
VATICAN FINANCES: SHARP INCREASE IN SUSPICIOUS ACTIVITY REPORTS

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BBC

The Vatican's financial watchdog has revealed a sharp increase in the number of suspicious transactions reported last year.

There were 544 reports in 2015, up from 147 the previous year.

Vatican officials say this shows progress on financial transparency, as it tries to dispel suspicions it is being used as a tax haven.

But critics point to the fact that only 17 of those cases have been passed on to Vatican courts for investigation.

Last year, European evaluators criticised the Vatican for not indicting any of those accused of financial malpractice.

Vatican reforms may be starting to bite

Pope Francis's reforms polarise the Vatican

The Vatican watchdog was created in 2010 to comply with international anti-money laundering norms after a series of scandals, including allegations that the Vatican Bank had been used by money launderers.

It said the increase in the number of reports was "not due to higher potential illicit financial activities, but to a number of different factors", like the closure of financial accounts no longer in compliance Vatican legislation.

The release of the annual report comes a few days after the Vatican abruptly revoked a contract it had signed last year with the international audit firm PricewaterhouseCoopers.

The Vatican said the suspension was not due to any reluctance to submit to the auditing, but rather because of issues about the "meaning and scope" of the contract and how it would be implemented.

Observers said the decision reflected an internal battle between the secretariat of state and the new secretariat for the economy, allegations the Vatican denied.

Kaynak/Source: