

ANNEX n. 2

Italian public authorities in charge of AML-CFT responsibilities

THE MINISTRY OF ECONOMY AND FINANCE AND THE FINANCIAL SECURITY COMMITTEE

The **MINISTRY OF ECONOMY AND FINANCE (MEF)**, by means of the Department of the Treasury, has a role in the prevention of the use of the financial system for illegal activities, including money laundering and the financing of terrorism. Its activities include policy-setting, drafting regulatory proposals, and implementation measures; broadly monitoring compliance through the feedbacks of AML supervisors and imposing pecuniary sanctions on certain violations of the AML Law. In its efforts to counter money laundering, the MEF collaborates with other national authorities, including the Italian Financial Intelligence Unit (UIF) of Banca d'Italia, and *Guardia di Finanza*. MEF also coordinates AML/CFT policies and represents Italy in the international fora, both at EU level and at FATF and other FATF-style international bodies (e.g. MONEYVAL).

The **FINANCIAL SECURITY COMMITTEE (FSC)** was set up at the MEF in compliance with the obligations undertaken by Italy in 2001 as part of the global international strategy to combat the financing of terrorism and the financing of proliferation. The FSC is also responsible for drawing up strategies for the prevention of money laundering and terrorist financing and coordinates the measures to contain related risks. Moreover, the FSC is the Italian authority for implementing the freezing of funds and economic resources held, either directly or indirectly, by individuals and entities included in the sanction lists of the European Union and the United Nations or issued at national level. Furthermore, the FSC may propose to the relevant UN/EU Authorities the listing/delisting of individuals or entities. The FSC is chaired by the Director General of the Treasury Department and is composed of representatives of 14 national Administrations and Authorities. The FSC acts as a focal point in the sectors of competence, and is endowed with particularly penetrating powers, such as that of acquiring information held by the participating Administrations and Authorities, even in derogation of official secrecy. FSC is also responsible for drafting and adopting the ML/TF National Risk Assessment on Money Laundering and Terrorism financing and the correlated strategies to address such kind of risks and it is also in charge of the coordination of the national AML/CFT policies.

THE SUPERVISORY AUTHORITIES

The BANCA D'ITALIA (the banking and financial supervisor) is responsible for the AML/CFT supervision of banking and financial intermediaries (e.g., credit institutions, investment firms, asset management companies)

Banca d'Italia issues secondary legislation, carries out off-site controls and on-site inspections, aimed also at evaluating the adequacy of the organization and the procedures of supervised entities (the frequency and the intensity of such supervisory activity is modulated pursuant to a risk-based analysis), and is empowered to impose sanctions in case of breaches of AML rules.

In the light of the growing complexity of AML/CFT supervisory functions and of the recent developments at the EU level in such field, Banca d'Italia has recently re-organized and strengthened its AML functions by setting up a new, dedicated structure: the AML Supervision and Regulation Unit, which directly reports to the Banca d'Italia Governing Board. Such organizational arrangement is aimed at ensuring the independence of the function as well as the necessary swiftness of action; it will also facilitate the coordination with the soon-to-be-established European AML Authority (AMLA).

In order to equip the Unit with the expertise and know-how necessary to perform its tasks, the overall number of resources allocated to the AML function has been increased and the personnel which has been recruited features competences and skills in a vast array of fields (e.g., economics, law, statistics, engineering, IT).

The Unit performs the entire range of AML-related tasks entrusted to Banca d'Italia.

It monitors the production of national and international regulations that are relevant to its institutional tasks; in relation to this, it works in coordination with Parliament, the Government, other public administrations and other supervisory authorities; it draws up the secondary legislation entrusted to it by law and deals with issues relating to its interpretation; it assesses the impact of the legislative measures for which it is responsible.

The Unit also takes part in the work to combat money laundering and the financing of terrorism carried out in international organizations, among which the Financial Action Task Force (FATF) and the relevant European Union organizations, including the European Banking Authority (EBA).

The Unit also develops methods for analysing and assessing supervised entities with regard to AML/CFT; such methodology is based on a vast array of information, such as prudential datasets, data gathered by the national FIU, information provided by the supervised entities themselves. In this context, the Unit draws up methodologies, procedures and operational criteria to be applied when carrying out control and intervention activities; it also carries out analysis of ML/TF risks in the financial sector (including at sub-sectoral level).

The Banca d'Italia carries out the ongoing supervision of financial intermediaries with regard to AML/CFT issues, operating off-site as well as conducting on-site inspections (which could be either wide-spectrum or targeted on one specific issue). This allows the AML function to verify the suitability and effectiveness of the measures adopted by intermediaries to properly manage ML/TF risks and, where necessary, to assess whether it should intervene (with, e.g., warning letters, operational stops, or pecuniary sanctions) to address any identified shortcomings.

In so doing, the Unit cooperates and exchanges information with the Banking and Financial Supervision Department, which carries out the prudential supervision activity (for example, the annual ML/TF risk assessment is systematically shared with the Units in charge of prudential supervision; in case of administrative procedures involving AML issues, prudential supervision can

require the AML Unit to provide additional information on the supervised entity; the annual supervisory plans are shared in advance in order to coordinate intervention, especially from an on-site perspective). Also, in light of the increasing relevance of technological innovation for the AML field, in particular with regard to the payment industry, important synergies are being developed with the Retail Payment Instruments and Services Directorate, and the units in charge of fintech issues.

Finally, the Unit closely cooperates with the Unità di Informazione Finanziaria per l'Italia – UIF (the Italian Financial Intelligence Unit) and with the Guardia di Finanza (Financial Police) in the areas for which they are responsible for combating anti-money laundering and terrorist financing (for the description of their role and tasks, please see the respective sections below). In order to ensure a proper coordination between their respective activities, Banca d'Italia and Guardia di Finanza have signed a specific memorandum of understanding.

IVASS is responsible for AML supervision of both insurance undertakings and insurance intermediaries. Within the scope of the powers attributed by the primary legislation, IVASS issued:

- Regulation No. 44/2019 on the organization, procedures, internal controls and customer due diligence, and on simplified and enhanced customer due diligence and the factors to be considered when assessing money laundering and terrorist financing risk associated with individual business relationship and occasional transactions.
- Order No. 111/2021 laying down provisions on criteria and methodologies to identify and assess the money laundering risk every obliged entity is exposed to and establishes dimensional and organizational criteria based on which obliged entities establish an Anti-money laundering function and an internal audit function, appoint the person responsible for these function and the person responsible for suspicious transactions reporting.

IVASS carries out both on-site and off-site supervision, aimed at evaluating the adequacy of the organization and the procedures of supervised entities (the frequency and the intensity of such supervisory activity is modulated pursuant to a risk-based analysis), and is empowered to impose sanctions in case of breaches of AML rules.

The off-site supervision is focused on the analyses of the data and information submitted by every insurance undertaking through a standardized spreadsheet.

The assessment of the aforementioned data allows IVASS to know the residual risk of each company and to carry out a risk based supervision model.

CONSOB (the financial market supervisor) exercises the AML supervision on auditors and auditing companies in charge of auditing “public interest companies” (e.g., listed companies, intermediaries, stock exchange companies).

Consob has regulatory and sanctioning powers over its supervised subjects and carries out its supervision and inspection tasks through a risk-based approach.

Consob Regulation n. 20570 of 4 September 2018 provides that, to mitigate and manage the risks of ML/TF, independent auditors must implement adequate and efficient internal procedures and internal control systems. These controls must be consistent with the size and complexity of the professional activity performed and the extent of the risk associated with the customers and must include the establishment of a specific unit (AML unit) in charge of supervising compliance with the AML/CFT obligations.

Pursuant to art. 6 of Consob Regulation n. 20570 of 4 September 2018, auditing firms shall perform the analysis and assessment of the risks of ML and TF to which they are exposed at least annually, according to the criteria and methodologies provided by Consob in Communication n. 0186002 of 4 June 2018.

Consob requires auditing firms to provide data and other information among others on: 1) the number of customers who are potentially high risk (e.g. customers operating in risky economic sectors or in risky geographical areas, or having complex shareholding structures, or being involved in situations related to adverse news); 2) the effectiveness of the organisational, procedural and control measures.

On the basis of the above mentioned quantitative data and information from the self-assessment documents, Consob schedules the priorities in terms of on-site AML/CFT inspections and manages off-site supervision.

On-site inspections carried out by Consob are AML/CFT-dedicated inspections and can be either full scope or targeted. Requests of data and information to independent auditors are an important tool used in the ordinary off-site supervision to monitor the quality of firms' organization and infrastructures. Consob cyclically holds training initiatives to increase the awareness of the supervised auditing firms and directly address supervisory indications.

In case of serious, repeated, systematic or multiple breaches of AML legislative provisions and regulations – namely, on CDD, procedures and internal controls, record keeping and suspicious transaction reporting – Consob applies administrative pecuniary sanctions not only to the supervised entity, but also to the members of their corporate body or control functions who are held responsible for the breach.

In addition, Consob may conduct AML/CFT on-site inspections on investment firms or asset management companies on behalf of Banca d'Italia, upon the basis of a MoU aimed at coordinating the inspection activities related to the performance of the respective institutional purposes. In this case CONSOB performs the inspection and sends the final report to Banca d'Italia, competent for supervisory action and follow-up.

In order to allow information exchanges and cooperation with the FIU, in 2012 Consob has signed a MoU with UIF to set out the modalities and contents of the information exchanges and to coordinate on-site inspections.

THE FINANCIAL INTELLIGENCE UNIT

The **UNITA' DI INFORMAZIONE FINANZIARIA PER L'ITALIA (UIF)** is the Italian Financial Intelligence Unit (FIU). It has been set up by Legislative Decree 231/2007, replacing the former Unit at the Italian Foreign Exchange Office (UIC). UIF meets all international standards and European regulation about FIUs' characteristics, organization and functions: it is an independent and autonomous body within the Banca d'Italia, it acts as the central, national Unit in charge of receiving, analysing and disseminating suspicious transactions reports and other information on possible money laundering and terrorist financing, and engages in domestic and international cooperation, notably by exchanging information in support to analyses within the European and global networks of FIUs.

The administrative status conferred to UIF is based on the distinction between financial analysis and investigation and values the former as a specialised task that adds value to the latter. Seamless domestic cooperation and extensive volumes of timely dissemination of quality analytical outcomes lie at the basis of the effectiveness of the Italian AML/CFT system, as recognised by international assessments. UIF acts as a 'buffer' between prevention and repression, in a framework designed also to safeguard a sound economic and financial system.

UIF's Director is autonomously responsible for managing the Unit. He or she is appointed by the Banca d'Italia Governing Board, on a proposal of the Governor, from among persons meeting suitable standards of integrity, experience and knowledge of the financial system. The Banca d'Italia provides financial resources, as well as premises, equipment, personnel and technical resources so that the Unit can effectively carry out its institutional tasks as envisaged by law. A Committee of Experts, composed of the Director and four members appointed by the Ministry of Economy and Finance after consulting the Governor of the Banca d'Italia, acts in an advisory capacity. UIF publishes an Annual Report on the full range of its activities.

UIF receives Suspicious Transaction Reports (STRs) from a wide range of obliged entities, analyses them, ranks them and transmits them to the Nucleo Speciale di Polizia Valutaria of the Guardia di Finanza and to the Direzione Investigativa Antimafia, together with a technical relation outlining the outcomes of financial analyses. For the same purposes, UIF receives communications on suspicious transactions from Government offices and threshold-based communications on transactions exposed to money laundering or terrorist financing risks.

Additional information can be obtained from any obliged entities as well as from relevant external databases. Intense cooperation is entertained with foreign counterparts.

UIF collects data, carries out financial analyses and determines whether the information should be passed on to the investigative authorities (the Special Foreign Exchange Unit of the Finance Police and the Anti-Mafia Investigation Department) or if it can be useful for cooperation with the judicial authorities. UIF also provides data to the National Anti-Mafia Directorate, with a view to verifying links with relevant judicial proceedings and carrying out targeted analyses, if appropriate¹.

¹ The UIF has a direct channel of cooperation with the judicial authority for sharing intelligence and engages in financial analyses supporting prosecutions and proceedings. In this respect, major Public Prosecutor Offices (*Procure della Repubblica*) have signed specific cooperation protocols with UIF in order to facilitate investigations and data and information exchange. Since 2017 extensive forms of cooperation and exchanges of data and information are in place between the UIF and the *Direzione Nazionale Antimafia*, implemented through specific agreements.

In support to UIF's strategic analyses, financial intermediaries file aggregate data on financial flows. These analyses, based also on other information from internal databases and external sources, focus on, among other things, phenomena, trends, practices and vulnerabilities; studies are conducted on individual irregularities and the exposure of economic sectors, categories of payment instruments, and local economies. An outline of the results of these studies is transmitted to the competent authorities.

UIF can suspend suspicious transactions for up to five working days at the request of investigative bodies (the Special Foreign Exchange Unit of the Finance Police and the Anti-Mafia Investigation Department), judicial authorities, foreign FIUs or on its own initiative, provided that this does not interfere with investigations under way. Suspension orders are issued in close cooperation with the investigative authorities.

Information processing and analytical activities are supported by sophisticated IT tools, developed also to cope with the volume of STRs, which has been increasing over the years.

The Unit issues regulations on the reporting of suspicious transaction, the transmission of aggregate data by financial intermediaries, threshold-based communications and communications on suspicious transactions on the part of General Government offices. In order to promote active cooperation through reporting, the Unit draws up and updates anomaly indicators and economic and financial anomalous behaviour models and patterns. It provides feedback on the outcome of the reports, also based on the information received from law enforcement agencies.

UIF is also in charge of performing on-site inspections vis-à-vis the full range of AML/CFT obliged entities with a twofold objective: support financial analyses on potential ML/TF cases and phenomena; identify and review areas of poor compliance with the obligations to detect and report STRs and other information.

The establishment within the Banca d'Italia, with complete operational and administrative autonomy, favours extensive and continuous collaboration with the supervisory functions (both prudential and AML/CFT) of the Bank.

The UIF also engages extensively in international cooperation by directly sharing information with foreign counterparts, in full conformity with international standards (Egmont Group, FATF) and European provisions requiring FIUs to provide, either spontaneously or on request, timely, constructive and effective reciprocal cooperation. Information exchanges are complemented by joint analyses on complex operational schemes of cross-border relevance.

UIF is an integral part of the global and European cooperation networks, based on fast and secure electronic communication systems. At the global level, the Egmont Group manages and updates the Egmont Secure Web, an encrypted platform for the exchange of information between FIUs. At European level, a decentralized communication infrastructure called FIU.NET has been set up, which enables a structured, bilateral or multilateral exchange of information and at the same time offers standardization, immediacy and secure data exchange. UIF also presented in 2020 a proposal to host and manage FIU.NET to guarantee continuity after the cessation of Europol and before AMLA takes over.

THE LAW ENFORCEMENT AGENCIES (LEAS)

The **GUARDIA DI FINANZA (GdF)**, without prejudice to the tasks of judicial police and public security which the law entrusts to each Police Force, plays a leading role in protecting the legality and fairness of the movements of money, securities and valuables in the national economic circuit, by virtue of the institutional tasks assigned by the law.

In this regard, it should be noted that:

- Article 2 of Legislative Decree No. 68/2001 assigns to the Guardia di Finanza the functions of economic and financial police in charge of preventing, investigating and countering violations to the detriment of the financial and securities markets, as well as of combating the illicit movements of capital, currencies, securities and national and foreign means of payment.
- Legislative Decrees No. 109/2007 and No. 231/2007 grant the aforesaid Police Corps specialised competences in the fight against the use of the financial system for the purposes of money laundering and terrorist financing, assigning to the Special Currency Police Unit of Guardia di Finanza and to all the Departments of the Guardia di Finanza specific and well-defined functions
- the Minister of the Interior, with the Directive issued on 15 August 2017 on the specialty areas of the Police Forces and on the rationalisation of police garrisons, assigned to the Guardia di Finanza the "pre-eminent" competence in the prevention and countering of violations regarding currency, securities, valuables and means of payment, as well as financial and capital movements.

In this scenario, the Guardia di Finanza,

- in the anti-money laundering sector exercises its peculiarities of specialized Police Force for economic - financial investigations through:
 - judicial police investigations, on its own initiative or by proxy of the Judicial Authorities, aimed at breaking up the money laundering and reuse networks of illicit proceeds;
 - preventive administrative investigations resulting from the development of suspicious transaction reports from the Financial Intelligence Unit pursuant to Legislative Decree No. 231/2007;
 - inspections of intermediaries, professionals and other non-financial operators to verify compliance with anti-money laundering obligations;
- in the anti-terrorism sector, complements and strengthens the investigative apparatus of the State Police and of the Carabinieri, flanking the traditional repressive action with the development of preventive and collateral investigations, aimed at the financial flows that feed the investments supporting national and international criminal groups.

It is a contribution that the Guardia di Finanza assures at the inter-force level, also through the participation in the Anti-Terrorism Strategic Analysis Committee (C.A.S.A.), instituted by the Minister of the Interior, carrying out tasks of analysis and evaluation of news of particular importance on domestic and international terrorism received by the Department of Public Security.

In this sector, the Guardia di Finanza performs, in addition to the development of reports of suspicious transactions for acts of financing terrorism, very specific tasks related to the implementation of financial sanctions adopted against countries that threaten international peace and security, as well as with reference to proposals for the inclusion of subjects and legal entities in the anti-terrorist black lists, procedures for the freezing of funds and economic resources for anti-terrorist purposes and investigations at the request of the Financial Security Committee.

From the framework outlined, it follows that Legislative Decree No. 231/2007 confirms and refines a structured system of functions and procedures reflecting the attributions of the various institutional

actors involved, in which the Guardia di Finanza constitutes, inter alia, the link between the preventive and the repressive plan.

By virtue of its competence in tax matters, the aforementioned police body acts as an operational link to exploit, where necessary, the information collected for anti-money laundering purposes together with the other actors of the system (Revenue Agency and Customs and Monopolies Agency), for the purposes of combating both tax evasion and avoidance and with regard to cross-border trafficking.

These forms of cooperation are aimed at strengthening the overall internal anti-money laundering mechanism, confirming the adequacy of the national system to the inspiring principles of the EU legislative framework.

In order to meet its responsibilities, the Guardia di Finanza has for some time now been equipped with highly qualified Units, the fulcrum of which is represented by the aforementioned Nucleo Speciale Polizia Valutaria (Special Currency Police Unit), with headquarters in Rome and branches in Milan, Palermo and Reggio Calabria. It operates in close connection with the Economic and Financial Police Units based in each provincial capital, within which there are specialised sections to combat money laundering.

In addition to these, there are the territorial units, more than 500, throughout the country, which are entrusted with the task, as mentioned above, of developing reports of suspicious transactions or other activities in the sector, which do not require referral to the aforementioned specialised structures.

Over time, this organisational structure has also been the recipient of specific directives aimed at strengthening its analysis functions, with the aim of giving concrete implementation to the lines of action contained in the documents on the assessment of money laundering and terrorist financing risks, drawn up by the Financial Security Committee.

On a more strictly operative level, also on the basis of the policy document issued by the Minister of Economy and Finance, specific workloads are assigned annually to the Special Currency Police Nucleus and to the cited Units, so that the money laundering prevention and counteraction carried out by the Corps is continuous, incisive and harmoniously distributed over the territory.

On this point, the constant increase in the number of reports of suspicious transactions has suggested the adoption of new 'work patterns', more and more performing in terms of efficiency and effectiveness, also thanks to the IT infrastructures specifically designed by the Guardia di Finanza to cope with them, such as the Currency Information System, which allows the timely management of information flows coming from the Financial Intelligence Unit, and the "dorsale informatica" ("IT backbone"), i.e. an architecture by means of which, through a single access point, it is possible to interrogate all the databases in use by the aforementioned Police Force, in a reasoned and rapid manner.

By following this path, the Corps in 2022 has significantly intensified its efforts in the preventive and financial aspect by enhancing anti-money laundering information (financial reports of suspicious transactions) in the various segments of the operational mission. In particular, the operational interventions that benefited from the information provided by the anti-money laundering prevention system led to the seizure of more than 2.8 billion euros.

The growing awareness of the cross-border dimension of crime has gradually led the Guardia di Finanza to the conviction that an ever more effective and appropriate counteraction requires maximum collaboration and cooperation between States, Institutions and Police Authorities, in order to jointly tackle global threats, favouring, in particular, maximum information circulation, the exchange of best practices and the mutual recognition of investigative and judicial acts.

With this awareness, the aforesaid Corps has been moving and operating for about twenty years, that is, since the national regulatory system established with Legislative Decree No. 68/2001, by

redefining the tasks and attributions of the Guardia di Finanza, expressly underlined the strategic value of promoting and implementing "forms of operative cooperation, at an international level, with foreign collateral bodies, for the counteraction of violations in economic and financial matters to protect the State Budget and the European Union".

Over time, the Guardia di Finanza has progressively consolidated its identity as a Law Enforcement Agency, with a marked international projection, becoming a reference model, immediately recognisable by foreign collateral Organisations and Bodies.

The **DIREZIONE INVESTIGATIVA ANTI-MAFIA (D.I.A.)** is an investigative body, composed of specialized personnel drawn from the Police Forces, entrusted with specific action to contain the expansion of criminal organizations and mafia phenomena in the economy, implemented by combining law enforcement activities with targeted investigations of a preventive nature aimed at warding off the risks of possible infiltration into the financial system and the vital ganglia of the country.

In fact, the proceeds of organized crime play a key role in the accumulation of huge financial assets that, in addition to financing further criminal activities and sustaining the costs of maintaining the criminal structures, are invested in the legal economy to constitute apparently licit profits, capable of favouring sophisticated processes of camouflage and overlapping on the social as well as financial levels.

By virtue of its peculiar attributions, therefore, the DIA takes on an important role in the structure of the system for the prevention of money laundering of capital of illicit origin, where it is called upon to carry out, with a character of exclusivity, the investigations pertaining to organized crime of the suspicious transaction reports (STRs) transmitted by the Financial Intelligence Unit for Italy (FIU) and the information acquired in international cooperation relationships or information exchanges of a national nature.

For the management of data flows related to STRs, the DIA makes use of the EL.I.O.S. System (Elaborazioni investigative operazioni sospette), which contains the entire wealth of information received from the FIU to date.

The development of the data contained in the STRs that form the object of in-depth analysis and the resulting investigations feed numerous activities of a preventive and repressive nature, the effects of which are expressed in a general action of containment not only of money laundering and related predicate offenses but also of the infiltration of organized crime into the legal economy of the country's system.

In the 30 years since it was established (1991) within the Department of Public Security, the DIA has completed 1,135 activities that have led to the arrest of 11,478 subjects and enabled assets worth more than 7.5 billion euros to be taken from the mafias. Among its strengths it notes its organizational structure, which is particularly streamlined and able to adapt to the changing evolution on the ground of criminal scenarios, characterized by a Central Directorate based in Rome and 24 branches, divided into Centers and Operational Sections, established in the areas of greatest interest or presence of mafia crime.

For several years, the DIA has focused its attention on the tendency of criminal organizations to expand outside their territories of choice, through a slow but steady process of integration and pollution of legal economies across borders.

The main instrument through which investigative action on issues of merit is carried out is international police cooperation, at bilateral and multilateral levels, in which the DIA, thanks to its own know-how, is recognized as a key partner.

In fact, the long operational experience gained in investigations of a preventive and judicial nature, aimed at seizing assets of illicit origin accumulated by the mafias and breaking them up, make it a unique interlocutor of its kind, for the purposes of both the analysis of criminal facts and information pertaining to the mafia phenomenon.

In this framework, on December 4, 2014, the Council of the European Union in JHA composition unanimously approved the Italian initiative (DIA) to establish the Operational Network @ON whose purpose is to strengthen transnational police cooperation against the main organized crime groups (top level OCGs) and mafia-type groups impacting EU Member States, as such and regardless of the criminal activities committed.

The importance of such a network is confirmed in the "EU Strategy for Combating Organized Crime 2021-2025" where, in the context of combating organized crime structures that pose a greater risk to Europe's security, it is stated, among other things, that: "At the European level, operational cooperation against mafia-style organized crime groups implemented through the @ON Network facilitates the field deployment of specialized investigators in all member states to assist in the investigation of cross-border organized crime groups."

In addition, the EU Commission, by Direct Grant from the ISF, through the Project "ISF4@ON" (ISFP-2020-AG-IBA-ONNET-nr.101052683), has funded the activities of the @ON Network with €2 million for an additional 24 months (2022-2023) starting on February 1, 2022.

The @ON Network, to which 35 police forces representing 30 countries have joined, operates through a "Core Group" of countries (Italy, France, Germany, Spain, Belgium and the Netherlands), which is the steering committee for selecting the investigations to support.

At present, the Network is supporting the Investigative Units of the @ON Network Member States in 112 investigations, and has funded 424 missions in support of more than 1,446 investigators that have led to the arrest of 556 people, including 6 fugitives in addition to the seizure of approximately 151.4 million euros, drugs and weapons.

The DIREZIONE NAZIONALE ANTI-MAFIA (D.N.A.) plays an important role in the national system for the prevention of the risk of using the financial system for money laundering and terrorist financing purposes, as governed by art. 8 of Legislative Decree n. 231/2007. Together with the Italian judicial authorities, the D.N.A. carries out a very effective repressive actions towards ML, predicate offences and FT, also thanks to the preventive measures provided for by the law (i.e., seizing and confiscating assets located in Italy and abroad). Starting from 2017, a very effective and innovative exchange of information has been in place between the FIU and the DNA, aimed at intervening in the very first phase of the analysis of suspicious transactions by linking STR data with data and information held in the DNA's database in order to identify subjects and cases for appropriate investigations and prosecution activities. The repressive action towards ML/TF of the Italian Judicial Authorities is incisive and it is built on the internationally recognized effective "follow the money" approach.

The subject of **suspicious transaction reports** is dealt with within a specific **Service** within the DNA, deeply restructured with the provisions of the NAP of November and December 2022, on the assumption of the importance that the sector also covers for the purpose of exercising the functions of impetus and investigative coordination of the National Anti-Mafia and Anti-Terrorism Prosecutor's Office.

The activity carried out in the specific sector is focused on the examination of reports of suspicious transactions in order to enhance their information value, linking the objective and subjective elements

that can be deduced from them with the information contained in the SIDDA-SIDNA database available to the National Management, in order to contribute to the District Prosecutor's Office information material of considerable importance.

Specifically, the DNA - through the NSPV of the Guardia di Finanza and the D.I.A. - receives from the UIF, every 15 days, the anonymized personal data of the subjects present in the reports of suspicious transactions transmitted by the obliged parties, which are subjected to an automated *matching* procedure with the names of the subjects registered in the "*General Register of Crime News (REGE)*" - concerning criminal proceedings for the crimes referred to in art. 51, paragraphs 3-*bis* and 3-*quarter* of the Italian Code of Criminal Procedure registered by the District Prosecutor's Office - in the registers of prevention measures as well as with those present in the SIDDA-SIDNA database.

At the end of this procedure, feedback is returned to the FIU, which transmits to DNA only the information relating to the reports that relate to subjects for which there was a match in the aforementioned databases.

The reports of suspicious transactions received from the FIU - as well as, in distinct phases and pursuant to art. 40 of Legislative Decree no. 231/2007, also from the NSPV of the Guardia di Finanza (where relating to terrorist financing phenomena) and from the D.I.A. (where concerning organized crime) - at the end of a second automated *matching* procedure include:

1. reports containing subjects present in the registers for criminal and prevention proceedings registered in the last two years are promptly sent to the District Prosecutor's Office;
2. reports containing subjects present in the registers for criminal and prevention proceedings registered for more than two years and found in the documents present in the SIDNA database, are transmitted to the STR Working Group operating in DNA for subsequent analytical analysis, useful for the exercise of the functions of impulse and investigative coordination pursuant to art. 371-bis of the Italian Code of Criminal Procedure.

In the activities carried out by this Office, those that have become of considerable importance are:

- 1) the direct relations maintained by the National Anti-Mafia Directorate with numerous judicial offices engaged - both at European and non-European level - in the fight against terrorism, thus allowing to achieve significant international coordination results that have led to the spontaneous and timely circulation of information;
- 2) the Memoranda of Understanding signed by DNA with the FIU, the Gdf, the DIA and the ADM, thanks to which the exchange of information useful for the examination of phenomena of interest has been implemented and strengthened;
- 3) the deepening of the communications with foreign FIUs on organized crime and terrorist financing, the evidence of which is examined and processed by cross-checking it with the data available in the DNA database in order to verify its usefulness for investigations already underway by the District Prosecutors or with a view to providing impetus to them for the start of investigation activities;
- 4) the examination of currency and merchandise reports in which the Customs and Monopolies Agency participated and which are useful to verify the existence of infiltration phenomena of organized crime in certain sectors of the economy or the use of companies for the purpose of laundering illicit proceeds.