit firms and abrogated the special register of audit firms and the register of auditors. These measures will make it necessary to amend Article 13 of Legislative Decree 231/2007.

Legislative Decree 28 of 4 March 2010 extended the suspicious transaction reporting requirements to persons acting as mediators for the settlement of civil and commercial disputes.

Decree Law 40 of 25 March 2010, ratified by Law 73 of 22 May 2010, amended Articles 14(1)(e) and 14(1)(e-bis) of Legislative Decree 231/2007 with reference to the gaming sector.

Significant changes to the anti-money-laundering provisions were introduced by Decree Law 78 of 31 May 2010 (ratified by Law 122 of 30 July 2010), containing urgent measures for financial stabilization and economic competitiveness.

Changes introduced by Decree Law 78/2010

In particular, as part of the enhanced due diligence requirements, the Minister for the Economy and Finance, after consulting the Financial Security Committee, will issue a blacklist of the countries characterized by high risk of money laundering or terrorist financing and by inadequate international exchange of information also with regard to tax matters.

Decree Law 78/2010 modified the limits on the use of cash and bearer instruments and on the issuance of cheques, reducing the thresholds established by

Article 49 of Legislative Decree 231/2007 from €12,500 to €5,000.¹ The sanctions for violations of these new limits were increased.

For the purposes of STRs, Decree Law 78/2010 establishes that frequent or unjustified cash transactions, even if not in violation of the limits set by Article 49, and, in particular, cash withdrawals or deposits through financial institutions for an amount of €15,000 or more, constitute grounds for suspicion.

Other measures

Legislative Decree 141 of 13 August 2010, implementing Directive 2008/48/EC on credit agreements for consumers and amending the provisions governing financial institutions, financial agents and loan brokers, also modified the references to financial intermediaries, provided for in Article 11 of Legislative Decree 231/2007.

The traceability of financial flows is pivotal in combating money laundering. The Special Plan against Organized Crime, with the delegation of powers to the Government for antimafia legislation (Law 136/2010), introduced important provisions to prevent organized crime from infiltrating the awarding of public contracts, including rules for the traceability of financial flows connected with public works contracts, public supply contracts and public service contracts.

2.2 Secondary legislation

2.2.1 Ministerial circulars

Following the amendments to the anti-money-laundering provisions introduced by Legislative Decree 78/2010, and in particular the reduction from €12,500 to €5,000 of the threshold for cash transactions, the Ministry for the Economy and Finance issued a circular on 5 August providing appropriate guidance on the provisions regarding the use of cash and bearer instruments.

The circular of 11 October 2010, issued in agreement with the Bank of Italy, the Unit and the Finance Police, clarified the procedures for fulfilling the suspicious transaction reporting obligations in connection with the amendments to Article 41(1) of Legislative Decree 231/2007.

The circular that the Ministry for the Economy and Finance issued on 16 February 2010 after the extension of the time limits for adhering to the foreign assets disclosure scheme gave intermediaries and professionals instructions to ensure the regular application of the anti-money-laundering provisions to transactions covered by the programme.

¹ The threshold was recently lowered to €2,500 pursuant to Article 2(4) of Decree Law 138 of 13 August 2011, ratified by Law 148/2011.

2.2.2 Anomaly indicators

In 2010 the Unit devoted significant effort, also in collaboration with the other authorities engaged in the prevention of money laundering, to drawing up anomaly indicators to facilitate the identification of suspicious transactions pursuant to Article 41 of Legislative Decree 231/2007.

In particular, the following were issued upon proposals from the Unit and after the Financial Security Committee had been consulted: in April, the decree of the Ministry of Justice containing the anomaly indicators for certain categories of professionals and for auditors; in August, the Bank of Italy regulation containing the anomaly indicators for financial intermediaries; and in February 2011, the decree of the Ministry of the Interior containing the anomaly indicators for certain categories of non-financial operators.

Although the three measures are addressed to distinct categories of reporting party, they have a uniform structure, with provisions of a general nature and an annex containing the individual indicators, calibrated according to the specific characteristics of each category.

As regards the indicators for financial intermediaries in particular, the measure rationalizes the indicators provided for in the Bank of Italy's 2001 operating instructions for identifying suspicious transactions – at the same time abrogating those instructions – and updates and enriches their contents in the light of the experience gained in the last ten years. It also takes account of the results of the exchange of information between the Unit and its foreign counterparts.

Financial intermediaries

The anomaly indicators are divided into sub-indices, which constitute an exemplification of the reference indicator and must be evaluated jointly with its content.

The indicators refer to the subjective profile of the customer and the objective profile of the transactions or relationships.

2.2.3 Models of anomalous conduct

Pursuant to Article 6(7)(b) of Legislative Decree 231/2007 the Unit disseminates models of anomalous conduct from an economic and financial perspective that may be indicative of money laundering and terrorism financing. Designed, like the indicators, to assist in the identification of suspicious transactions to be reported, the models differ from the indicators in that they are intended to draw operators' attention to specific sectors of operation or courses of conduct that may involve anomalies possibly arising from criminal phenomena. The Unit has sent out a series of communications issuing these models from September 2009 onwards.

In 2010, in particular, models were released concerning IT fraud and intra-EU VAT fraud, the abuse of public financing, and leasing fraud.

2.2.4 Other measures

Aggregate statistical data

Article 40 of Legislative Decree 231/2007 requires the Unit to specify procedures whereby intermediaries are to carry out monthly aggregations and transmissions of the transaction data recorded in the companies' Single IT Archive (Anti-Money-Laundering Aggregate Reports). The Unit analyzes these data to detect possible cases of money laundering or terrorist financing in specific areas of the country.

In the light of the Bank of Italy's implementing provisions on the aforementioned archive, a measure adopted by the Director of the Unit on 27 April 2010 updated the tables linking analytical and aggregated codes and modified the summary sectors of economic activity to take account of the imminent adoption of the standardized classification of economic activities (ATECO).

Advanced dissemination of technical annexes on IT innovations

On 25 November 2010 the Unit published a communiqué on its website disseminating in advance the technical annexes relating to the introduction of the new suspicious transaction report collection and management system that has been operational since May 2011. The aim was to permit reporting parties to make a timely start on adopting the new reporting form.

For the same purpose, on 23 December the Unit disseminated in advance the technical annexes relating to the new form for transmitting Anti-Money-Laundering Aggregate Reports via the Internet, scheduled to enter into force in the second half of 2011.

2.2.5 Bank of Italy instructions

Organization, procedures and internal controls

On 10 March 2011 the Bank of Italy issued the implementing measure regarding organizational aspects, procedures and internal controls to prevent the utilization of intermediaries and other persons engaged in financial activity for purposes of money laundering and terrorist financing.

The measure, adopted in agreement with Consob and Isvap and with the contribution of the Unit, aims to ensure that adequate organizational safeguards are in place for an effective management of the risk of money laundering and terrorist financing. The requisite actions are to be calibrated taking account of the specific nature of the activity performed by the persons subject to the requirements, their organizational size and their operational characteristics, according to the principle of proportionality.

3. ACTION REGARDING SUSPICIOUS TRANSACTIONS

3.1 Trends

The Unit receives the reports of transactions suspected of involving money laundering or the financing of terrorism, conducts financial analysis of these reports and transmits them, accompanied by a technical report, to the Special Foreign Exchange Unit of the Finance Police and the Bureau of Antimafia Investigation for investigation if appropriate. The flow of reports

In 2010 the number of suspicious transaction reports continued to grow at an accelerating pace. The Unit received more than 37,300 reports, an increase of some 16,250 (77.2 per cent) compared with the previous year. The rise 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, which rose by 43.1 per cent to nearly 27,000 (Table 3.1).

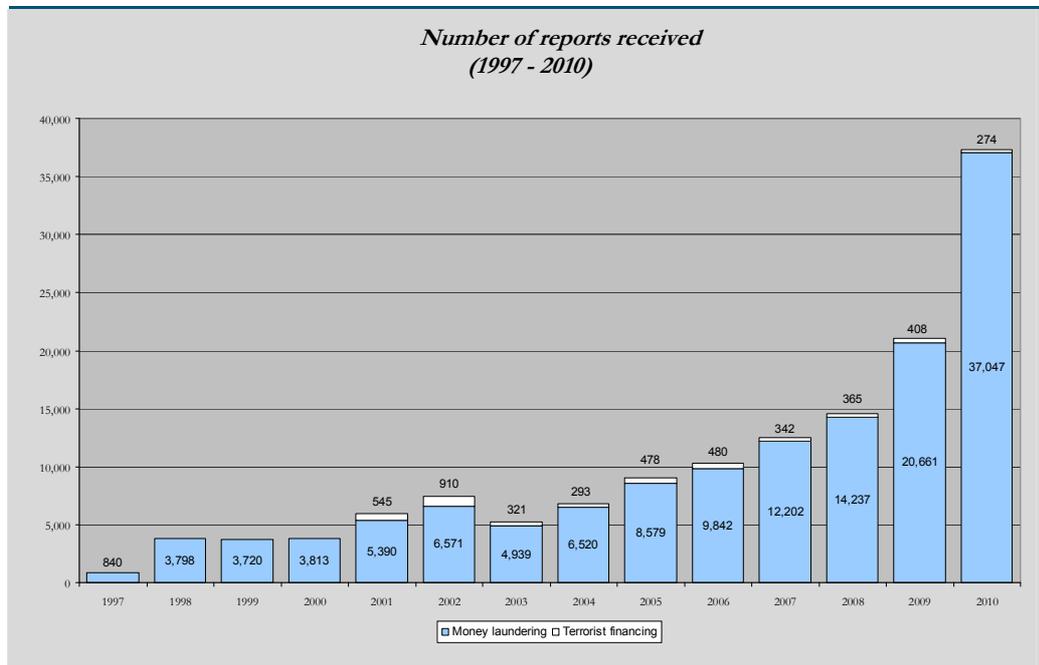
Table 3.1

<i>Half-yearly flows of suspicious transaction reports</i>					
		<i>Number</i>		<i>Percentage change on previous-year period</i>	
		<i>Received</i>	<i>Transmitted</i>	<i>Received</i>	<i>Transmitted</i>
<i>2008</i>	1st half	6,862	5,946	5.0%	-5.1%
	2nd half	7,740	7,436	28.8%	36.3%
	Year	14,602	13,382	16.4%	14.2%
<i>2009</i>	1st half	9,936	8,909	44.8%	49.7%
	2nd half	11,130	9,929	43.8%	33.5%
	Year	21,066	18,838	44.3%	40.7%
<i>2010</i>	1st half	15,097	12,556	51.9%	41.0%
	2nd half	22,224	14,407	99.6%	45.1%
	Year	37,321	26,963	77.2%	43.1%

Time series of the flows of reports

Since 1997 a total of more than 140,000 reports have been received (Figure 3.1).

Figure 3.1



Active cooperation

The large number of suspicious transaction reports received each year enriches the Unit’s database. This serves the interest of the entire system, also in terms of more effective cooperation with financial supervisory authorities, and enhances the Unit’s ability to respond fully to requests for information from foreign counterparts.

The high volume of reports does, however, raise problems, particularly in connection with the not always satisfactory quality of the reports. Sub-standard reports often reflect inadequate screening by the assessment filters used by some intermediaries

The Unit is engaged in promoting an improvement in the quality of reports. Besides preparing anomaly indicators and disseminating models of anomalous conduct, the Unit is constantly in direct contact with the persons subject to the requirement, with a view to examining the financial content of reports, and takes part in conferences and workshops held by organizations representing the various categories of reporting persons. In this context, the communication of orientations and operational guidelines and the comparison and sharing of criteria and conduct are useful means of furthering the correct fulfilment of the obligations established by the legislation in force.

A significant improvement in the quality of reports could come from the application of the instructions that the Bank of Italy issued in March of this year, concerning organizational aspects, procedures and internal controls (see above) pursuant to Article 7(2) of Legislative Decree 231/2007 and from the adoption of the new STR reporting model.

3.2 Financial analysis of suspicious transaction reports

The Unit's activity of financial analysis is based on the collection and processing of information acquired from a variety of internal and external sources.

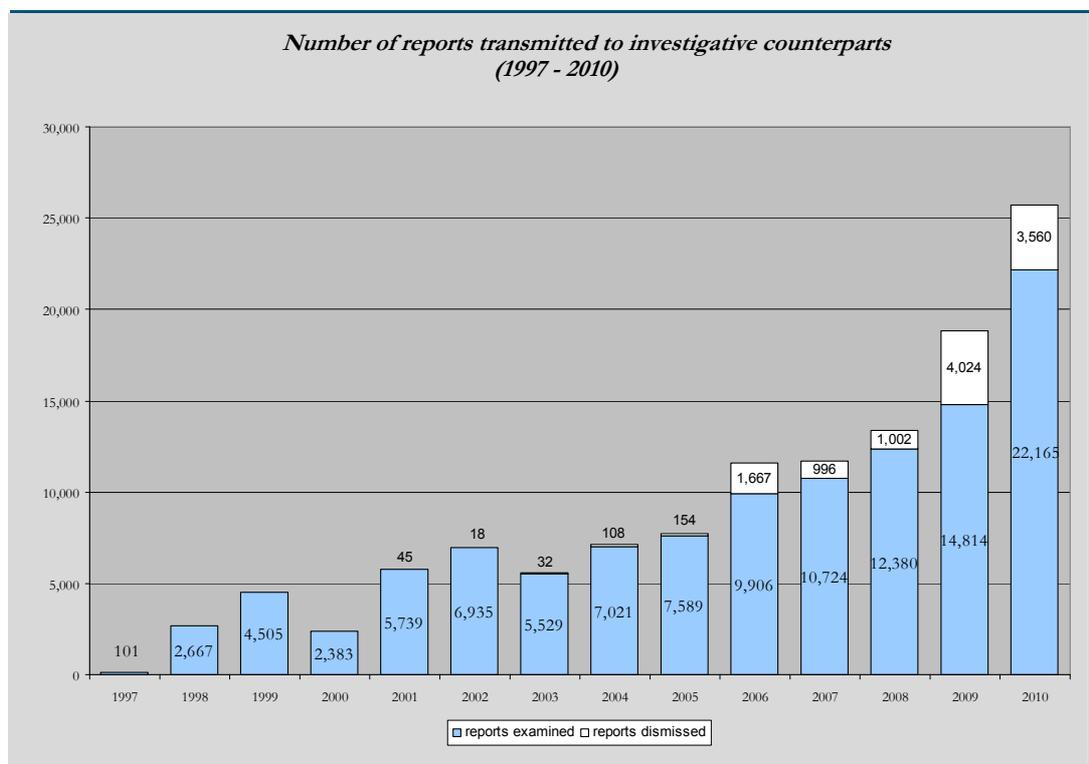
All the reports received are automatically checked against the information already on file in the Unit's databases and swiftly put through analysis that uses risk-based criteria to flag cases for further inquiry. The less complex reports (those that fit recurrent patterns) are processed quickly and transmitted to the investigative bodies, accompanied by a simplified report; the more complex or significant ones are put through a further level of analysis, which entails, depending on the circumstances, direct contact with the reporting parties or other operators subject to the requirements, on-site inspection, consultation of other databases, or exchanges of information with foreign FIUs. In this phase the Unit seeks to determine the financial context in which the reported person acts, to identify the origin and destination of the funds transferred, and to formulate hypotheses regarding the purposes of transactions that can assist the Special Foreign Exchange Unit of the Finance Police and the Bureau of Antimafia Investigation to identify possible underlying predicate offences. The financial analysis so conducted is summarized in the technical report that accompanies the reports transmitted to the above-mentioned investigative bodies.

Pursuant to Article 6(7)(c) of Legislative Decree 231/2007, the Unit may suspend transactions for up to 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 Bureau of Antimafia Investigation or public prosecutors.

In 2010, acting on 180 requests from reporting parties, the Unit, in agreement with the competent investigative bodies, suspended 34 transactions for a total value of €65 million. It also dismissed 3,560 reports that it deemed to be unfounded on the basis of the information in its possession. Pursuant to law, the dismissal of such reports is notified to the reporting parties.

Finally, the Unit transmitted 26,963 reports to the investigative counterparts last year. Since 1997 a total of more than 124,000 reports have been transmitted (Figure 3.2).

Figure 3.2



Critical areas in financial analysis activity

The very substantial and continuing increase in the number of reports analyzed and transmitted to the investigating authorities – achieved with no change in the number of staff – was made possible by continual improvements to the organization of work (more highly structured flows, standardization and improvement of the procedures for financial analysis, more efficient exploitation of available IT assets and information).

Notwithstanding the increase in productivity, the backlog of reports to be processed has continued to swell, from 4,684 at the end of 2008 to 6,912 at the end of 2009 and 17,270 last year.

The Unit also made use of targeted inspections for the financial analysis of several particularly complex reports and for the assessment of possible cases of failure to submit reports.

Outcomes of investigations

Pursuant to Article 48(2) of Legislative Decree 231/2007 the investigative bodies must inform the Unit of suspicious transaction reports that are not followed up by further investigation.

Although the Unit does not have complete data on the investigative outcomes of the reports transmitted during 2010, the information available confirms that the system based on suspicious transaction reports makes a significant contribution not only to investigations and proceedings for money laundering but also to investigative and judicial activity against many other crimes. According to Finance Police data, of the approximately 26,000 reports received in 2010, some 4,700 (20 per cent) were used in penal proceedings already under way at public prosecutor’s offices or gave

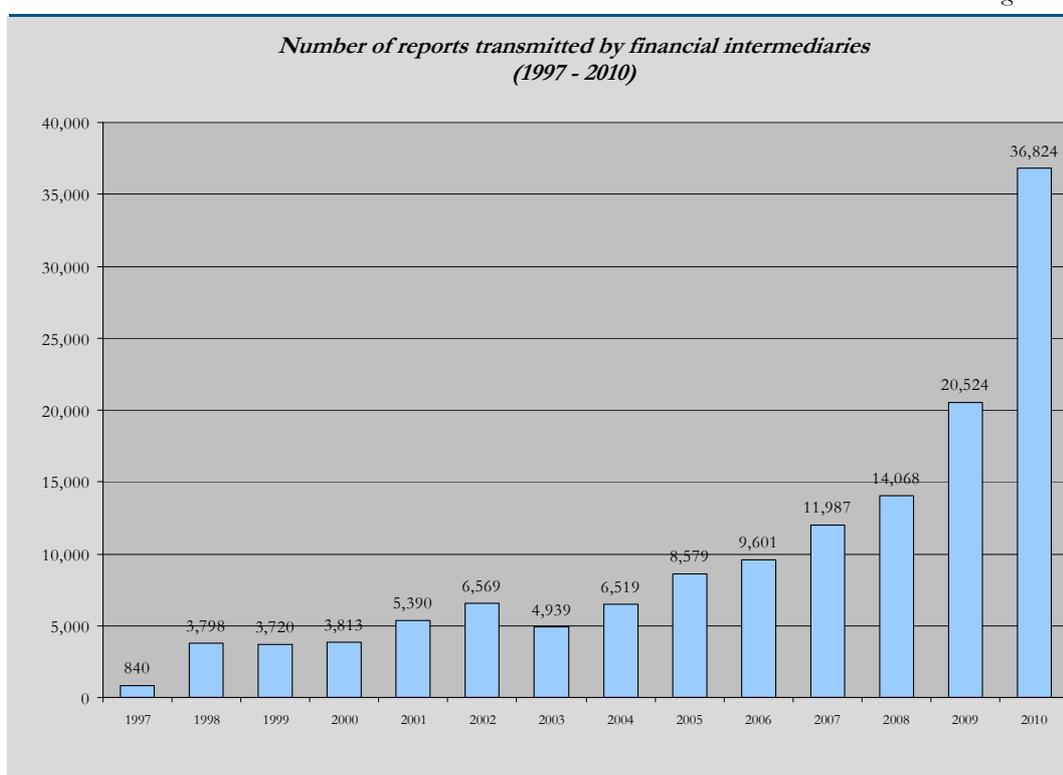
rise to new penal proceedings for money laundering, usury, extortion, unauthorized financial activity, tax fraud and swindles, or administrative infractions of anti-money-laundering provisions and of the rules governing the cross-border transportation of money and bearer instruments (see testimony of the head of the Finance Police before the Committee on Finance of the Chamber of Deputies regarding the Finance Police's operations, 26 January 2011).

4. PREVENTING AND COMBATING MONEY LAUNDERING

4.1 Reports from financial intermediaries and other persons engaged in financial activity

Financial intermediaries and other persons engaged in financial activities transmitted more than 36,800 reports of transactions suspected of money laundering (Figure 3.3). A total of 136,000 have been transmitted since 1997.

Figure 3.3



Banks were again the category of financial intermediary that submitted the most reports.

Distribution of reports by type of intermediary

Contrary to the trend recorded in the period 2003-09, reports received from Poste Italiane S.p.A. declined both in relative and in absolute terms, falling from 3,700 to 3,400. This was due mainly to the reduction in reports of phishing, which declined from 2,400 to 1,900 probably as a consequence of a tightening of safeguards for online operations.

There was a further increase in the share of reports submitted by financial intermediaries referred to in Articles 106 and 107 of the Consolidated Law on Banking (mainly money-transfer agents), which rose from 15.1 per cent in 2009 to 16.6 per cent last year, and a further contraction in the share transmitted by insurance companies, which fell from 1.1 to 0.4 per cent.

A particularly interesting indicator is the number of operators belonging to each category that submitted at least one report during the year. The number rose significantly for all categories of intermediary, reflecting the growing awareness of the issues of prevention in the financial system.

For the system of prevention and countermeasures to work effectively, suspicious transactions must be promptly detected and reported. The overall picture in this respect is unsatisfactory. In 2010 scarcely 21 per cent of reports were received within the first month following the relevant transaction; just over 40 per cent were received within two months and 53 per cent within three months. Nearly a quarter of reports were received more than six months after the transaction. The Unit continually seeks to promote more timely transmission on the part of the persons subject to reporting requirements. **Timeliness of reports**

4.1.1 Geographical distribution

Lombardy and Lazio were again the regions from which the greatest numbers of reports were received from financial intermediaries. A significant increase was recorded in the number of reports for both regions, although Lombardy's share of the total declined by 5.5 per cent. Both the number and the percentage of reports received from Campania, Emilia Romagna and Piedmont increased.

A comparison between the regional distribution of reports and some economic and financial indicators (GDP and number of current accounts per region) shows a high correlation between these variables. Nevertheless several misalignments confirm the complexity of the phenomenon in relation to the multiplicity of factors that influence it (including social and psychological conditioning, the rootedness of criminal organization and the pull power of the financial markets).

4.1.2 Typology of transactions reported

Cash transactions continue to be the most frequent type of transaction to trigger reporting parties' suspicions: 38.5 per cent of the reports received in 2010 referred to cash withdrawals and/or in-payments, in line with the percentage recorded in the previous year (Table 3.6).

There was a particularly sharp increase in the number of reports regarding transactions with money-transfer operators, these too concluded in cash. The shares referring to other types of transaction either decreased or remained approximately the same.

Table 3.6

<i>Types of transactions reported</i>			
<i>(percentages of total number of transactions reported)</i>			
	<i>2008</i>	<i>2009</i>	<i>2010</i>
Cash transactions	44.3	38.7	38.5
<i>of which:</i>			
<i>withdrawals</i>	24.6	22.7	21.6
<i>in-payments</i>	19.7	16.0	16.9
Order/receive credit transfer:	18.5	22.9	21.5
<i>of which:</i>			
<i>domestic</i>	12.8	18.4	16.2
<i>abroad</i>	5.7	4.5	5.3
Deposit of credit instruments	13.2	9.3	9.5
Debit for settlement of cheques	6.3	5.0	4.5
Issuance/Negotiation of cashier's cheques	5.8	4.5	4.3
Money transfers	3.5	11.4	14.6
Transactions in financial instruments	1.6	1.7	2.2
Deposit in /Withdrawal from a savings book	1.3	0.6	0.5
Other	5.5	5.9	4.4
Total	100.0	100.0	100.0

4.1.3 Particular reports

As in 2009, in 2010 the Unit again singled out several especially interesting types of report.

STRs relating to emission allowances

A number of reports concerned large-scale financial transactions attributable to persons operating in the market for allowances under the rules aimed at reducing polluting emissions (Kyoto Protocol).

Many reports concerned transactions linked to cases of illicit influence on public procurement contracts, carried out by persons already investigated for crimes of this type.

It is certainly worth mentioning the reports received from gaming operators, though they were not significant in number (a total of 34, of which 16 from casinos and 18 from online games). The transactions reported consist predominantly in the purchase of chips (casinos) or in the topping up of gaming accounts (online operators) with subsequent requests to cash in without making bets, or with much smaller bets than the amount of credit purchased. These transactions appear to be designed to disguise the origin of the funds by simulating wins made in games or bets that actually were never made.

Cash is frequently used at casinos for purchases or redemptions of chips. There were numerous attempts to split requests to cash in chips, including by means of third persons who were present in the gambling hall without having played. The two types of conduct (purchase/return of chips and use of cash) are often mentioned in the same report.

There was also a report of a presumable fraud carried out by some interconnected persons who succeeded in placing bets after the event. This outcome was apparently achieved by making use of IT tools that circumvented the ban on placing bets after the event on which the wager was placed.

4.2 Reports from non-financial enterprises and professionals

The flow of reports from the entities specified in Articles 12, 13 and 14 of Legislative Decree 231/2007, while still modest, did increase slightly in 2010 (from 136 to 223). As a share of total suspicious transaction reports, those from non-financial operators and professionals are still virtually negligible (0.59 per cent in 2010, compared with 0.65 per cent in 2009).

In 2010 the Unit forwarded 150 of these reports to investigative bodies, including 25 that it had dismissed as manifestly unfounded.

The profession making the largest number of reports continued to be notaries, with 66 (Table 3.7). In most cases the reports originate from the stipulation of public acts (e.g. property sales and corporate acts such as company formation, transfers of equity stakes, and winding-up).

Signs of greater attention to the obligation of active cooperation can be detected among gaming and betting operators (in particular on-line casinos, which submitted 18 reports), firms engaged in custody and transport of cash and securities using sworn private security guards (12 reports), registered accountants (43 reports) and book-keepers (23 reports).

Overall, the level of active cooperation on the part of non-financial operators and professionals continues to be very low, especially considering the very large number of potential reporting parties. The reluctance of professionals to submit

reports, which is common to many countries, presumably reflects the more personal relationship with clients and the long-standing tradition of professional secrecy.

Table 3.7

<i>Number of reports by category</i>						
<i>Type of reporting party</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>Total</i>
Notaries, National Council of Notaries	170	127	103	69	66	535
Book-keepers	15	21	19	10	23	88
Accountants	24	37	17	28	43	149
Estate agents	6	10	13	3	3	35
Lawyers	3	8	6	3	12	32
Casino operators	0	0	4	6	34	44
Registered auditors	2	4	3	7	12	28
Custody and transport of cash and securities by means of sworn private security guards	0	0	0	6	12	18
Financial agents	0	1	2	0	0	3
Audit firms	9	2	2	2	6	21
Other	8	5	4	2	12	31
Total	237	215	173	136	223	984

The need to include professionals among the persons subject to the reporting requirements is confirmed by the fact that in many cases the persons mentioned in their reports are also cited in the reports of financial intermediaries. There is, then, a clear and fruitful complementarity between the financial component of the reports and the “real” economic component consisting of the reports from professionals. The quality and depth of financial analysis benefit.

5. PREVENTING AND COMBATING TERRORIST FINANCING

The duties of the Financial Intelligence Unit extend to preventing and combating the financing of terrorism, owing to the provisions of Legislative Decree 109/2007 and Legislative Decree 231/2007. Regulation (EC) 423/2007, as amended by Regulation (EC) 1110/2008, includes preventing the proliferation of weapons of mass destruction among these tasks.

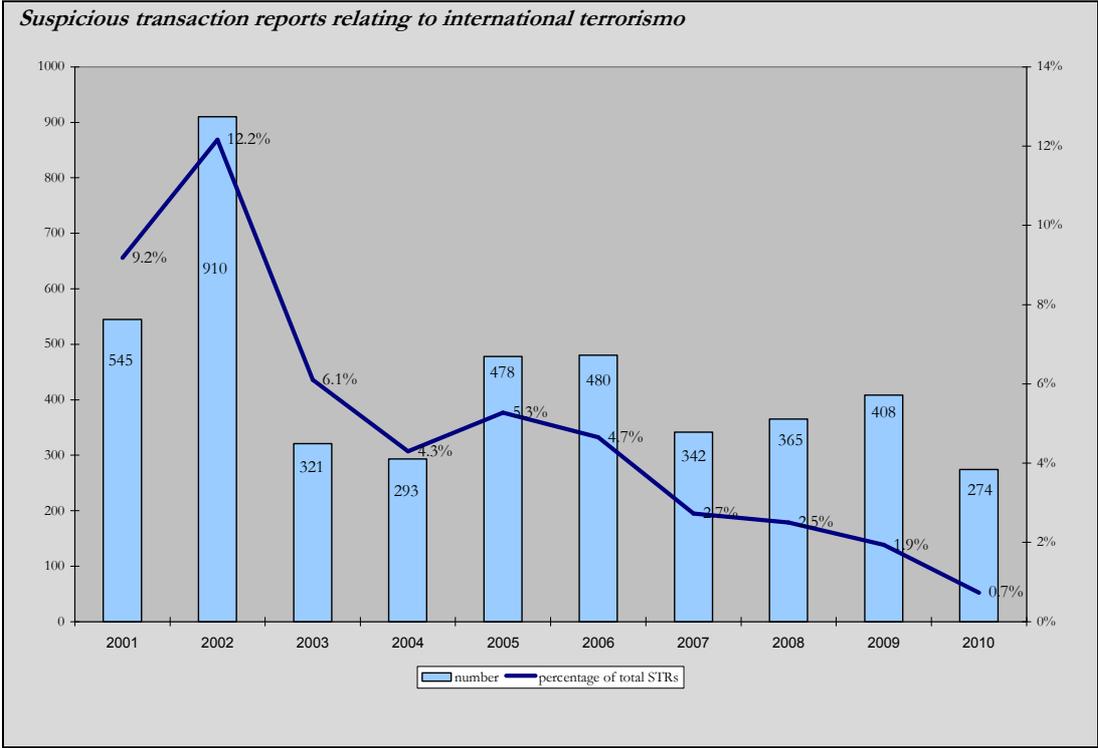
The Unit’s duties also include compiling notifications relating to the “freezing” of funds; fostering the distribution to the persons under the obligation of active cooperation of lists of persons indicated as terrorists; and receiving and investigating suspicious transaction reports.

5.1 Suspicious transaction reports

After rising for two years, the number of suspicious transaction reports relating to international terrorism declined in 2010. The Unit received 274 such reports (0.7 per cent of all the reports received), down from 408 - Figure 4.1).

Reports during the year

Figure 4.1



Through 2009 most of the reports involved persons named in EU provisions (Council Regulation (EC) 881/2002 and subsequent amendments imposing specific restrictive measures directed against persons and entities associated with Usama bin Laden, the Al-Qaida network and the Taliban, Council Regulation (EC) 2580/2001,

and restrictive measures imposed on persons related to the governments of countries accused of human rights violations or threats to peace and international security). In 2010 most of the list-originated reports involved names from the public database of the US Treasury's Office of Foreign Assets Control (OFAC) or other lists of terrorists, mostly drawn up in the wake of 11 September 2001 by international institutions and distributed over the years to intermediaries through their trade associations. There was a slight increase in the number of reports relating to names from confidential lists drafted, some years back, by the public prosecutor's offices in the framework of criminal proceedings involving international terrorism.

After a number of years of increase, in 2010 there was a decline in the number of reports submitted by intermediaries at their own initiative, based on independent judgments of anomaly detected in the operations of their customers.

The regional distribution of terrorism-related STRs was basically unchanged last year. It reflects the regional distribution of immigration according to ethnic and religious affiliation.

The distribution of the reports according to the nationality of the persons reported tends to resemble the composition of the official lists of international terrorism.

As to the reporting parties, as with money laundering, most reports come from banks (about 70 per cent). However, by comparison with money-laundering reports the contributions from insurance companies and financial companies are greater (3.7 and 22 per cent respectively).

Financial analysis of STRs

In 2010, the Unit investigated and transmitted to the investigative bodies 205 terrorist financing STRs. As in 2009, most of the reports concerning financing of the proliferation of weapons of mass destruction referred to names present on OFAC lists. However, the number of reports transmitted at intermediaries' own initiative was not negligible. Most of these involved commercial transactions for so-called "dual use" goods that could potentially serve purposes of proliferation.

5.2 Terrorism lists and freeze provisions

In 2010 the Unit received a total of 23 notifications of the freezing of funds of natural or legal persons included in the lists of persons subject to international sanctions. Most of the notifications referred to transactions and relations between Italian intermediaries and blacklisted Iranian intermediaries.

The Unit is in charge of verifying intermediaries' compliance with fund freezes and derogations granted by the Financial Security Committee for situations in which the law makes them mandatory.

As to public lists of terrorists, the Financial Security Committee completed the revision and updating of UN lists of persons and entities linked to Al-Qaeda and

designated at Italy's proposal. The Unit made its contribution of information to this process.

The sanctions against Iran were stiffened following UN Security Council Resolution 1929 (in 2010), which was followed by the adoption on 26 July of EU Decision 2010/413/CFSP and on 25 October of Regulation (EU) 961/2010. Between the Regulation's entry into force on 27 October and the end of the year, the Financial Security Committee examined 300 requests for authorization, most of which were granted. In some cases the intermediary had to be asked for clarification to determine the legitimacy of the underlying commercial transactions and of the goods being exported.

6. ANALYSIS OF AGGREGATE DATA AND RESEARCH ACTIVITY

Legislative Decree 231/2007 assigns the Financial Intelligence Unit to study the aggregate reports received each month in order, by analysis of the financial flows, to detect and so prevent acts of money laundering and terrorist financing. This activity is directed to detecting anomalies in selected geographical areas, economic branches at risk, and particular types of payment instrument. Table 5.1 shows the number of reporting institutions of each type at 31 December 2010.

Table 5.1

Number of reporting institutions for aggregate money-laundering reports at 31 December 2010

Banks and Poste Italiane S.p.A.	844
Trust companies	336
Asset management companies	296
Investment firms	168
Insurance companies (life and multibranch)	101
Other financial intermediaries	4
SICAVs	3
Electronic money institutions	2

Number and contents of aggregate reports

Table 5.2 gives the number of transactions reported in 2010 and their total amount.

Table 5.2

*Average monthly aggregate report flows
(January - December 2010 - amounts in millions of euros)*

Type of intermediary	Average number of records sent monthly		Average total monthly amount		Average total number of transactions per month	
	Jan.-May 10	June-Dec 10	Jan.-May 10	June-Dec 10	Jan.-May 10	June-Dec 10
Banks and Poste Italiane S.p.A.	4,421,781	5,336,773	2,202,096	2,111,091	23,989,969	24,363,526
Other financial intermediaries	86	345	519,675	1,092,246	23,378	75,041
Asset management companies	356	43,444	1,509	16,825	30,601	370,390
Insurance enterprises and entities	5,680	49,541	924	9,650	23,065	163,429
Investment firms	322	3,487	1,315	7,728	16,430	218,475
Trust companies	4,493	3,857	5,889	5,257	21,667	15,252
SICAVs		267		26		545
Electronic Money Institutions	710	1,224	21	19	5,962	9,882

The analysis of the aggregate flows serves to detect events and circumstances of macroeconomic importance that do not appear to be a normal part of the financial system. The anomaly may involve the timing of the flows, their geographical distribution, the reporting intermediaries, or the customers' economic sector. The observation of anomalous single situations or patterns over time may prompt further

examination at disaggregated level and possibly activate the Unit's powers of inspection.

The data are also used to investigate some phenomena of broader importance that emerge in the Unit's activity of preventing and combating financial crime, sometimes in cooperation with the Supervision Area or other units of the Bank of Italy. Special attention is paid to financial flows involving marketplaces of special importance in terms of money laundering (regions threatened by organized crime, border provinces) or payment instruments (cash, wire transfers) whose characteristics and frequency of use make them susceptible to exploitation for the introduction and disguising of illicit funds within the legitimate economic and financial system. In some cases the results of the analysis have served to prompt further inquiry into suspicious transaction reports or inspections.

The aggregate report flows have also served to verify specific requests for information from other institutions engaged in combating financial crime and terrorist financing, notably the Finance Police and the judicial authorities.

The use of cash in the various regions of Italy is constantly monitored. The regions of the South and the Islands are marked by the use of cash for a larger proportion of total funds flows than the rest of the country. Although the data are influenced by the regional differentiation of levels of financial development, this pattern nevertheless deserves attention.

The monitoring of financial flows in the form of wire transfers, particular cross-border transfers, continued in 2010. Apart from EU member states, these flows tend to be concentrated at a few markets of special importance to trade (United States, China, Turkey) or finance (Switzerland, Hong Kong).

The data on credit transfers during the year to and from countries and territories that are non-cooperative or have favourable tax regimes also show great concentration. First of all is Switzerland, which accounts for more than 60 per cent of total flows. Other important locations, apart from the Republic of San Marino and the Principality of Monaco, are jurisdictions in the Far East and close to the People's Republic of China (Hong Kong, Singapore, Taiwan), together with the United Arab Emirates (Abu Dhabi, Dubai).

By comparison with the data for 2009, there was a decrease in credit transfers to Italy from the aforementioned countries and territories, owing in part to the lesser effect of the Foreign Assets Disclosure Scheme (the so-called tax shield).

By Italian region of origin or destination of transactions, the flows of funds with favourable-tax-regime jurisdictions are concentrated in the North-West (60 per cent), followed by the North-East and the Centre (17 per cent each). The single most important region is Lombardy, which accounts for 49 per cent of the outflow and 52 per cent of the inflow. The portion involving the regions of the South and Islands remains very small.

A rationalization of the aggregate report flows was begun in 2010 and should conclude in 2011. By a measure dated 27 April 2010 the Unit revised the criteria for data aggregation, and a communication dated 23 December specified the modifications to the report procedure to be made in 2011 at the time of the changeover to the Internet for transmission of the aggregate report flows.

7. CONTROLS

7.1 Inspections

Under Article 47 of Legislative Decree 231/2007, the Unit is empowered to carry out inspections for inquiry into the financial aspects of the suspicious transaction reports received and of unreported suspicious transactions that come to the Unit's attention in some other way. Checks performed in these cases mainly look for defective or reticent reports or non-reporting. A broader power of inspection derives from Article 53(4), under which the Unit checks compliance with the AML/CFT legislation with specific reference to filed or to omitted reports. Inspections are generally prompted by awareness of anomalous positions, phenomena or conduct.

Inspections can in any case detect operational dysfunctions and procedural anomalies to report to the Bank of Italy for an assessment of the intermediary's compliance with the AML/CFT provisions. The Unit carried out 18 inspections in 2009 and 25 in 2010; of these, 22 were targeted (16 at banks and 6 at trust companies) and 3 were more general in scope (2 banks and a leasing company).

As in past years, one of the aims of the interventions was to solicit active cooperation. Especially important were the initiatives concerning the top officers in Campania's branches of large banks, inquiring into transactions that were such as to be suspected of usury, and those concerning some so-called "static" trust companies that were particularly active in capital repatriations or regularizations under the "tax shield".

Trust companies and the "tax shield"

The series of inspections at trust companies to verify compliance with the provisions against money laundering in connection with "tax shield" transactions are still under way. In order to identify companies for inspection, a set of risk indicators were considered, including the presence of STRs or information from investigative bodies and foreign counterparts. The indicators particularly marked heterogeneity of the countries from which the "shielded" funds were transmitted and the size of emergence operations of assets described as "money", especially when deposited in jurisdictions lacking equivalent anti-money-laundering legislation. The first checks found deficiencies in compliance with the due diligence requirements of customer identification and registration, such as to affect the proper compliance with the requirement to report suspicious transactions. In particular, anomalous positions were detected in relation to "tax shield" transactions involving loans or credits to foreign persons for which the inspected intermediary failed to supply the documents necessary to determine the origin of the funds.

The other inspections were at intermediaries selected, as usual, on the basis of composite criteria: quantitative and qualitative indices of active cooperation; specific reports of suspicious transactions deserving further inquiry; anomalies emerging from the analysis of the aggregate reports transmitted to the Unit; information from foreign authorities; communications from other institutions. In two cases the

inspection was coordinated with a simultaneous supervisory inspection by the Bank of Italy.

7.2 Administrative irregularities

On-site inspections and off-site verifications brought out not only potentially penal violations, which were reported to the judicial authorities, but also administrative irregularities, for which the Unit is empowered to start the sanction proceedings on its own, subsequently transmitting the acts to the Ministry for the Economy and Finance for further investigation on the basis of the hearings of those involved, and application of sanctions as appropriate.

Last year 29 sanction proceedings for failure to make suspicious transaction reports were initiated (16 in 2009) of which 27 following inspections and 2 based on further inquiry into suspicious transaction reports.

Reporting to the Bank of Italy

The information that the Unit acquired through its inspections was transmitted, where deemed relevant, to the Bank of Italy in its capacity as the industry's supervisory authority. Specifically, 27 communications were made to the Supervision Area describing dysfunctions found at some intermediaries in organization, customer due diligence, or compliance with data recording and retention requirements.

Sanctions concerning the gold market

With reference to Law 7/2000 ("New rules for the gold market"), and pursuant to Presidential Decree 148/1988, in 2010 the Unit carried out the examinations of 9 sanction proceedings for failure to comply with the notification obligation for the transfer, purchase or sale of gold in amounts exceeding €12,500. In this regard the Unit handled the hearings of the persons involved and forwarded reports on the cases to the Ministry for the Economy and Finance, which has the power to impose sanctions.

8. INTERNATIONAL COOPERATION

8.1 Cooperation with foreign FIUs

Last year again saw intense cooperation with other FIUs. Exchange of information take place either to facilitate analysis of STRs or to allow prompt intervention by law enforcement bodies through their mutual legal assistance channels in relation to financial assets held abroad.

In 2010 the Unit received 625 requests for information from foreign FIUs, of which 482 via the Egmont Secure Website and 143 via the FIU.NET channel. It sent 640 communications to foreign FIUs, of which 516 via the Egmont Secure Website and 124 via FIU.NET.

In the same period the Unit sent 126 requests for information to other FIUs, of which 89 in the context of collaboration with Italian prosecutors and 37 in connection with analysis of STRs.

Information exchange with other FIUs is a major channel for adding to the Unit's database. The foreign units' requests for information frequently relate to illegal activities having some connection with Italy. In some instances, they led to the discovery of criminal phenomena of direct interest to our country, which would otherwise have gone undetected.

In several cases the information received from foreign FIUs tallied with the findings of investigations under way or with earlier STRs, thus providing additional information to the law enforcement bodies. In some cases the foreign FIUs were requested to block funds so as to allow subsequent intervention by the competent national authorities.

To improve the channels and procedures for international cooperation and information exchange, special attention is being paid to upgrading information exchange systems and technologies. Ongoing efforts are dedicated to improving the effectiveness and efficiency of relevant workflows. A more intense use of available IT tools and their integration into existing analytical procedures feature among the priorities.

**Channels for
information
exchange**

Bilateral relations with foreign FIUs can be regulated through Memoranda of Understanding serving to tailor bilateral cooperation to the respective procedures and provisions. In addition to exchanging information on specific cases, the FIUs also discuss issues of common interest, share operational practices and provide mutual technical assistance.

**Memoranda of
Understanding**

8.2 Other forms of cooperation

In the course of the year the Unit was asked to contribute to international initiatives aimed at evaluating some features of Italy's AML/CFT regulatory framework, specifically as regards the use of STR information for the fight against tax violations, corruption, and financial crime in general.

In November 2010 representatives of the Unit participated in the Italian delegation, together with other authorities, which met in Algeria with their counterparts in that country to launch the activities of the Italo-Algerian Contact Group for the fight against terrorism.

9. COLLABORATION WITH THE JUDICIAL AUTHORITIES AND OTHER NATIONAL AUTHORITIES

9.1 Collaboration with the judicial authorities

Again in 2010 there was a significant increase in collaboration with the judicial authorities. The Unit transmitted 188 reports of possible penal infractions to the competent public prosecutor's offices and investigative bodies (compared with 77 in 2009). The Unit also transmitted to the judicial authorities 22 reports based in part on the findings of inspections (compared with 12 in 2009) providing supplementary information on investigations under way.

The Unit received 118 requests from public prosecutor's offices and Antimafia offices, of which 87 under Article 256 of the Code of Penal Procedure and 31 under Article 9 of Legislative Decree 231/2007 (in 2009 there were 94 requests, respectively 68 and 26). These requests resulted in the Unit initiating investigations into some 1,200 persons and delivering the suspicious transaction reports and the related technical reports already on file in its archives. In 71 cases information was exchanged with foreign FIUs (60 in 2009); in some cases these exchanges helped to improve the carrying out of rogatory procedures.

9.2 Collaboration with other national authorities

The Unit further strengthened its network of contacts with other national institutions in consideration of the decisive importance of cooperation between authorities to the proper running of the AML/CFT system.

In July, pursuant to Article 45(5) of Legislative Decree 231/2007, the Unit signed a Memorandum of Understanding with the Finance Police and the Bureau of Antimafia Investigation in order to set up appropriate procedures to ensure that in exchange of information the identity of the persons submitting suspicious transaction reports is kept secret.

Agreement with Finance Police and Antimafia Bureau for the protection of privacy in information exchange

In the early months of 2011 the Unit concluded a Memorandum of Understanding with the Insurance Supervisory Authority (Isvap) to lay down collaboration criteria and procedures for more fruitful performance of their respective tasks.

Agreement with Isvap

10. TECHNOLOGICAL RESOURCES INFORMATION TECHNOLOGY

Evolution of the STR system

The adaptation and strengthening of information systems and technology, begun when the Unit was set up, proceeded in two principal directions in 2010: first, the reinforcement of the support infrastructures for applications and environments for the exploitation of the database, significantly improving service levels; second, the incremental development of the information system, based on the gradual renewal of all the applications. As far as possible, the plan is to use the existing applications infrastructures of the Bank so as to maximize the economic return on investment, shorten programme development time and guarantee software quality.

Two major projects were scheduled for completion in 2011. One, recently concluded, consisted in a new, integrated application to increase automation of the operational processes for handling suspicious transactions reports. The second is a new system for collecting aggregate data reported monthly by intermediaries. In addition, the project for a single IT platform for the exchange of aggregate data for all categories of reporting persons, to overcome the present fragmentation of processes, will also be completed.

A number of projects will bring the renewal of the Unit's information system to completion in the near future: the creation of a data warehouse to support the activity of analysis, capable of handling and integrating information and data from different internal and external sources; the development of new functions to prepare, collect and retain data on reports on transactions in gold; and the completion of an automatic system for handling information exchanges with the judicial authorities and other FIUs.