ORGANIZATIONAL MODEL

(PURSUANT TO TITLE X OF ACT VIII OF 11 JULY 2013)

CENTESIMUS ANNUS PRO PONTEFICE FOUNDATION

GENERAL PART

APPROVED BY THE BOARD ON NOVEMBER 18TH 2021

A) ADMINISTRATIVE LIABILITY OF ENTITIES ARISING FROM OFFENCES IN THE LEGISLATION OF THE VATICAN CITY STATE

1. FOREWORD: OUTLINE OF THE VATICAN PENAL SYSTEM.

The penal system currently in force in the Vatican State dates back to February 1929, when - with the signing of the Lateran Pacts - the so-called Roman Question was closed and the Vatican City State was created. Law no. II of 7 June 1929 established that the new State would adopt the penal code and the code of criminal procedure in force in the Kingdom of Italy at the time of the signing of the Pacts. Thus, the Zanardelli Code, which would soon be replaced in Italy by the Rocco Code, began its 'second life', much

longer than the one it had already lived, as it is still in force in Vatican City. Similarly, as to procedural rules, the 1913 Code of Criminal Procedure (the so-called Finocchiaro-Aprile Code) was adopted. This legislation has remained substantially unchanged for about eighty years except for a few legislative measures to adjust the level of fines: the new law on the sources of law (Law no. LXXI of 1 October 2008) confirmed, in Articles 7 and 8, the Criminal Code and the Code of Procedure transposed in 1929.

After this long period of legislative stagnation, at the end of 2010, a tight schedule of legislative amendments began, which gave rise to a real process of transformation of the criminal section of the Vatican legal system. In this context, the introduction of the administrative liability of entities for crimes takes on a very special relevance. In fact, as of 2012, the legal system of the Vatican City State has also adopted rules on the administrative liability of entities for criminal offences, along the lines of the corresponding rules introduced in Italy in 2001.

It may indeed appear strange that a form of *ultra-individual* liability, normally attributable - although not exclusively - to forms of crime mainly of an economic nature, has been included in the legal framework of a State where there is no market economy, no private property, no freedom of economic initiative and where it is difficult to imagine anyone committing economic crimes *stricto sensu.* However, beyond these considerations, it should be noted that in 2012 - when the Decree of the President of the Governorate No. CLIX had to be confirmed - the Confirmation Law No. CLXVI of 24 April 2012, introduced in the text of decree Article 42-bis with the heading "Administrative responsibility of legal entities". This single provision, divided into five paragraphs, regulated for the first time the entire criminal liability of entities, which in Italy is contained in Legislative Decree No. 231 of 8 June 2001. Moreover, the Vatican law provision limited this new form of liability only to the offences of money laundering/self laundering (Article 421-bis of the Vatican Criminal

Code (**1**) and the financing of terrorism (Article 138-ter of the Vatican Penal Code (**2**) which, it should be noted, were introduced into the legal system by Law no. CXXVII of 30

(**1**) Art. 421-bis of the Vatican Penal Code: "1. Whoever, outside the cases provided for in Art. 421: (a) replaces, converts or transfers cash, property or other economic resources, knowing that they originate from a predicate offence or from participation in a predicate offence, for the purpose of concealing or disguising the illegal origin of the same or of helping any person involved in such criminal activity to evade the legal consequences of his actions; b) conceals or disguises the real nature, source, location, disposition, movement, ownership of cash, goods or other economic resources, or of the rights thereto, knowing that they originate from a predicate offence or from participation in a predicate offence; c) acquires, possesses, holds or uses cash, goods or other economic resources, knowing, at the time of their receipt, that they originate from a predicate offence or from participation in a predicate offence; shall be punished with imprisonment from four to twelve years and with a fine ranging from 1.000 to 15,000 euro. - 1-bis. For the purposes of this Article, "predicate offence" shall mean any offence punishable under criminal law by a minimum term of imprisonment or detention of six months or more, or a maximum term of imprisonment or detention of one year or more. - Money laundering shall be regarded as a criminal offence whatever the value of the cash, property or economic resources derived from the predicate offence, even if no conviction has been obtained for that offence. - 3. Money laundering shall also be regarded as applicable where the perpetrator is the same as in the predicate offence. - – [4. Money laundering shall also be regarded as such where the offence from which the cash, property or economic resources originate was committed in another State]. 4. Money laundering also exists when the offence, provided for as a predicate offence by criminal law, from which the cash, property or economic resources originate has been committed in another State. 4-bis. Money laundering also exists when the cash, goods or economic resources are the price, product or profit of a tax or fiscal offence committed abroad. - 4-ter. The punishment of imprisonment from one to three years and a fine ranging from 1,000 to 10,000 Euros shall apply when the perpetrator of one of the acts referred to in the first paragraph is guilty of serious negligence with regard to the knowledge of the origin of the money, goods or any other economic resource from a predicate offence. - In cases of conviction, the judge shall order the confiscation of: a) the product, direct or indirect, of money laundering, including all the means used or intended to be used for that purpose; b) the profit or other benefit derived, directly or indirectly, from the proceeds of the offence prior to the laundering. - 6. When it is not possible to confiscate what is indicated in paragraph 5, letters a) and b), the judge shall order the confiscation of cash, property or economic resources of equivalent value, which are found to be owned or possessed by the convicted person, either exclusively or jointly, directly or indirectly, without prejudice to the rights of bona fide third parties. - The cash, property or economic resources subject to confiscation referred to in paragraphs 5 and 6, taking account of any international distribution agreements, shall be acquired by the Holy See and donated to the religious and charitable works of the Supreme Pontiff. - 8. The judge shall take precautionary measures, including seizure, to prevent the sale, transfer or disposal of the cash, property or economic resources that may be subject to confiscation, as well as measures enabling the competent authorities to identify, trace and freeze the cash, property or economic resources that may be subject to confiscation, without prejudice to the rights of bona fide third parties".

(**2**) Art. 138-ter of the Vatican Penal Code was repealed by Art. 54, paragraph 1, letter *a) of* Law No. VIII of 11 July 2013 and so replaced by Art. 23 of the same Law No. VIII, then further amended by the Decree of the President of the Governorate No. CCCXXIX of 1 October 2019: "Any person who, directly or indirectly, collects, disburses, deposits or keeps cash, property or other economic resources, howsoever made, with the intention that they will be used or knowing that they will be used, in whole or in part, for the purpose of:

(a) commit one of the offences provided for in Titles V, VI, VII and VIII of this Law;

b) carrying out or aiding and abetting one or more acts of terrorism;

December 2010 (money laundering) and by Law no. CLXVI of 2012 (financing of terrorism). Subsequently, Law No. VIII of 11 July 2013, concerning "Criminal regulations on criminal matters", dedicated the entire Title X to the regulation of the *administrative liability of legal persons deriving from a crime* (from Article 46 to Article 51), providing for this form of liability for all crimes and no longer limited to those provided for in Articles 421-bis and 138-ter of the Vatican Penal Code. Lastly, Law No. XVIII of 8 October 2013 repealed Article 42-bis of Law No. CLXVI of 2012. As a result, the liability of entities is now consistently regulated within a single provision.

1. REASONS BEHIND THE INTRODUCTION OF ADMINISTRATIVE LIABILITY OF ENTITIES IN THE VATICAN STATE.

The provision of liability for crime for entities in the Vatican does not arise from a criminal policy requirement such as to require such a protection, but is part of the process of progressive alignment of the legislation of that State with the most advanced legislations, and the signature of many international conventions, especially (but not only) on economic and financial matters and, in particular, on money laundering and terrorist financing.

More precisely, the need to introduce liability rules for legal persons can be found in the *Monetary Convention between the European Union and the Vatican City State* signed in Brussels on 17 December 2009 (**3**): Article 8 of this Convention provided for the commitment of the Vatican City State to adopt the EU legal acts and rules listed in the annex, concerning euro banknotes and coins and the prevention of money laundering. Among the legal provisions that the Vatican State undertook to adopt was, at the top of the Annex to the Convention, Directive 2005/60/EC of 26 October 2005, the so-called "third anti-money laundering directive": recital no. (41) of this Directive expressly stated that "it is appropriate to provide for sanctions against natural and legal entities. Given that legal

shall be punished, irrespective of the use of goods or economic resources for the commission or attempted commission of such conduct, by imprisonment from five to fifteen years.

2. The offence exists whether the acts are intended to finance associations or whether the acts are intended to finance one or more natural persons.

3. The same punishment, reduced by one third, shall be imposed on any person who finances persons included in the list of those who threaten international peace and security. The offence does not exist if the provision of goods or resources takes place in the course of an emergency humanitarian or charitable operation and to the extent that the goods provided are strictly indispensable to meet the basic needs of the beneficiaries".

(**3**) Published in the *Official Journal of the European Union of* 4 February 2010, C 28/15.

entities are often involved in complex recycling or terrorist financing operations, sanctions should also be adjusted to take account of the activity carried out by legal entities".

Consequently, the rules establishing the liability of legal entities originally introduced by Article 42-bis of Law No. CLVI of 24 April 2012 were limited to the offences of money laundering and terrorist financing. Immediately afterwards, however, following the "current regulatory trend at international level" (4), Law No. VIII of 11 July 2013 provided for a much more detailed regulation, which did not place any limitation in relation to predicate offences that could also generate liability for entities: a choice emblematic of the desire to drastically overcome, once and for all, the principle *societas delinquere non potest*.

This choice is in partial contrast with the Italian legislature, which in 2001 opted for a model of minimalism, in order to "encourage the progressive establishment of a mature culture of legality", and then proceeded from time to time to expand the scope of the predicate offences, as the occasion arose (5). The path taken in 2013 by the Vatican legislature is certainly more radical and direct, *given* that, apart from money laundering offences (and subsequently corruption offences, as established by the Merida Convention (6), there were no express obligations to adopt rules on the criminal liability of entities for the rest; but above all, the choice indicates the desire to bring Vatican legislation into line with international response to crime. VIII: "as a *result of the development of offences perpetrated by entities having legal personality, it is also appropriate to establish a system of administrative liability of legal persons/entities resulting from the offence*". It is therefore, beyond the real (and effective) need for protection and regardless of international obligations, a real historical turning point, which the Vatican legislator has undertaken in the face of the transformation of social reality even within the State of the Pope.

(4) According to what is contained in the text of presentation of H.E. Monsignor Dominique Mamberti, Secretary for the Holy See's Relations with States, of Pope Francis' Motu Proprio on Criminal Matters and on administrative Sanctions, available at http://www.vatican.va/roman_curia/secretariat_state/2013/documents/rc-seg-st-20130711_mamberti-presentation_en.html

(5) It should be recalled that, originally, the Italian regulations on the administrative responsibility of entities originally envisaged this form of responsibility only in relation to predicate offences (attempted or completed) aimed at protecting the financial interests of the EU., therefore the crimes of embezzlement to the detriment of the State, undue receipt of disbursements to the detriment of the State, aggravated fraud for the attainment of public funds and computer fraud to the damage to the State, as well as crimes of extortion and corruption.

(6) The United Nations Convention against Corruption (known as the Merida Convention) was adopted by the UN General Assembly on October 31, 2003. The Holy See formally deposited its instrument of accession on September 19, 2016.

3. DETAILED REGULATION OF THE LIABILITY OF VATICAN ENTITIES .

In Law No. VIII of 11 July 2013, Title X° is entirely devoted to regulating the new form of criminal liability for entities which, as already in the title, is qualified as "*administrative* liability for legal persons". Similarly to the Italian system, Article **50(1)** states that "*jurisdiction on the administrative liability of legal entities lies within the province of the criminal court competent for the offences from which that liability arises*". Therefore, depending on the jurisdiction for the offence committed by the natural person, the Court and the Single Judge will be able to hear also the liability of the entity arising from the offence, according to the concept of *simultaneus processus.* Therefore, also the Vatican regulation introduces a form of liability of a nominally administrative nature, which is ascertained by the criminal court.

Therefore, even in the Vatican legal system, the liability of entities is envisaged as a hybrid form of criminal liability, qualified as administrative (in fact, para-criminal) essentially to harmonize it with the neighbouring Italian system. It certainly cannot be qualified as administrative liability *stricto sensu* (i.e. it cannot be ascribed to the typical model of administrative punitive offence under Law No. X) because it arises from the commission of a crime and is subject to most of the guarantees of criminal proceedings (Art. 50, paragraph 4), but despite appearances, it cannot be defined as criminal, given the impossibility of recognizing the collective entity as a subject 'capable' of being re-educated.

On the other hand, the Vatican legislator bases the administrative liability of entities on certain general rules on administrative sanctions contained in Law No. X, on the subject of instalment of payment, prescription and devolution of proceeds (Article 51). This shows the decision to create, with this new form of liability, a hybrid instrument which, on the one hand, is generated by the commission of an offence ascertained through the criminal process but, on the other hand, is also subject to rules drawn from the general rules on administrative offences.

3.1. THE ADDRESSEES.

As regards the scope of application of the system of liability for offences committed by entities, reference should first be made to the persons to whom it is addressed. In this regard, **Article 46**(**6**) establishes, with a very simple provision, that "*the provisions of this Title shall not apply to public authorities*".

This expression identifies a group of persons excluded by law from compliance with the rules on the administrative liability of entities. As to the concept of 'public authorities' it

is important to consider Article 1 no. 2 of Law no. CLXVI of 2012; it is true that the definitions it contains are "for the purposes of this law", but the interpreter should not disregard the fact that the original rules on the administrative liability of legal entities were provided for in Article 42-bis of that law, which already excluded 'public authorities' from the system of liability of entities. Therefore, it is not improper to argue that a public authority, as defined in Article 1, no. 2 of Law no. CLXVI, means any "*body or entity which, under domestic law, carries out, directly or indirectly, an institutional activity that is an expression of sovereign authority*". In this respect, the Vatican discipline eliminates from the scope of application of the system of liability of entities any authority endowed with public powers (e.g., dicasteries), reserving it in a residual manner only to legal persons under Vatican law (e.g., *Caritas Internationalis*, Health Care Fund) and to those under canon law registered in the Vatican register of legal persons (e.g., Libreria Editrice Vaticana, Fondazione autonoma Bambino Gesù).

It should also be pointed out that, with reference to offences committed against security, fundamental interests or patrimony of the Holy See and those envisaged by Laws nos. VIII and IX, the Holy Father, in an Apostolic Letter in the form of *Motu Proprio* dated 11 July 2013 (*in our times*), assigned the jurisdiction of the judicial organs of Vatican City State with the task of ascertaining the administrative liability of legal persons for acts, wherever committed, when they are carried out by persons holding top positions in entities directly dependent on the Holy See and registered in the Governatorate's register of canonical legal perons.

3.2. OBJECTIVE CRITERIA FOR THE ATTRIBUTION OF LIABILITY.

The legal entity and, in particular, its sphere of action is determined by the activities of the individuals that make it up. Therefore, since the legal person operates through its bodies, the Vatican legislator resorted to the organic theory to allow liability to be attributed to the body. In other words, it is necessary that the offence, committed by a natural person, is committed in the interest or to the advantage of the body. This is made explicit in Article 46, i.e. the first provision in Law No. X governing this form of liability: "***The legal person shall be liable for offences committed in its interest or to its advantage***".

In other words, by requiring that the natural person has committed the offence in the interest or to the advantage of the organization, the legislator wanted to highlight the necessary connection that must exist between the offence (which is still committed by a third party, i.e. a natural person) and the objectives of the organization, thus identifying a genuine *objective criterion for ascribing liability.*

The expression in Article 46(1) is characterized by the fact that it uses the disjunctive 'or' between the concepts of interest and advantage: the sufficiency of one or the other

purpose can be inferred from this construction: provided the offence is committed in the interest of the body, it is not necessary for the body to benefit from it.

Interest must be understood as meaning that the act committed by the natural person must be committed because the legal person has, by its *policy, led* the agent to commit that offence. It is therefore irrelevant whether a person, despite having a representative position, commits an offence within the body/corporate in his own exclusive interest (Art. 46(2)). On the other hand, it is a different matter if the interest that was the 'trigger' for committing the offence is predominantly (but not exclusively) personal in nature for the agent or for third parties. In this case, provided for in Article 48(*a),* the presence of a predominantly individual interest does not eliminate the relevance of the offence for the body, but allows the reduction of the fine. This is the case, for example, of a manager of a Vatican legal person who, unbeknownst to the entity to which he belongs, in order to create the conditions for career advancement, carries out a series of acts of corruption, thereby also benefiting the entity.

On the other hand, **the term *advantage*** must be understood, according to an objective meaning, in the sense of profit or, in any case, economic enrichment that the entity derives directly from the offence committed by the natural person.

This system is clearly modelled on a form of intentional individual liability: in fact, the very concepts of *interest* and *advantage* refer to the intention to commit an act, which from the outset is characterized by a meta-individual purpose. However, given the general reference to " predicate offences committed in the interest or to the advantage of the offender", the underlying offences must necessarily include culpable offences such as, for example, murder and culpable personal injury following an accident at work.

The same rule (Art. 46) also identifies the categories of persons acting for the legal person, grouping them into two types:

***a*) those who** hold top management positions (representative, administrative or managerial functions of the entity), as well as those who exercise, *also de facto*, control and management of the entity;

***b*)** those who hold executive positions (i.e. who are subject to the leadership or supervision of one of the persons mentioned above).

The above-mentioned qualifications are necessary, since in their absence an offence could never be attributed to the organization. In other words, the above-mentioned functional qualifications and the need for the offence to be committed to the *advantage* or *in the interest of the* entity satisfy the requirement that the offence is committed by *(id est,* belongs to) the legal person. The legislator's decision to broaden as far as possible the category of persons in relation to whom the objective charge against the entity is triggered

must also be shared: in fact, not only managers (and not only de facto directors), but also an usher, a driver or a warehouse-keeper may, through their behaviour, commit an offence 'which finds its cause in a deliberately unscrupulous business policy or in a clumsy management of internal organizational mechanisms'.

3.3. CRITERIA FOR SUBJECTIVE IMPUTATION OF LIABILITY.

- If in Article **46**(1) and (2), the legislator has provided for the objective criteria for ascribing the liability of entities, Article **46(3) sets out** the criteria for subjective liability. This is because the legislator has not created a form of objective liability for the entity, based only on the (material) connection between the fact, the natural person and the legal person. The legislator wanted to anchor the reproach against the legal person to 'a *deficit in* the organization or activity, compared to a model of diligence required by the legal person as a whole'. In other words, a mere objective connection between the natural person and the legal person is not sufficient, nor is it sufficient that the offence was committed in the interest or to the advantage of the legal person. The legislator requires that the offence committed by the natural person is an expression of the organization's policy and derives in any case from an organizational deficit (so-called *organizational culpability*), which in fact contributes to making it easier for the natural person to commit the offence.

To this end, the Vatican legislature has also diversified the criteria for the subjective attribution of liability on the basis of the different categories to which individual perpetrators belong.

In the case, provided for in Article 46(1)(*a*), concerning *offences committed by persons holding - even de facto - senior positions*:

the legislator has identified the culpability of the entity in its corporate policy choices. In other words, since the offence is committed by a senior person in the hierarchy of the legal person, the legislator presumes that the offence belongs to the organization itself (to its corporate policy).

In this case, there is a real reversal of the burden of proof: Article 46(3) states, in this respect, that the legal person shall *not* be liable (for the offence committed in its interest or to its advantage by the natural person in a leading position) if it proves that

(a) effective preventive protocols designed to prevent offences have been adopted and applied;

b) in order to ensure maximum efficiency of the organizational models, a specific control body, endowed with complete autonomy, has been set up within the legal person;

(c) senior management committed the offence by fraudulently circumventing preventive protocols;

(d) there was no omission or negligence in the work of the supervisory body.

This is one of the most important rules; it indicates that the liability of the legal person is not automatic, but only follows if the legal person had not put in place a suitable and effective *organizational model* to avoid that type of offence. This fits in perfectly with the spirit of the system: that of a desire to *prevent* criminal risk, achieved by anticipating the threshold of prevention at an *ante delictum* stage. The organizational model is nothing more than a real procedural system of the legal person (a sort of behavioural protocol) aimed at preventing and avoiding the commission of offences of that kind (the so-called prevention model). Each entity must verify, *depending on its activity*, the so-called risks of offences and catalogue all those offences that could occur in the course of its activity. It is for this reason that the legislator has not provided for a specific organizational model scheme valid, in general, for every legal person, since it must be tailored to the type of entity to which it refers. The organizational model must therefore be tailored to fit as closely as possible the features of each entity in order to prevent the so-called risk of offence. As regards the features that the organizational model must have, it should be noted that it must be suitable and effectively implemented and the judgement on the suitability of the model is left to the Judge.

This regulation is a turning point, since **it is the law that requires the entity [in particular, the management body referred to in Article 46, paragraph 1, letter a)] to prepare an *organizational model* that shapes the entire structure of the legal person, in order to ensure effective protection of all those assets, both internal and external to it, exposed to risk by the activity of the entity**. This undoubtedly represents a considerable commitment for the legal person (also in terms of new costs to be faced), which will have to include the preparation of its own organizational model in the broader strategic planning design, trying to reconcile its needs with the other purposes. But there is no doubt that the real novelty, the historic turning point represented by the system of liability of legal persons, can be seen in the fact that it has involved the body in a design aimed not only at preventing the commission of offences, but at removing all those 'risk factors which, looking at the history of the body, have already occasioned or encouraged the commission of an offence, if only because of their continuing criminal attitude'.

Therefore, the preparation of the organizational model represents the central element of that totally new culture, also adopted by the Vatican legal system, characterized by the fact that the commission of offences has been assumed to be a further risk for each legal person, the prevention of which has been entrusted - in a perspective of 'state-private co-regulation of risks' - to the entity itself.

A particularity of the rules on the liability of entities for criminal offences concerns the situation of certain private legal persons recognized in the Vatican State, which, however, find themselves recognized and operating also within other legal systems (e.g. the Italian one). In these cases, there can be no doubt that it is necessary to adapt to the national rules of the territory in which one operates, but above all it must be stressed that the risk of offence in one State may be different from that in the Vatican: with the consequence that, in such cases, it is normal to adopt a specific and different organizational model for each State where the entity operates.

4. THE SUPERVISORY BODY.

In the context of the preparation of an organizational model, the Vatican legislator has provided for the establishment of an internal body which, completely separate from the ownership,has autonomy of action and is intended to monitor, at all times, the effectiveness of the organizational model (for example, in some companies, this role could be effectively covered by the *Internal Auditing* Department).This is because, we reiterate, the organizational model must not be something formal, static, almost a sort of 'passe-partout for attaining legality', but must consist of an effective procedural model, aimed at triggering and ensuring a virtuous circle in the activity of each legal person. In other words, it is necessary to avoid that the entire world of Vatican legal persons assumes, precisely with view of a new management culture, a bureaucratic approach in the application of the legislation in question, with a merely formal application of ineffective organizational practices (so-called *cosmetic compliance*).

The internal body is provided for in Article 46(3)(b) and is one of the prerequisites for the conduct of the legal person.

This body has two main tasks:

- first and foremost, the continuous supervision of the adequacy of the organizational model to the actual risks/offences;

- secondly, the permanent and continuous monitoring of the model itself, in order to verify its continuous efficiency, with the natural power to make changes and extensions.

The body in question must be set up by the top management of the legal person to which it relates and as a genuine internal structure of the entity itself, with powers of autonomy.

In any event, it must be ruled out that the aforesaid body has any obligation to prevent the event, with the consequent joint liability of its members, when a person- belonging to the legal person- commits an offence in the interest of the body itself. In fact, not only has the supervisory body an obligation to monitor (the functionality of the organizational model), which does not entail any obligation to prevent the event, but it should be pointed out that Vatican criminal law lacks a provision such as that provided for in Article 40 of the Italian Criminal Code on the subject of the obligation to prevent the event.

5. THE ORGANIZATIONAL MODEL.

In the case of *offences committed by persons in a subordinate position* (i.e. falling within the definition in Article 46(1)(*b)*), real organizational fault is required. In other words, the liability of the entity is excluded if the entity has adopted an effective organization, management and control model before the offence was committed.

In essence, this is a liability modelled on the classic contributory negligence scheme of the act committed by the natural person within the company. The legislator has differentiated the situations, considering it obligatory for persons in top positions 'to prepare organizational models suitable for preventing offences committed by subordinates'. On the other hand, with regard to offences committed by persons in senior positions, the adoption of 'preventive' models, such as those provided for in Article 46(3)(*a),* which have the effect of excluding the liability of the organization, is not an obligation, but only an option (rectius, i.*e. an* obligation, in the sense that failure to adopt is not punished, but prevents the organization - if an offence is committed for which it is liable - from obtaining a lesser degree of culpability).

In other words, organizational models play - within the entity - the role of real *operational systems*, which operate as 'sensors' of the risks of offences, in order to carry out simultaneously both an effective monitoring and reporting activity, and a real prevention activity. The presence of the aforementioned models is in any case decisive in ensuring that an authentic *culture of control and legality* is unequivocally affirmed in the structure and life of the entity.

6. SANCTIONS.

One of the peculiar aspects of the new rules introduced by Title X of Law no. VIII of 2013 is that of sanctions. It should be noted that, *de iure condendo,* one of the insurmountable obstacles to the criminal liability of legal persons has always been the lack of suitable sanctions to be applied to collective entities. This situation has led to the observation that *societas delinquere potest, sed puniri non potest*.

This problem was even more evident in the Vatican legal system since the criminal code dates back to 1889, when no (para-)criminal liability for legal persons could be imagined. The entire system of sanctions introduced is undoubtedly interesting, since it is based almost entirely on sanctions that look at the profit, or at least the economic profit of the entity: this is easily explained by the fact that for every entity the patrimonial aspect is one of the essential elements for its operation (capital and labour). As a result, a sanction affecting the assets of the company is a sanction affecting a fundamental asset of the company, such as the personal freedom of the individual.

Within Title X, **sanctions are dealt with in Articles 47, 48 and 49,** which form a system that is not always clear. Sanctions are listed **in Article 47**, which states: "**It is for the judge to determine which administrative sanctions to impose in the event of administrative liability arising from an offence**", and they are:

- *financial penalty;*
- *disqualifying sanctions;*
- *confiscation.*

As regards **disqualification sanctions**, these are specified in the second paragraph and are:

- *disqualification (permanent or temporary) from exercising the activity;*
- *suspension or revocation of authorizations, licences and concessions, as well as a ban on contracting with public authorities*;

This is a completely innovative sanctioning system for the Vatican legal system, which reproduces the Italian system in a simplified form, based entirely on principal sanctions and calibrated on a clear distinction between pecuniary penalties and disqualifying sanctions. The latter, in particular, also constitute main sanctions with a predominantly special-preventive function, in view of the fact that - depending on the

individual sanction chosen - they can paralyze the activity of the entity, or condition its operations by limiting its legal capacity or withdrawing financial resources.

6.1. PECUNIARY PENALTY.

It is easy to see that the usual penalty for entities is, also in the Vatican system, the *pecuniary penalty,* which is applied in most cases: this situation constitutes further confirmation of the *trend* - already evident in general criminal law - that the sanction limiting personal freedom no longer constitutes "the exclusive or immanent centre of the criminal response". As regards the way in which the administrative pecuniary penalty is applied, the Vatican system is substantially different from the Italian system: in fact, apart from the fact that the quantification of the penalty is not based on the quota system, the most marked difference lies in the fact that administrative liability for entities derives from every offence and therefore there are no specific statutory penalties in relation to each act committed, but the judge will proceed to apply a penalty, quantifying it on a case-by-case basis, within the limits set by Art. 47, paragraph 4 ("If the law does not provide for the amount of the pecuniary penalty, it shall be determined from a minimum of five thousand euros to a maximum of two hundred thousand euros, taking into account the criteria set out in the previous paragraph").

6.2. DISQUALIFYING SANCTIONS.

Unlike the pecuniary penalty, *disqualifying sanctions do* not apply indiscriminately to any type of offence, but only in the cases expressly provided for in **Article 49.** In particular, this provision alternatively requires that at least one of the following situations occurs, namely:

a) *the legal person has made a significant profit and the offence was committed by persons in a senior position or by a person who was subject to the direction of others, when this was possible due to serious organizational deficiencies of the entity;*
b) *there is a repetition of the offences*.

Disqualifying sanctions normally last for no less than three months and no more than two years (Article 49(2)), unless the entity has made a significant profit and has already been subject twice in the last ten years to temporary disqualification from carrying on its business activity (Article 49(3)): in that case, this type of disqualification may be applied forever. Similarly, by virtue of what is provided for in Article 49(4), the sanction of

the prohibition to contract with public authorities may also be ordered definitively when the legal person has previously been subject to two convictions in which the same sanction was applied on a temporary basis.

The Vatican regulations do not provide for the application of disqualifying sanctions as *precautionary measures*: this is a choice that has a fundamental significance, given that the experience gained in Italy has instead highlighted an energetic use of such precautionary measures, the result of a not always agreeable practice, which in substance sees in the precautionary measure the only real penalty applicable to entities (because immediate and directly affecting the operations of the entity).

Disqualifying sanctions essentially act as a *special prevention*, in that their application is aimed at safeguarding the protected goods. Nonetheless, disqualifying sanctions have a high degree of severity, which is also an expression of a general prevention purpose, linked to the inevitable dissuasive effect of the threat.

7. REGULATORY APPENDIX.

LAW VIII (SUPPLEMENTARY LEGISLATION IN CRIMINAL MATTERS) 11 JULY 2013.

TITLE X.

ADMINISTRATIVE LIABILITY OF LEGAL PERSONS ARISING FROM OFFENCES.

Article 46 (Liability of legal persons/entities)

1. A legal person shall be liable for offences committed in its interest or for its benefit:

a) by persons who hold positions of representation, administration or management of the entity or of one of its organizational units with financial and functional autonomy, as well as by persons who exercise, also de facto, the management and control of the entity;

(b) by persons subject to the direction or supervision of one of the persons referred to under point (a).

2. A legal person shall not be liable if the persons referred to in paragraph 1 acted solely in their own interest or in the interest of a third party.

3. If the offence has been committed by the persons indicated in paragraph 1(a), the legal person shall not be liable if it proves that

(a) the management body has adopted and effectively implemented, before the commission of the offence, organizational and management models capable of preventing offences of the kind committed;

b) the task of supervising the functioning of and compliance with the models and of keeping them updated has been entrusted to a body of the entity endowed with autonomous powers of initiative and control;

(c) the persons committed the offence by fraudulently circumventing the organization and management models;

(d) there has been no omission or insufficient supervision by the body referred to under point (b).

4. In any case, the confiscation of the objects of the legal person which served or were intended to commit the offence and of the objects which are the product, profit or price thereof or which constitute its use, including in the form of equivalent assets, shall be ordered.

5. Liability of the legal person shall also exist when:

(a) the offender has not been identified or cannot be charged;

(b) the offence is extinguished for a reason other than an amnesty.

6. The provisions of this Title shall not apply to public authorities.

7. Where jurisdiction exists over offences committed abroad, legal persons having their head office in the territory of the State shall be liable also in respect of offences committed abroad.

Article 47 (Types of administrative sanctions)

1. It is for the court to determine which administrative sanctions to impose where administrative liability arising from a criminal offence is established.

(2) Without prejudice to the possibility of further sanctions provided for by law, the sanctions which the court may impose are:

(a) a pecuniary sanction consisting in the payment of a sum of money;

(b) a definitive or temporary ban on exercising an activity;

(c) the suspension, revocation of authorizations, licences or concessions, as well as the prohibition to contract with public authorities;

(d) confiscation.

3. In determining the amount or duration of an administrative sanction, fixed by law between a minimum and a maximum limit, regard shall be had to the gravity of the act, the degree of responsibility of the legal person, the activity performed for the elimination or mitigation of the consequences of the act and for preventing the commission of further offences, as well as to the economic and patrimonial situation of the legal person.

4. If the law does not provide for the amount of the pecuniary sanction, it shall be determined between a minimum of five thousand euros and a maximum of two hundred thousand euros, taking into account the criteria set out in the preceding paragraph.

5. The temporary sanctions referred to in paragraph 1 (b) and (c) may not last less than six months or more than three years, unless otherwise provided by law.

Article 48 (Reduction of financial penalties)

The pecuniary sanction may not exceed fifty thousand euros if:

(a) the offender committed the offence primarily in his/her own interest or in the interest of a third party and the legal person did not derive an advantage or derived a minimal advantage from it;

(b) the pecuniary damage caused is particularly minor;

(c) the legal person has fully compensated for the damage and eliminated the harmful or dangerous consequences of the offence or has otherwise effectively done so;

d) an organizational model suitable for preventing offences of the kind committed has been adopted and put into operation.

Article 49 (Application of disqualifying sanctions)

The disqualifying sanctions referred to in Article 47 (2) (b) and (c) shall apply when at least one of the following conditions is met:

(a) the legal person has derived a significant profit from the offence and the offence was committed by persons in a senior position or by persons subject to the direction of others when, in this case, the commission of the offence was determined or facilitated by serious organizational deficiencies;

(b) in the event of repeated offences. 2. The disqualifying sanctions indicated in paragraph 1 shall have a duration of not less than three months and not more than two years.

3. A definitive disqualification from the exercise of the activity may be ordered if the legal person has derived a significant profit from the offence and has already been temporarily disqualified from the exercise of the activity at least twice in the last ten years.

4. The court may impose on the legal person, by way of a final decision, the sanction of a prohibition to contract with public authorities when it has already been sentenced to a temporary prohibition to contract with public authorities at least twice in the last ten years.

Article 50 (Procedural rules)

1. Competence to hear the administrative liability of the legal person belongs to the criminal court competent for the offences from which that liability arises.

2. The procedure for establishing the administrative liability of a legal person deriving from a criminal offence shall be governed by the procedural provisions relating to the criminal offences on which the administrative offence depends.

3. The administrative liability of a legal person arising from a criminal offence shall not be established when criminal proceedings cannot be initiated or continued against the offender due to the lack of a condition of prosecution.

4. The procedural provisions relating to the accused shall apply to the legal person mutatis mutandis.

5. A legal person wishing to take part in the proceedings shall constitute itself by lodging at the registry of the court a statement containing, on pain of inadmissibility:

(a) the name of the legal person and the particulars of its legal representative;

(b) the name and surname of the lawyer and an indication of the power of attorney;

(c) the signature of the lawyer;

(d) the declaration or election of domicile.

Article 51 (General rules)

The general rules on payment by instalments, prescription and devolution of proceeds laid down for administrative penalties shall apply to the administrative liability referred to in this Title.

B) THE CENTESIMUS ANNUS PRO PONTEFICE FOUNDATION

1. THE ENTITY

The Foundation of Religion and Cult called “Centesimus Annus - Pro Pontifice” with its legal seat in the Vatican City, Cortile San Damaso, was established with a Chirograph of His Holiness John Paul II on June 5, 1993, and was registered on November 26, 1993 in the registers of Vatican legal personalities (no. 7 of civil legal personalities and no. 18 of canonical legal personalities).

It is registered with effect from September 20, 2019 in the Register of Non-Profit Organizations (no. 18). It is therefore subject to compliance with Law CCXI of 22 November 2017 on the registration and supervision of non-profit entities.

Today, it is governed by the Statute approved by the Board of Directors on 26 November 2020, updated to reflect the Secretariat of State's amendments dated 22 March 2021, as well as by the Code of Canon Law and Vatican legislation.

It may operate also in other countries, if necessary through local institutions, set up in accordance with local laws and regulations, provided that the conformity and respect for the cardinal principles of the Social Doctrine of the Church and, more generally, total adherence to the principles of the papal magisterium are declared in the act of constitution of these bodies.

The Foundation recognizes the groups, established in the form of chapters or autonomous entities, as suitable to the pursuance of its purposes by means of a Resolution passed by its Board of Directors, the Secretariat of State’s placet having previously been secured.

As of October 20, 2021, the CAPP Foundation is present in 14 countries, four of which are outside Europe (Australia, Canada, Hong Kong e USA). It operates through 30 Chapters distributed geographically as follows:

N.	COUNTRY	CHAPTERS
1	Australia	CHAPTER (da nominare Referente)
2	Belgio (Bruxelles)	CHAPTER
3	Canada	CHAPTER (da nominare Referente)
4	Francia (Parigi)	CHAPTER
5	Germania	CHAPTER
6	Hong Kong	CHAPTER (da nominare A.E)
7	Italia	CHAPTERS = 16
		Acireale
		Bergamo
		Bologna
		Crotone
		Foggia (San Severo)
		Messina
		Milano
		Padova
		Prato
		Reggio Calabria
		Roma
		Sardegna
		S. Miniato
		Torino
		Trento
		Treviso
8	Malta	CHAPTER
9	Olanda	CHAPTER (da nominare Referente)
10	Principato di Monaco	CHAPTER
11	Slovacchia (Bratislava)	CHAPTER (da nominare Referente)
12	Spagna	CHAPTERS = 2
		Barcellona
		Madrid

13	United Kingdom (Londra)	CHAPTER
14	USA	CHAPTER

The Foundation is a non-profit corporation with purposes of religion and charity.
Its specific goal is to help promote the study and dissemination of the social doctrine of the Catholic Church, as set out throughout the papal magisterium, starting, in recent era with "Rerum novarum" and, in particular, but not only, with Saint John Paul II's Encyclical "Centesimus annus", from which it takes its name.

In pursuance of Art.3 of its Statute, the Foundation pursue the following goals:

a) promotes informed knowledge of the social teachings of the Church and the activity of the Holy See among qualified and socially motivated business and professional leaders;

b) promotes initiatives aimed at expanding the effective role of the Church in all sectors of contemporary society;

c) promotes fund raising activities to help support the activity of the Apostolic See.

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See among qualified and socially motivated business and professional leaders;

b) promotes initiatives aimed at expanding the effective role of the Church in all sectors of contemporary society;

c) promotes fund raising activities to help support the activity of the Apostolic See.

According to ART.4) of its Statute, the initial Foundation's endowment, at the time of its establishment, has been wholly paid up.

It is increased by all donations, cost free or otherwise, which the Foundation may receive to this purpose.

At the end of each year, after deduction of operational expenses and outlays for the purposes outlined at Art. 3, any net profit shall be allocated to increase the endowment. Under no circumstances may the Foundation donate money or other assets out of the endowment.

Should the Foundation receive from individuals or corporations contributions earmarked for a specific project, albeit consistent with institutional purposes, such as the funding of special projects of the Church or the Holy See, particularly in countries where the Catholic community is more in need of material help, such contributions may be set up in a separately managed fund.

The Foundation's revenues consist

- **of the contributions paid by its members in accordance with Art. 18, of the latest version of the Statute;**
- **investment income**, ***(****currently managed through APSA, as per mandate prot. no. 007079/2021 of 31 May 2021, ratified by the Board of Directors on 23 June 2021; effective 1 July 2021****);***
- **and donations not explicitly earmarked for the endowment**.

2) Foundation's bodies

According to **Art. 5** of the Statute, the Foundation's bodies are:
a) the President
b) the Board of Directors
c) the Board of Auditors
d) the Secretary General

2.1 The President(art.6) shall be appointed by the Board of Directors by absolute majority of its members upon confirmation by the President of APSA that the candidates have been approved by the Secretariat of State.
The President shall serve for a term of five years and may stand for re-election only once.

The President shall:
a) legally represent the Foundation in all dealings with third parties and in court;
b) call and chair Board meetings and see that resolutions are implemented;
c) conduct any ordinary business which the Board has not explicitly indicated as falling under its authority;
d) initiate action, whenever urgently needed, to safeguard the good name of the Foundation and its assets, advising the Board of Directors on the first Board meeting following the decisions adopted
as a matter of urgency;
e) ensure compliance with the Statute and promote amendments of the same Statute if deemed necessary.

If necessary, the President may delegate specific responsibilities to the members of the Board of Directors.

2.2 - The Board of Directors (Articles 8 to 14 of the Statutes).

The Board of Directors shall be formed by nine members, including the President and VicePresident.

Two of the Directors shall be designated by the Secretary of State, one member by the President of the Administration of the Patrimony of the Apostolic See (APSA), and two

shall be elected by the Adherents as per Art.18. The remaining four Directors shall be co-opted by a majority of the Directors then in office on the occasion of the first Board meeting following the event which necessitated said Board meeting to be called. All the candidates shall be chosen preferably among the Founder Members and Adherents taking into account the geographical representation.

The Directors shall carry out their duties without remuneration. They shall serve for a term of five years and may be re-elected only once. The five-year term of office shall be deemed to have expired upon approval of the Annual Financial Statement for the last year of the five-year period.

Only the reimbursement of the actual and documented expenses incurred in relation to the position held may be envisaged for the Directors, to whom powers involving one-off costs are delegated, the amount of which must in any case be identified in advance by means of an expense forecast explicitly approved by the Board. A similar expense forecast, but of an annual nature and therefore recurring, to be decided by the Board, will concern reimbursements to be made or costs incurred directly by the Foundation for Presidency expenses.

The Board on November 18th 2021 has issued implementing regulations a special implementing regulation, to be considered as an "*ad hoc operating procedure*", for the purposes of this model.

In accordance with law CCXI of 22.XI.17, art.5, par.1, the Board of Directors shall keep the following accounting records at the General Secretariat:

- the day-book,
- the inventory book,
- the budget,
- and the financial statement**.**

The Board of Directors shall be responsible for the conduct of ordinary and extraordinary business of the Foundation, in accordance with the provisions set out at Art. 6 and Art. 10.

The term "extraordinary business" covers the following items:

a) alienation of assets which are legitimate part of the endowment when their value exceeds the amount indicated by the President of the APSA, the Secretariat of State's placet having previously been secured;

b) all other transactions which may negatively affect the endowment;

c) active and passive litigation in canon and civil courts;

d) acceptance of donations encumbered by terms or conditions, as well as donations involving takeover or participation in activities deemed to be of a commercial nature;

e) hiring of employees on a permanent basis.

Resolutions on extraordinary business matters become effective only if presented by

the President of Administration of the Patrimony of the Apostolic See (APSA) and authorized by the Prefect of the Secretariat for the Economy, in accordance with the provisions of art. 11 of the Statute of this body, subject to the nihil obstat of the Secretariat of State.

The Board of Directors shall exercise the following powers:

a) appoint the President and Vice President;
b) appoint the Secretary General and determine the matters on which he/she shall be empowered to act;
c) decide on the course of action to be followed for the implementation of the institutional purposes of the Foundation; in this regard it shall establish a Scientific Committee to study and delve into subjects pertaining to the social doctrine of the Catholic Church, monitor educational programs and recommend cultural initiatives and, when deemed necessary, establish a Consultative Committee,
d) pass the Resolution referred to in Art. 1 and when necessary rescind it;
e) approve membership applications (Adherents) and possible exclusions, the latter on serious grounds and having first consulted the President of APSA and secured the Secretariat of State's placet;
f) conduct any extraordinary business as per art. 9;
g) resolve on proposed amendments to the Statute.

The absolute majority of the Directors currently serving shall constitute a quorum for the transaction of business at all Board meetings. Said meetings may be attended by the President
and the Secretary of APSA or their representative.
As a rule, the Secretary General shall act as secretary of the meeting.
The Board is chaired by the President or, in his/her absence, by the Vice-President.
All Board's resolutions shall require the vote by an absolute majority of the quorum. In case of a tie, the vote cast by the President shall prevail. Minutes of all meetings are drawn up and signed by the President and the Secretary taking the minutes.
The minutes of the Board meetings are kept in special books in the custody of the Secretary General.

2.3 The Board of Auditors (Art. 15 of the Statutes)

The Board of Auditors shall be formed by three effective members. The appointment lasts for five years and is renewable. The President of the Board of Auditors is appointed by the Prefect of the Secretariat for the Economy who ascertains the requirements of integrity and professionalism and verifies the existence of any conflicts of interest. The other two effective members of the Board of Auditors are appointed by the Administration of the Patrimony of the Apostolic See, subject to the nihil obstat of the Secretariat of State, with the same methods of ascertaining the President.

Members of the Board of Auditors complete their assignment with the approval of the annual financial statements relating to the last year of the mandate. The termination of the

Board of Auditors due to expiry of the term takes effect from the moment the Board of Auditors is set up again.

For Auditors, only the reimbursement of the actual and documented expenses related to the position held may be envisaged in accordance with the "expense reimbursement regulation" approved by the Board of Directors on November 18th 2021 and to be considered as an "*ad hoc operating procedure*" for the purposes of this model.

The Board of Auditors shall monitor the Foundation's conduct of business, audit accounts, make sure that accounting procedures and the financial statements comply with common held accounting practice and give a mandatory opinion on the budget and financial statements referred to in Article 17.

The Board of Auditors shall also be responsible for ensuring that all and any action by the Board of Directors are consistent with the Statute as well as with canon law and civil laws pertaining the accounting aspect.

The Board of Auditors attends the meetings of the Board of Directors, without the right to vote.

Minutes of the Board of Auditors' meetings are drawn up and signed by the Board itself, and then promptly transmitted to the Prefect of the Secretariat of Economy and to the President of the Board of Directors.

2.4 The Secretary General

The Secretary General shall assist the President, implementing his/her instructions, oversee the offices ensuring they are well run and coordinate activity of the staff which report to him/her directly.

He/she also assists the Board in drawing up the draft Budget and Financial Statements to be submitted to the Board of Auditors and to the President of APSA.

As a result of the Board meeting of 12.3.2020, the Secretary General has now been entrusted with the reporting of suspicious transactions relevant to anti-money laundering and counter-terrorism legislation to the FIA (ASIF) of the Vatican City State.

3 MEMBERS AND ECCLESIASTICAL COUNSELLORS.

3.1 Members

Members shall be individual or corporate members who share the Foundation's goals and pledge to cooperate to their achievement as set out at Art. 3, as well as to pay an annual contribution.

Members shall be kept informed on the Foundation's activity by the Board, at meetings to be held at least once a year. In the course of such meetings they shall:

a) appoint their two representatives to the Board of Directors, in compliance with the voting rules as defined in the Regulations attached to the Statute.
b) submit recommendations and suggestions and present initiatives consistent with the Foundation's purposes, which the Board shall examine.

Members may get together in local and/or national groups in compliance with the provisions of Article 1, paragraph 2 and the Guidelines approved by the Board. In particular the groups operate under the guidance of a coordinator at local level appointed, on the proposal of the groups themselves, by the Board of Directors, who verifies his/her eligibility in terms of adherence to the principles of the Magisterium of the Church and his/her compliance with the requirement of integrity and professionalism. The Coordinators shall remain in office for two years and their term can be renewed three times in a row.
The annual contribution to be paid to the Foundation by the various categories of members is determined by the Board of Directors on a yearly basis, taking into account the overall economic situation.

As at 31.12.2020, 314 members from 24 different countries had paid their membership fee and fulfilled all relevant obligations

3.2- Ecclesiastical Counsellors

To provide spiritual counselling to the Members, the Foundation shall request the Bishops' Conference of the country where the group is located to designate one or more national ecclesiastical Counsellors. Should Counsellors be needed at the diocesan level, the local competent Bishop shall be contacted by the President of APSA with the request, the Secretariat of State's placet having previously been secured.
Ecclesiastical Counsellors shall promote, in the manner they see fit, meetings with Members to study subjects consistent with the purposes of the Foundation and help coordinate local initiatives in accordance with the Board's instructions. They shall serve five year terms.
National Ecclesiastical Counsellors shall produce, at least once a year, a report on their activity, even at a diocesan level, to be sent to the President of APSA and the Board of Directors, as well as to the Secretariat of State.
Ecclesiastical Counsellors shall be invited to attend Members' meetings.

As at 31.12.2020, 26 Ecclesiastical Counsellors, including the International Counsellor and the Central Ecclesiastical Counsellors of Italy, Germany and the USA, provided spiritual support to the members of the Foundation.

4 Organization Chart as per October 20th 2021 Board meeting

The Board of Directors
Dr. Anna Maria Tarantola (Chairwoman)
Dr. Dr. Thomas Rusche (Vice Chair, self-suspended)
Dr. Borja Barragán Frade
Dr. Claudia Cattani
Dr. Lawrence Gonzi
Dr. Gianluigi Longhi
Dr. Robert A. Nalewajek
Dr. Francesco Sansone
Dr. Francesco Vanni d'Archirafi

The Comptrollers
Dr. Giorgio Franceschi – Chair
Dr. Flavio Pizzini
Dr. Massimo Porfiri

The Secretary General
Dr. Alberto Borgia

The Scientific Committee
Prof. Giovanni Marseguerra– Coordinator

Prof. Ph.D Andrew V. Abela
Prof. Josef Bonnici
Prof. Antonio Maria Costa
Prof. Dott. Paul Dembinski
Prof. Cristina Finocchi Mahne
Prof. Paolo Garonna
Prof. George E. Garvey
Dott.ssa Flaminia Giovanelli
Shawn F. Kohl, J.D.
Adrian Pabst- Secretary
Fabio Pammolli
Prof. Dr. Dr. Johannes Wallacher

The Advisory Board
Prof.ssa Anna Maria Tarantola (Chair)
Dr. Thomas Rusche (Vice Chair)

Dott.ssa Camilla Borghese
Cav. Lav. Dott.ssa Grazia Bottiglieri Rizzo
Lord Daniel Brennan
Dott. Massimo Gattamelata
Dr. Robert Leblanc
Dr. Alois Konstantin Fürst zu Löwenstein
Dr. Giacomo Mazzone
Conte Dott. Lorenzo Rossi di Montelera
Dr. Oliver Röthig
Sr. Dr. Domingo Sugranyes Bickel
Dott. Cesare Trevisani
Mr. Stephen B. Young
Dr. Joseph F.X. Zahra

International Counsellor
H.E. Msgr. Claudio Maria Celli

Ecclesiastic Counsellors

Australia
Rev. Fr. Robert Mcculloch SSC

Belgium (Brussels)
Fr. Peter Rožič, S.J.

Canada
H.E. Msgr. Christian Lépine

France (Paris)
HE Msgr Antoine de Romanet

Germany
H.E. Bischof Dr. Franz-Josef Overbeck
Father DDr.Justinus Pech OCist – Rhineland and Westphalia

Italy
Don Walter Magnoni – National Counsellor

Mons. Walter Amaducci – Cesena
Don Roberto Atzori – Cagliari
Padre Giovanni Bertuzzi – Bologna
Don Daniele Bortolussi – Piemonte
Don Antonio Cannizzaro – Reggio Calabria
Don Nazario Costante – Milano
Don Santino Di Biase – San Severo
S.E. Mons. Cesare Di Pietro – Messina
Diac. Dott. Gino Giovanni Donadi – Treviso
Don Luca Facco – Padua
S.E. Mons. Andrea Migliavacca – S. Miniato
Prof. Don Antonio Panico – Taranto
Don Francesco Pesce – Roma
Don Cristiano Re – Bergamo
Don Girolamo Ronzoni – Crotone
Don Leonardo Salutati – Firenze
Don Helmut Szeliga – Prato
Don Bruno Tomasi – Trento
SE Mons. Paolo Urso – Acireale

Malta
H.E. Joseph Galea Curmi

Netherlands
His Excellency Mgr. Everard de Jong

Principality of Monaco
Rev.mo Padre Joseph Di Leo

Slovacchia
Ivan Ružička, Paeddr. Thlic.

Spain
Fr. José Manuel Aparicio – Madrid
Rev. Fr. Lluís Portabella D'Alós – Barcelona

U.K.
H.E. Msgr. John Wilson

U.S.A.
H.E. Cardinal Joseph W. Tobin – National Counsellor
H.E. Msgr. Frank J. Caggiano – Bishop of Bridgeport – coadiutor to National Assistant
Rev. John J. Ranieri (Newark)

Coordinators

Belgium (Brussels)
Ms. Josina Kamerling

France (Paris)
Dr. Robert Leblanc

Germany
Dr. Ulrich Schürenkrämer

Hong Kong
Ms. Jean Sung

Italy

Dott. Andrea Angeli – Coordinator Turin
Dott. Antonio Angioni – Coordinator Bergamo

Dott. Severino Carlucci – Coordinator San Severo
Avv.to Francesco Cavallaro – Coordinator Crotone
Dott. Giovanni Facchini Martini – Coordinator Milano
Dott. Luca Filagrana – Referente Trento
Dott. Maurizio Gallo – Coordinator Padova
Prof. Francesco Giani – Coordinator S. Miniato
Avv.to Sebastiano Leonardi – Referente Acireale
Prof. Domenico Marino – Referente Reggio Calabria
Dott. Alberto Neri – Coordinator Bologna
Dott. Giuseppe Nicodemo – Coordinator Prato
Dott. Adriano Picciau – Coordinator Sardegna
Dott. Alessandro Rizzo – Coordinator Roma
Dott. Francesco Sansone – Coordinator Chapters Lombardia
Prof. Francesco Vermiglio – Coordinator Messina
Dott.ssa Paola Zuliani – Coordinator Treviso

Malta
Dr. Mark DeMicoli

Principato di Monaco
Dott.ssa Valeria Genesio

Spain
Sr. D. Alfonso Carcasona – Coordinator Madrid
Sr. D. Ignaci García y Clavel – Coordinator Barcelona

U.K.
Lord Daniel Brennan – Chairman
Dr. Marco Gubitosi – Vice Chairman
Dr. Jean Pierre Casey – Coordinator

U.S.A.
Frederick F. Fakharzadeh MD, President, CAPP USA

C. FUNCTION AND ADOPTION OF THE MODEL

1. Policy statement.

FCAPP has considered the appropriateness of an internal control system for the prevention of the commission of offences by its administrative body and its employees, collaborators *and partners*. The entity, in accordance with its management policies, has

decided to adopt this Model as a way to implement the efficiency of the company in full compliance with the regulatory *standards of* full legality.

Consequently, it has set up an internal supervisory body ("Supervisory body" or "SB") with the task of monitoring the functioning, effectiveness and compliance of the Model itself, as well as ensuring that it is constantly and continuously updated.

The adoption and effective implementation of such a system not only allows the Foundation to benefit from the exemption provided for in Article 46, no. 3, of Title X of Law VIII of 11 July 2013, but also constitutes a valid tool for reducing the risk of offences being committed, and for implementing its own level of harmonization with the most internationally accepted regulations and practices in the sector.

FCAPP has thus analyzed its risk areas, taking into account, in drafting this Model, both the recent internal regulations of Vatican law and the guidelines drawn up in the European context.

2. Amendments/additions to the Model.

Since this Model is "*issued by the management body*" (in accordance with the provisions of Article 46, no. 3, L. VIII), any subsequent, substantial amendments and additions remain the sole responsibility of the Administrative Body (BoD), which has the power to make any formal amendments or additions to the text.

3. Scope and main pillars of the Model.

The Model is designed to set up a structured and organic system of procedures and control activities aimed at preventing, as far as possible, offences by identifying the activities exposed to the risk of offences and their consequent measures to be taken.

The adoption of the control and verification practices contained in this Model must, on the one hand, make the potential perpetrator aware of committing an offence that is strongly condemned and contrary to the interests of the entity, even if it could gain an apparent advantage. While the constant monitoring of the activity, shall enable FCAPP to react promptly to prevent the commission of the offence.

4. **Main pillars of the Model,** in addition to the principles indicated above, are:

- *mapping of the Entity's sensitive activities, i.e. the activities in the context of which offences can most easily be committed; this map shall be kept by the Supervisory body;*
- *assigning to the Supervisory body the tasks of monitoring the effective and correct functioning of the Model, as described in greater detail below;*
- *checking and archiving the documentation of each operation relevant for the purposes of the Model and its seamless traceability;*

- *compliance with the principle of separations of functions in areas considered to be most at risk;*
- *establishing authorization powers consistent with the responsibilities assigned;*
- *providing resources to the Supervisory body in line with expected, and reasonably achievable results;*
- *monitoring the behaviour of the Foundation and the Model, with regular updates (ex post control, also on a sample basis);*
- *awareness-raising activities and dissemination--of the rules of conduct and procedures established. at all operational levels of the entity (proportional to the level of responsibility)*

5 Guidelines

To date, the Vatican Foundations have not introduced any organizational models. The Pontifical State lacks relevant guidelines.
Thus, the guidelines approved by CONFINDUSTRIA (the Italian Confederation of Industry) on 7 March 2002, and subsequently updated on 31 March 2008, 2014, and lastly in June 2021, were taken into account to draw up this Model.

These guidelines can be summarized as follows:

- *Identification of risk areas, to verify in which area/sector of the Foundation the prejudicial events envisaged by Legislative Decree 231/2001 may occur; - (*It should be recalled that under Vatican law, all offences may be relevant for the purposes of the criminal liability of legal persons, since there is no restricted list of predicate offences as in the Italian law).

- *Establishment of a control system capable of preventing risks through the adoption of specific protocols.*

- *The most relevant components of the control system designed by Confindustria are:*

  - code of ethics;
  - organizational system;
  - manual and computerized procedures;
  - powers of authorization and signature:
  - control and management systems:
  - briefing and training of staff.

The whole control system must be based on the following principles:

- verifiability, documentability, consistency and appropriateness of each operation;
- application of the principle of separation of functions (no one can manage an entire process independently);
- documentation of controls;
- provision of an adequate system of sanctions for infringement of the code of ethics and of the procedures laid down in the model;
- identification of the requirements for the Supervisory body, which can be summarized as follows:
  - *autonomy and independence:*
  - *professionalism;*
  - *continuity of action;*

However, failure to comply with specific points of the Confindustria Guidelines does not affect the validity of the Model. The individual Model, in fact, having to be drafted with reference to the concrete reality of the entity, may well deviate from the Guidelines which, by their nature, are general.

D. SENSITIVE ACTIVITIES.

The FCAPP has deemed it appropriate to proceed with the implementation of the Organization and Management Model provided for in Article 46 no. 3 of Law VII of 2013. This initiative was taken in the belief that such a tool- in addition to relieving from the liability established by law- may raise the awareness of those who work on behalf of the entity.

The adoption of an organizational model, moreover, is a fruitful opportunity to prompt all those who work and collaborate with the Foundation to comply not only with the provisions of current legislation, but also with the ethical and deontological principles which inspire the FCAPP itself; as well as to carry out their daily activities at the highest levels of fairness and transparency.

1 Assessing the risk of perpetrating acrime.

The Model is based on an analysis of the processes and sub-processes into which the organisation's activities are divided, in order to identify the areas potentially at risk with respect to the commission of offences and thus to identify which of these offences can be considered as closely related to the Sensitive Activities ("Specific offences").

According to Vatican law, the liability of entities is engaged by any offence committed in the interest or to the advantage of the entity. This makes it all the more necessary to adopt a syncretic approach aimed at harmonizing the need to monitor operating sectors with the real, plausible risk of offences being committed, as well as with the need not to bureaucratize the organization unnecessarily and thus compromising its effectiveness.

In fact, in the abstract, a non-profit making foundation, operating for religious and charitable purposes, should not only not commit offences, but if offences were committed in the interest or to the advantage of the organization, they should, in the last logical step, be committed in pursuit of religious and charitable purposes.

This mapping was based on the analysis of the purposes of the FCAPP, as set out in its statute/Registration act.

2. Purposes of the Foundation.

The Foundation is a non-profit corporation with purposes of religion and charity. Its specific goal is to help promote the study and dissemination of the social doctrine of the Catholic Church, as set in particular with Saint John Paul II's Encyclical "*Centesimus annus*".

In pursuance of its purposes the Foundation shall:

- a) promote informed knowledge of the social teachings of the Church and the activity of the Holy See among qualified and socially motivated business and professional leaders;
- b) promote initiatives aimed at expanding the effective role of the Church in all sectors of contemporary society;
- c) promote fundraising activities to help support the activity of the Apostolic See (art.3 of the Statute)

The Foundation's revenues consist of:

- the annual contributions paid by its members as set out in the last paragraph of Article 18 of the Statute;

- income from investments (managed through APSA);

- donations not explicitly earmarked for endowment.

The Foundation's endowment is fully paid up and is increased by any income which the Foundation may receive for this purpose. Any- net profit shall be allocated to increase the endowment after deduction of operational expenses and outlays for the implementation of its purposes.

Should the Foundation receive- from individuals or corporations- contributions earmarked for a specific project, albeit consistent with institutional purposes (such as the funding of special projects of the Church or the Holy See, particularly in countries where the Catholic

community is more in need of material help), such contributions may be set up in a separately managed fund.

In accordance with its statute, the Foundation's mission is to bring the Teaching of the Church to the world. Furthermore, in harmony with the indications of the reigning Pontiff, the Foundation aims to be a point of reference in the process of conversion and implementation of the so-called 'integral ecology'. The community of its members, therefore, is committed to studying and understanding in depth the principles of the Social Doctrine of the Church (common good, justice, solidarity, subsidiarity, respect for human dignity, responsibility) and applying them in every context of the contemporary world, especially in the economic and business sectors.

The statutory objectives are achieved through a yearly plan that defines the actions to be carried out, the issues to be addressed and the related allocation of resources.

The ways in which each Member acts, interacts with others, and the goals they set for themselves - in line with the teachings of the Church - undoubtedly have a significant impact on the achievement of the Foundation's mission and the affirmation of its values, which are the spiritual values of faith and of the SDC.

The tools used are mainly traditional ones:

- Conferences,
- Consultation,
- International Conferences,
- Economy and Society Award,
- Publications,
- Courses in DSC for lay people and priests,
- Search for support for the provision of scholarships.

3. Identification of areas of potential commission of offences.

The Foundation wanted to draw up a Model that would take into account its own particular situation, in line with its governance system and able to valorize the existing controls and bodies.

First, the Foundation's documentation (Statute, Regulations, etc.) was examined in order to identify the regulatory and internal operating context of reference for the Foundation. Once the documents and information were acquired, a meeting was held with the Chairwoman of the Foundation to further analyze the information gathered and to map out the activities at risk, identifying those activities that are sensitive to the possible commission of offences.

Therefore, the areas of activity at risk of commission of offences and instrumental areas have been identified, meaning respectively the activities whose performance may directly give rise to the commission of offences, in accordance with the provisions of Title X of Law VIII/2013, and the activities in which, in principle, the conditions, opportunities or means for the commission of offences and offences could arise.

On the basis of the above mapping and the existing control mechanisms, an analysis was carried out to assess the adequacy of the existing system of controls, i.e. the ability to prevent or detect unlawful conduct such as that sanctioned. More specifically, the system of safeguards and controls in place at the Foundation was assessed for those relevant areas identified by the Decree in order to highlight any misalignments and to seek possible useful solutions and remedies. Particular attention was paid to the general principles of an adequate internal control system and in particular to:

- verifiability and traceability of each relevant operation, both concerning the decision-making process and the actual implementation of the controls deemed appropriate for preventing the identified risks;

- respect for the principle of separation of tasks;

- allocation of authorization powers consistent with the responsibilities assigned.

The areas of activity taken into consideration for the assessment of the potential risk of commission of offences, activities then reported in the risk mapping phase attached to the Special Part of this Model, were:

- *management of institutional relations with Public Administration and private entities, both in the Vatican State and abroad.*
- *management of relations with the competent public bodies for the fulfilment of the requirements necessary to apply for funding and contributions, and drafting of the relevant documentation both in the Vatican State and abroad;*
- *management of the fulfilments required by the current regulations not related to the core business also during audits and inspections carried out by the competent public authorities;*
- *management of legal disputes, related issues and possible settlements;*

  -management of donations and disbursements to beneficiaries, selection and subsequent disbursement of grants;
- *management of consultancy, supply and other services;*

management of obligations relating to recruitment, termination of employment, remuneration, withholding tax and social security contributions, concerning employees and collaborators;

management of gifts and representation expenses;

Management of Conferences, Consultations, International Conferences, Economy and Society Awards, Publications, DSC courses for lay people and priests;

- *Search for financial support for the provision of scholarships*
-

- *Management, use and maintenance of the information system;*

Management of documentation for evidential purposes;

Management of obligations relating to the protection of safety in the workplace;

Management of cash and investments;

Management of corporate obligations: management and coordination of all activities concerning accounting, drafting and preparation of financial statements.

The instrumental and functional processes (also defined as "management") relevant for the drafting the Model have also been identified, i.e. those instrumental and operational processes in the context of which, in principle, the conditions or instruments for the potential commission of offence could theoretically occur:

- *Relations with Public Administration and Authorities;*
- *Disbursement management;*
- *Management of donations, sponsorships, gifts and other gratuities;*
- *Management of requests for public funding;*
- *Management of monetary and financial flows;*
- *Selection, recruitment and management of staff and reimbursement of expenses;*
- *Procurement of goods, services and consultancy;*
- *Management of the health and safety system;*
- *Management of environmental compliance;*
- *Management and maintenance of the information system;*
- *Management of accounts, budgeting and relations with control bodies*.

On the basis of the analysis carried out, it was possible to identify and classify into 4 areas the offences which could- in abstract terms- more easily be committed in the core activity of FCAPP, taking into account the activities carried out, the management methods and the sectors in which the Entity operates.

The following risk areas *are* therefore briefly reported:

I. Offences against the public administration and the administration of justice;

II. Offences of money laundering, self-laundering, and receiving stolen goods; also for anti-terrorism purposes.

III. Corporate offences;

IV. Other offences provided for by the Vatican Penal Code and the complementary rules on criminal matters.

The remaining macro-risk areas were considered to have a low statistical inference of verifiability or to be challenging to achieve in the interest or to the benefit of the Foundation; they are therefore currently excluded from the monitoring process.

I. OFFENCES AGAINST THE PUBLIC ADMINISTRATION AND THE ADMINISTRATION OF JUSTICE.

In the first place, crimes against the public administration have been identified as being abstractly possible; they are related in particular to Foundation's activities which may imply relations with the Public Administration, whether Vatican or foreign, as well as a relationship with public offices, inspection bodies, public bodies which provide contributions or hold powers of authorization, concession or authorization, etc.

With respect to the Model's own functions, the analysis of the Foundation's "operational processes" shall be updated at least every year and, in any case, whenever any amendment is made to the provisions of the Vatican's law governing the liability of legal persons, which may have an impact on the definition of the areas of risk and whenever the operational processes are amended.

The Supervisory body has, however the right to request at any time specific analyses of both activities and operational processes., The operational activities, within which the offence could be committed (sensitive activities), have been identified for each specific type of offence

To this end, the relevant regulatory provisions, as resulting from the novations made by Laws No. VII and IX of 11 July 2013, (setting out complementary rules on criminal matters and amendments to the Criminal Code and the Code of Criminal Procedure and subsequent novations), as well as with the recent regulations set out in Decree CCCXXIX of 1 October 2019, are set out below,

Article 168 of the Penal Code (Embezzlement)

"Unless the act constitutes a more serious offence, a public official, a foreign public official or an official of an international public organization, who diverts, misappropriates or misuses, for his own benefit or for the benefit of others, any public or private property, fund or value or any other thing of value entrusted to him because of his functions, shall be punished with imprisonment for a term of three to five years, with perpetual disqualification from public office and with a fine of not less than five thousand euros. If the damage is minor or fully compensated before the commencement of the trial, disqualification from public office shall be temporary, and imprisonment shall be from one to three years."

Article 169(1) of the Penal Code (Extortion by coercion)

"A public official, a foreign public official or an official of an international public organization who, by abusing his position or powers, or by performing or refraining from performing an act of his office in breach of the law, compels someone to give or promise an undue advantage for himself or others, shall be punished with imprisonment of from four to seven years, with perpetual disqualification from holding public office and with a fine of not less than twenty thousand euro."

Article 170(1) of the Penal Code (Extortion by inducement)

"A public official, a foreign public official or an official of an international public organization who, by abusing his position or powers, or by performing or refraining from performing an act of his office in breach of the law, induces someone to give or promise an undue advantage for himself or others, shall be punished by imprisonment of from one to four years, temporary disqualification from holding public office and a fine of not less than fifteen thousand euros."

Paragraph 2,

"Imprisonment shall be from six months to three years if the public official, foreign public official or official of an international public organization receives what is not due, taking advantage only of the error of others."

Article 171 of the Penal Code (Indirect bribery):

"A public official, a foreign public official or an official of a public international organization who solicits or accepts, directly or indirectly, an undue advantage for himself or others or who accepts the offer or promise thereof, in order to perform or to have performed an act of his office, shall be punished by imprisonment of from two to five years, temporary disqualification from holding public office and a fine of not less than five thousand euros."

***Article 172(1) of the Criminal Code (Direct bribery)**:*

"A public official, a foreign public official or an official of an international public organization who solicits or accepts, directly or indirectly, an undue advantage for himself or others, or who accepts the offer or promise thereof, to omit or delay or to have omitted or delayed an act of his office, or to perform or to have performed an

act contrary to the duties of his office, shall be punished by imprisonment from three to six years, temporary disqualification from public office and a fine of not less than ten thousand euros."

Article 173 of the Penal Code (Punishment of the corruptor and instigator)

"Whoever promises, offers, procures or grants, directly or indirectly, to a public official, a foreign public official or an official of an international public organization, any undue advantage for himself or others, to perform or to have performed an act of his office, to omit or delay or to have omitted or delayed an act of his office, or to perform or to have performed an act contrary to the duties of his office, shall also be subject to the same penalties provided for in Articles 171 and 172. If the public official, the foreign public official or the official of an international public organization has not committed the offence, the person who instigated it shall be subject to the penalties laid down in this article reduced by half."

Article 175 of the Penal Code (Abuse of office)

"Unless the act constitutes a more serious offence, a public official, a foreign public official or an official of an international public organization who, abusing his position or powers, performs or refrains from performing an act in violation of the law, in order to obtain an undue advantage for himself or others, or to cause unjust damage to others, shall be punished by imprisonment from one to five years, temporary disqualification from holding public office and a fine of not less than five thousand euros. The same punishment shall apply to a public official, a foreign public official or an official of an international public organization who, in the exercise of his functions, induces any person to violate the laws or measures of authority."

Article 204 of the Penal Code (Trafficking in influence)

"Unless the act constitutes a more serious offence, a public official, a foreign public official or an official of an international public organization or any other person who solicits or accepts, directly or indirectly, an undue advantage for himself or others to abuse his real or supposed influence to obtain undue advantage from an administration or public authority of the State or the Holy See, shall be punished by imprisonment of from one to five years and a fine of not less than five thousand euro.

Unless the act constitutes a more severe offence, the same punishment shall apply to any person who promises, offers or gives to a public official or any other person, directly or indirectly, an undue advantage so that such official or person may abuse his influence, real or supposed, in order to obtain from an administration or public authority of the State or the Holy See an undue advantage for himself or others.

If the offender is a public official, temporary disqualification from holding public office shall in all cases be added to these penalties."

Article 207 of the Penal Code (Definition of public official)

"under criminal law:

(a) "public official" means i. any person holding a legislative, administrative or judicial office in the State, whether appointed or elected, whether permanently or temporarily, whether remunerated or not and irrespective of rank; ii. any person exercising a public function, including a public body or a public enterprise, or providing a public service.

(b) 'foreign public official' means any person who, under the law of a foreign State, holds a legislative, administrative or judicial office in that State, whether appointed or elected and any person who holds a public office for a foreign State, a public body or a public enterprise of a foreign State;

(c) 'official of an international public organization' means an international civil servant and any other person authorized by that organization to act on its behalf."

Article 419 bis of the Penal Code (Bribery in the private sector)

"Unless the act constitutes a more severe offence, any person who, in the context of economic, financial or commercial activities, carries out managerial functions on behalf of a private legal person or is employed by one, and who, for any reason, solicits or accepts, directly or indirectly, an undue advantage for himself or others to perform an act of his office, shall be punished by imprisonment of from one to three years and a fine of not less than five thousand euro.

Unless the act constitutes a more severe offence, the same punishment shall apply to any person who, in the context of economic, financial or commercial activities, promises, offers or grants, for any reason, directly or indirectly, an undue advantage for himself or others, to a person performing management functions on behalf of a private legal person or employed by it, to carry out an act of his office.

When the acts provided for in the preceding paragraphs are committed to omit or delay or to have omitted or delayed an act of his office, or to perform or to have performed an act contrary to the duties of his office, the penalty shall be increased by between one third and one half."

Offences against the administration of justice include:

Article 217a (Procedural fraud)

The provisions of the preceding articles shall also apply to any person who, in the course of a legal proceeding, in order to mislead the judge in his investigation or evidence assessment, or the expert in his appraisal, artificially alters the state of places, things or persons.

Unless the act constitutes a more severe offence, the provisions of the preceding Articles shall also apply to any person who falsely declares or certifies anything in certificates or documents to submit before a judicial authority to mislead the judge in the assessment of the evidence."

Article 221a (Inducement to give false testimony)

Unless the act constitutes a more serious offence, the same punishment as for the offences referred to in this Chapter shall also apply to any person who, through

the promise of any advantage, induces someone to commit the offences referred to in this Chapter.

When the inducement is committed through physical force, threats or intimidation, the penalty shall be imprisonment from five to ten years.

If the induced offence is not committed, the penalty for inducement shall be reduced by one third to one half.

Article 221b (Obstruction of justice)

Unless the act constitutes a more severe offence, anyone who uses physical force, threats or intimidation against a public official invested with judicial or police functions to interfere with the exercise of his functions shall be punished by imprisonment of from seven to twelve years.

If the interference does not take place, the penalty shall be reduced by one third to one half."

The following general rules of conduct apply to the addressees of this Model who, for any reason and on behalf of or in the interest of the Foundation, have relations with public officials, public service employees or, more generally, with representatives of the Public Administration and/or the Supervisory Authorities and/or Independent Administrative Authorities, whether Italian or foreign (hereinafter "Representatives of the Public Administration").

As a general rule, the addressees shall not improperly and/or illicitly influence the decisions of representatives of the Public Administration and of third parties with whom the Foundation has relations. In particular, they shall not:

- *promise, offer, pay, directly or through third parties, money or other benefits in exchange for favours, remuneration or other advantages for oneself and/or the Foundation, not even by complying with the inducing behaviour of the public official or the person in charge of public service;*
- *promise, offer, pay gifts or forms of hospitality that exceed regular business practices or courtesy and, in any case, such as to compromise the impartiality and independence of judgement of the counterpart, as well as the integrity and reputation of the latter, not even by complying with the inducing behaviour by the public official or the person in charge of public service;*
- *unduly influence relations with the Public Administration and, in general, with third parties about interests relating to the organization's activities;*
- *favour suppliers, consultants or other reported parties in purchasing processes in exchange for advantages of any kind for themselves and/or the Foundation;*
- *harming suppliers who meet the requirements in the selection, using partial, non-objective and biased criteria;*

- *unduly favour a supplier by disapplying contractual provisions, accepting false or incorrect documentation, exchanging information on other suppliers' bids, approving non-existent requirements, receiving services and supplies other than those contractually stipulated;*
- *accept or receive gifts or other advantages, including monetary ones, aimed at influencing the impartiality and independence of their judgement;*
- *unduly procure for themselves, third parties or the Foundation advantages of any kind to the detriment of the Public Administration or a third party;*
- *favour, in the recruitment and selection processes, employees, collaborators and consultants, upon specific notification, in exchange for favours, compensation and/or other advantages for themselves and/or the Foundation;*
- *make/receive payments in relations with collaborators, customers, suppliers, consultants or other third parties, which are not adequately justified in the existing contractual relationship, not even by complying with the inducing behaviour of the public official or the person in charge of a public service;*
- *behave deceptively towards the Public Administration and third parties by sending false documents, making false statements, certifying non-existent requirements or providing untrue guarantees;*
- *submit untruthful declarations to Public Administrations, both national and EU, to obtain public funds, such as grants, loans or other benefits;*
- *allocate public funds for purposes other than those they were granted for or drawing up false reports on their use.*

Relations with representatives of both Vatican or foreign Public Administration are managed exclusively by persons with appropriate powers or by those formally delegated by them, and in any case in compliance with the Foundation's procedures.

Those addressees who, on behalf of the Foundation, have relationships with the judicial or law-enforcement authorities (within the scope of any proceedings) are obliged to apply the rules of conduct set out above also in such relationships, undertaking to guarantee the maximum availability and cooperation.

In the event of legal proceedings, investigations or inspections, they shall not:

- *destroy, alter or conceal records, minutes, accounts or any document or data;*
- *make false statements or persuade others to do so;*
- *promise or give gifts, money or other benefits to the officials in charge of audit or control activities in exchange for benefits for themselves and/or the Foundation.*

II. OFFENCES- RECEIVING STOLEN GOODS, MONEY LAUNDERING, SELF-LAUNDERING AND USE OF MONEY, GOODS OR QUALITIES OF UNLAWFUL ORIGIN.

(ALSO FOR ANTI-TERRORISM PURPOSES).

III. Given the Foundation's fundraising activities and its transnational operations, both in Europe and worldwide, these are the offences that can most typically occur.

The offences to be monitored, according to the Criminal Code and the Vatican's complementary criminal legislation, are identified as follows:

Article 421 of the Penal Code, (Receiving stolen goods)

Whoever, except for the cases provided for in Articles 225 and 421 bis, acquires, receives or conceals money or things deriving from a crime, or interferes in any way in having them acquired, received or concealed, without having taken part in the said crime, shall be punished with imprisonment of up to two years or with a fine of up to one thousand euros.

If the money or things come from an offence punishable with a custodial sentence for more than five years, the offender shall be punished by imprisonment for a term of between one and four years and a fine of between one hundred and three thousand lire.

-Omissis-

-Omissis-

Article 421a of the Penal Code - Money laundering and self laundering

1.Whoever, except for the cases provided for in Article 421, replaces or transfers money, goods or other benefits resulting from a serious crime, or carries out other related transactions to hinder the identification of their criminal origin, or uses money, goods or other benefits resulting from a serious crime in economic or financial activities, shall be punished with imprisonment from four to twelve years and with a fine ranging from one thousand to fifteen thousand euro.

1bis For the purposes of this Article, "predicate offence" means any offence punishable under criminal law by a minimum term of imprisonment or detention of six months or more, to a maximum term of imprisonment or detention of one year or more."

2. In the cases provided for in the preceding paragraph, imprisonment from two to six years and a fine ranging from one thousand to ten thousand euro shall apply if the money, goods or other benefits originate from a serious offence for which a maximum term of imprisonment of less than five years has been established.

3. The person who has committed the serious offence shall be punished with imprisonment from two to six years and with a fine ranging from one thousand to ten thousand euro. In the cases provided for in paragraph one, the penalty shall be increased when the act is committed in the exercise of professional activity.

4. Money laundering shall also be regarded as a criminal offence where the cash, property or economic resources originate in another State.

4bis Money laundering shall also be regarded as such where the cash, property or economic resources are the price, product or profit of a tax or fiscal offence committed abroad.

6 In cases of conviction, the confiscation of assets constituting the product or the

profit of the criminal activity is mandatory, unless they belong to persons not involved in the offence. If confiscation is not possible, the judge orders the confiscation of money, goods or other utilities that the offender has at his/her disposal, even through a third party, for a value equivalent to the offence's product, profit or price.

Article 421b Criminal Code (Use of proceeds from criminal activities)

Whoever uses in economic or financial activities cash, goods or other economic resources derived from a crime, shall be punished with imprisonment from four to twelve years and with a fine ranging from one thousand to fifteen thousand euros.

In cases of conviction, paragraphs 5, 6, 7, 3 and 8 of Article 421a shall apply.

Article 421quater Penal Code (Fraudulent transfer of funds or other economic resources)

Unless the act constitutes a more serious offence, any person who fictitiously attributes to another person the ownership or the availability of cash, assets or other economic resources, in order to evade economic or pre-emptive precautionary measures, the execution of sentences, or to facilitate the commission of tax or fiscal offences abroad, or of one of the offences referred to in Articles 421, 421 bis and 421 ter, shall be punished by imprisonment from two to six years."

By way of analogy, the following offence may also be taken into account:

Article 23, Act VIII of 11 July 2013 - (Financing of terrorism)

1. Any person who, directly or indirectly, collects, disburses, deposits or keeps cash, property or other economic resources, however made, with the intention that they will be used or knowing that they will be used, in whole or in part, for the purpose of:

(a) commit one of the offences provided for in Titles V, VI, VII and VIII of this Law;

b) carrying out or aiding and abetting one or more forms of conduct for terrorism; shall be punished, irrespective of the use of property or economic resources for the commission or attempted commission of such conduct, with imprisonment from five to fifteen years.

2. The offence exists whether the acts are intended to finance associations or whether the acts are intended to finance one or more natural persons.

3. The same punishment, reduced by one third, shall be imposed on any person who finances persons included in the list of those who threaten international peace and security. No offence is committed if the provision of goods or resources takes place in an emergency humanitarian or charitable operation and to the extent that the goods provided are strictly indispensable to meet the beneficiaries' basic needs.

Article 459a (Smuggling)

Any person shall be liable to imprisonment for a term not exceeding two years or, alternatively, to a fine not less than two and not more than ten times the fees due, if they:

(a) introduce foreign goods across the land border against the requirements, prohibitions and limitations set out in subsection (2);

(b) are caught with goods concealed on their person or luggage or in packages or furnishings or among other goods or in any means of transport, in order to evade customs inspection;

(c) remove goods from the customs area without having paid the duties due or without having guaranteed payment thereof;

(d) bring out of the customs territory, under the conditions laid down in the preceding subparagraphs, national or nationalized goods liable to border duties.

Goods may only cross the customs line at designated points. The border with the Italian state is the customs line.

The territory bounded by the customs line is the customs territory.

Customs premises shall mean the premises in which a customs service operates and the areas over which the customs exercises supervision and control through its bodies.

The delimitation of customs areas shall be determined by the Customs Authority, taking into account the particular situation of each area.

Duties shall mean all those duties which the customs are required to collect by a law of the State.

To ensure compliance with the provisions laid down in this Article, the customs authorities may:

(a) examine means of transport of any kind crossing the customs line at the customs areas or moving within those areas;

(b) examine the luggage and other objects in possession of persons crossing the customs line at the customs areas or moving within those areas;

c) invite those who, for any reason, move within the customs areas to show the objects and valuables carried on their person; in case of refusal, and where there are well-founded reasons for suspicion, the Customs Authority may order, by means of detailed written order, that the persons mentioned above be subjected to a personal search. Minutes of the search shall be drawn up and, together with the aforesaid order, shall be sent within forty-eight hours to the Promoter of Justice at the Court; if the latter recognizes the order as legitimate, he shall validate it within the following forty-eight hours.

Although the analysis carried out on the Foundation's typical activities leads to the conclusion that the risk associated with the possible occurrence of conduct that could constitute the offences of money laundering, receiving stolen goods, or using money, goods or other benefits of illicit origin is sufficiently protected, the Foundation requires the addressees who may be involved to

- not replacing or transferring money, goods or other benefits of unlawful provenance or carrying out operations designed to obstruct the identification of their unlawful

provenance; acquiring or receiving or concealing money or goods resulting from any offence;

- refrain from engaging in any conduct that might in any way directly or indirectly constitute the aforementioned offences and/or facilitate or promote their commission.
- use the banking system for transactions, which allows traceability of financial transfers;
- verify, through available information, the counterparties in order to ascertain their respectability and reliability before entering into any relationship with them.

All addressees, in the performance of their functions and tasks, must also comply with the following rules and their subsequent amendments and supplements.

The relevant Vatican legislation is identified as follows:

- ***Vatican Penal Code**, (as amended by Law No. CXXVII, concerning the prevention and combating of money laundering and the financing of terrorism of 2010 - transposed by Confirmatory Law CLXVI of 2012; Law No. IX of 11 July 2013 and the Decree of the President of the Governorate on amendments to the criminal law of Vatican City State No. CCCCXXIX of 1 October 2019);*

- ***Decree of the President of the Governorate no. CLIX**, enacting the additions to Law CXXVII of 30 December 2010, concerning the prevention and combating of money laundering and terrorist financing;*

- ***Ordinance no. CCCLXIV of 2020** - concerning obligations to prevent and combat illegal financial and monetary activities and to prevent and combat money laundering, self-laundering, the financing of terrorism and the proliferation of weapons of mass destruction, within the Vatican City State, concerning voluntary organizations and canonical and civil legal persons registered in the respective registers.*

IV. CORPORATE OFFENCES.

The crimes and offences provided for by the Civil Code on corporate matters also have a peculiar nature in terms of the abstract possibility of committing offences; in fact, the crime or offence must committed in the interest or to the advantage of the Foundation by Directors, Directors general or persons subject to their supervision, but could not have been committed, had they been vigilant as envisaged by their official obligations.

Also in this case, the analysis of the operational processes shall be updated at least every year and whenever any regulatory amendment is made to the provisions contained in Title X, Law VIII of 2013, which may have an impact on the definition of the risk areas and in case of changes to the processes.

The Supervisory body has the right to request -at any time- ad-hoc analyses of activities and operational processes. For each type of offence, the special section identifies

those activities of the Foundation in which the offence could be committed (Sensitive Activities).

Concerning the sources of law, the Vatican legislation, with Article 3 no. 4 of Law no. LXXI of 1 October 2008 (Act on the sources of law) has transposed, as of 1 January 2009, corporate criminal cases regulated by the Italian Civil Code.

Foundations, associations and, in general, non-profit-making bodies provided for under Title II of Book I of the Civil Code are traditionally alien to the culture of Italian criminal low doctrine.

The so-called criminal-corporate law, in fact, considers only companies that carry out the commercial enterprise's activities under Article 2195, paragraph 1, of the Civil Code, on the assumption that only these activities involve financial interests such as to significantly affect the collective wealth and the national economy.

The introduction of the "Criminal provisions on companies and consortia" in Title XI of Book V of the Civil Code (Articles 2621 et seq.) is in fact historically linked to the need to vigorously punish abuses and irregularities committed within companies and consortia, in view of the impact that the financial interests, underlying the life of commercial companies, may have on the national economy. The exclusion of associations and foundations from these provisions is therefore justified by the non-profit nature of these entities and by the original distrust (if not outright hostility) of the legislator towards them.

This regulatory framework has also remained unchanged following the substantial growth of *non-profit organizations*, the differential implementation of the principles of institutional pluralism and the need, often discussed in the legal theory, to protect the increasingly substantial trust that such entities engender, also through the exercise of *fund-raising* activities, so as to prevent abuses.

In this context, the substantial irrelevance for the criminal legislator of the non-profit making universe is, however, undermined by Legislative Decree no. 231/01, which introduces in Italian law the principle whereby *societas delinquere et puniri potest,* metabolized in Vatican law by Title X of Law VIII.

The express provision of liability for criminal offences also for the cases provided for under Title II of Book I of the Civil Code marks the entry of foundations and associations into the horizon of criminal law-case and doctrine and calls for revision of the many interpretative problems raised by the application of a punitive approach designed to combat the corporate crime of entities whose identity and qualifying feature is their non-profit status.

In fact, the legislator does not introduce in this punitive approach a subsystem for non-profit entities but just limits himself to extending to them the punitive paradigm outlined for companies, thus causing problems of interpretation given the obvious structural and functional differences between these entities.

Furthermore, the Vatican law provides for the applicability of administrative, criminal liability regulation not in general to 'entities' but exclusively to legal persons, to which foundations and the FCAPP certainly belong.

Law No. CCXI - on the Registration and Supervision of Non-Profit Entities (22 November 2017) envisages specific obligations for the company's bookkeeping.

The offences provided for in the articles of the Italian Civil Code may have a higher statistical possibility of occurrence:

Article 2621. *(False corporate communications).*

Without prejudice to the provisions of Article 2622, directors, director-generals, managers responsible for preparing the company's financial reports, statutory auditors and liquidators, who, to deceive partners or the public; and in order to obtain an unjust profit for themselves or others, in the financial statements, reports or other corporate communications required by law, addressed to the partners or the public, report material facts that are not true, even if they are the subject of valuations, or omit information whose disclosure is required by law on the economic, equity or financial situation of the company or of the group, in such a way as to mislead about the aforementioned situation, shall be punished with imprisonment of up to two years.

Punishment is also extended to cases where the information relates to assets owned or administered by the company on behalf of third parties.

Punishment is excluded if the false information or omissions do not substantially alter the representation of the economic and financial situation of the company or of the group.

However, the offence shall not be punishable if the false statements or omissions bring about a change in the gross income for the financial year below 5% or a net equity variation below 1%. In any case, the fact is not punishable if it is the result of each individual estimate does not differ by more than 10% from the correct one.

In the cases provided for under Par. 3 and 4, the individuals referred to under the first paragraph, shall be subject to an administrative sanction ranging from ten to one hundred shares and disqualification from holding executive offices in legal entities and companies from six months to three years, from holding the office of director, auditor, liquidator, director-general and manager in charge of drawing up the corporate accounting documents, as well as from any other office with power of representation of the legal entity or company)).

Article 2625. (Preventing control).

Directors who, by concealing documents or using other suitable devices, prevent or in any case obstruct control or auditing activities legally attributed to partners, other corporate bodies or auditing companies, shall be punished with a monetary, administrative sanction up to 10,329 euro. If the conduct has caused damage to the partners, imprisonment of up to one year shall be applied and the relevant lawsuit by the offended party.

Article 2626. *(Wrongful restitution of contributions).*

Directors who, other than in the case of a legitimate reduction of the capital, return, even falsely, the contributions to the partners or release them from the obligation to make them, shall be punished with imprisonment of up to one year.

Article 2627. *(Illegal distribution of profits and reserves).*

Unless the act constitutes a more serious offence, directors who distribute profits or advances on profits that have not actually been earned or which have to be earmarked

to statutory reserves, or who distribute reserves, even if not made with profits, which cannot be distributed by law, shall be punished with imprisonment of up to one year. The return of profits or the re-establishment of reserves before the deadline for the approval of the financial statements shall extinguish the offence.

Article 2632. *Fictitious capital formation.*

Directors and contributing partners who, even in part, fictitiously form or increase the capital by allocating shares or quotas exceeding the total capital amount, reciprocally subscribing shares or quotas, significantly overevaluating contributions of assets in kind or receivables or overevaluating the company equity in the case of transformation, shall be punished with imprisonment of up to one year)).

Article 2634. *(Company infidelity).* *-Only limited to the second paragraph*

Directors, general managers and liquidators who, having an interest in conflict with that of the company, in order to procure for themselves or others an unjust profit or other advantage, carry out or participate in deliberating acts of disposition of the company's assets, intentionally causing the company financial damage, shall be punished with imprisonment from six months to three years.

The same punishment shall apply if the act is committed in relation to property owned or administered by the company on behalf of third parties, causing financial damage to the latter.

In any case, the profit of the affiliated company or of the group shall not be unjust, if it is compensated by advantages, achieved or reasonably foreseeable, deriving from the affiliation or from belonging to the group. The offences provided for in the first and second paragraphs shall be prosecuted on complaint by the injured party)).

Article 2637. (Market rigging).

Whoever spreads false news, or carries out simulated transactions or other artifices that are likely to cause a significant alteration in the price of unlisted financial instruments or for which no application for admission to trading on a regulated market has been submitted, or to have a significant impact on the public's confidence in the financial stability of banks or banking groups, shall be punished by imprisonment of from one to five years.

Article 2638. (Obstructing public supervisory authorities in the exercise of their functions).

Directors, directors general, managers responsible for drafting the company's financial reports, auditors and liquidators of companies or entities and other persons subject by law to public supervisory authorities, or with obligations towards them, who- in statutory communications to the above authorities in order to hinder the exercise of their supervisory functions- expose untrue material facts, even if subject to assessment, about the economic or financial situation or fraudulently conceal, completely or even just partially, facts which they should have communicated, shall be punished with imprisonment from one to four years. Punishment is also extended to cases where the information relates to assets owned or administered by the company on behalf of third parties.

The same punishment shall apply to directors, directors general, managers in charge of drawing up the company's accounting documents, auditors and liquidators of companies or bodies and other persons subject by law to public supervisory authorities or bound by obligations towards them, who, in any form, including by omitting communications due to the said authorities, knowingly obstruct their functions.

The penalty is doubled in the case of companies with shares listed on regulated markets in Italy or other EU Member States or widely distributed among the public pursuant to Article 116 of the Consolidated Act referred to in Legislative Decree No 58 of 24 February 1998.

3-bis. For the purposes of criminal law, the resolution authorities and functions referred to in the decree transposing Directive 2014/59/EU shall be treated as equivalent to supervisory authorities and functions.

The following Criminal Code cases are also considered:

Article 299bis (Insider trading)

A sentence of imprisonment ranging from one to six years and a fine ranging from EUR 20,000 to EUR 3,000,000 shall be imposed on any person who, being in possession of inside information by virtue of his membership of the administrative, management or control bodies of the issuer, his holding in the capital of the issuer, or the exercise of a professional activity, profession or function, including public function, or office:

(a) buys, sells or undertakes other financial transactions, directly or indirectly, for his own account or for the account of a third party, using that information;

(b) communicates such information to others outside the normal exercise of his employment, profession, function or office;

(c) recommends or induces others, on the basis of such recommendations or inducements, to carry out any of the transactions referred to under subparagraph (a).

The same punishment as set out in paragraph one shall apply to any person who, being in possession of inside information by reason of the preparation or execution of criminal activities, carries out any of the actions set out in the same paragraph one.

The judge may increase the fine up to three times or up to the greater amount of ten times the product or the profit obtained from the offence when, because of the seriousness of the offence, the personal qualities of the offender or the size of the product or the profit obtained from the offence, it appears inadequate even if applied at the maximum.

Article 299ter (Market manipulation)

Whoever spreads false news or carries out simulated transactions or other devices concretely capable of causing a significant alteration in the price of financial instruments, shall be punished with imprisonment from one to six years and with a fine ranging from twenty thousand to five million euro.

The judge may increase the fine up to three times or up to the greater amount of ten times the product or the profit obtained from the offence when, due to the seriousness of the offence, the personal qualities of the offender or the size of the product or the profit obtained from the offence, it appears inadequate even if the maximum is applied.

In the context of activities sensitive to corporate offences, the addressees of the Model who are in any way involved in the Foundation's activities shall behave according to the following principles of conduct.

In general, such persons shall:

- behave in a correct, transparent and collaborative manner, in compliance with the law and internal procedures, in all activities necessary for drawing up the financial statements and other corporate communications, in order to provide the Bodies and the public with true and correct information on the economic and financial situation of the Foundation;

- ensure the regular functioning of the Foundation and its Bodies, guaranteeing and facilitating all forms of internal control over management as provided for by law, as well as the free and correct formation of the will of the Bodies.

Addressees shall not:

- represent or give- in the preparation and representation in the financial statements, in reports or in other communications- false, incomplete or, in any case, untrue data, or draft communications that do not truthfully represent the assets and liabilities and financial situation of the Foundation;

- omit data and information required by law on the economic and financial situation of the Foundation;

- behave in such a way as to prevent, through the concealment of documents or the use of other fraudulent means, or obstruct the performance of control activities by the Board of Auditors and the Auditing Company.

V. OTHER OFFENCES COMMITTED IN THE INTEREST OR TO THE ADVANTAGE OF THE ENTITY AND CONNECTED WITH THE CORPORATE PURPOSE AND THE CORE ACTIVITIES OF THE ENTITY.

VI. As already mentioned, the possibility that a non-profit foundation for charitable purposes could commit offences in its interest or to its advantage is a logical oxymoron, however, risk monitoring is aimed precisely at preventing these potential offences.

Hereunder, are further offences that the Foundation may commit in the performance of its mission, perhaps on the initiative of employees motivated by a malicious excess of zeal or by the desire to play a leading role or gain visibility within the organization.

Article 145bis (Trafficking in persons)

Whoever commits trafficking in a person, as under Article 145, or who induces that person by means of deception or compels him or her by means of violence, threats, abuse of authority or by taking advantage of a situation of physical or mental inferiority or of a situation of need, or by promising or giving sums of money or other advantages to the person having authority over him/her, to enter or stay in or leave the territory of the State or to move

within it, shall be punished by imprisonment of from eight to twenty years.

The penalty shall be increased by between a third and a half if the acts referred to in the first paragraph are committed to the detriment of a person below the age of eighteen years or are directed towards the exploitation of prostitution or with a view to subjecting the offended person to the removal of organs.

Article 248 (Criminal association)

When several persons associate for the purpose of committing several crimes, or for the purpose of obtaining unjust advantages by making use of the intimidating force of the association bond, those who promote or constitute or organize or direct the association shall be punished with imprisonment from three to seven years.

For the mere fact of intentionally participating in the association or of actively participating in the criminal activities or in other activities of the association, with the awareness that such participation contributes to the achievement of the criminal purposes, the punishment of imprisonment from one to five years shall apply. If the association aims at committing several offences punishable by imprisonment of no less than a maximum of four years, the punishment shall be imprisonment of from five to ten years in the cases provided for under the first paragraph and from three to six years in the cases provided for under the second paragraph.

The same punishment provided for in paragraph 2 is also applied to a person who organizes, directs, facilitates, encourages, favours or advises the commission of a crime involving the association. The association for the commission of a single crime punished with imprisonment of no less than a maximum of four years is punished, if the crime is not attempted, with imprisonment of from six months to three years. In the case of an attempted or committed crime, the punishment provided for therein shall apply, if higher.

If the association is armed, imprisonment from five to fifteen years shall apply. The association is considered armed when the participants have at their disposal, for the achievement of the association's aims, weapons or explosive materials, even if concealed or kept in a storage place.

The penalty is increased if the number of associates is ten or more."

Article 292bis (Substitution of person)

Unless the act constitutes a more serious offence, any person who, in order to procure for him/herself or for others an advantage or to cause damage to others, misleads another person by unlawfully substituting his/her own person for the person of another, or by attributing to himself or to others a false name, or a false status, or a quality to which the law attributes legal effects, shall be punished by imprisonment of up to one year."

Article 407 (Extortion)

Whoever, by means of violence or threat of serious personal injury or damage to property, compels a person to hand over, sign, or destroy, to the detriment of himself/herself or others, a deed having any legal effect, shall be punished by imprisonment of from three to ten years.

Omissis.

Article 409 (Blackmail)

Whoever, in any manner whatsoever, by threatening serious injury to person, honour or property, or by feigning an order from an authority, compels any person to send, deposit or place at the disposal of the offender any money, property or deed of any kind whatsoever, which has a juridical effect, shall be punished by imprisonment of from two to ten years.

Article 413 (Fraud)

Whoever, by means of artifice or deception designed to deceive or surprise the good faith of others, induces others into error, procures for himself/herself or others an unjust profit to the detriment of others, shall be punished with imprisonment of up to three years and with a fine of more than 300 lire.

Imprisonment shall be from one to five years if the offence is committed:

1 by lawyers, attorneys or directors, in the exercise of their functions;

2° to the detriment of a public administration or a public charity;

3° - omissis -

Article 415 (Circumvention of incapacitated persons)

Whoever, in order to procure for himself or others a profit, abusing the needs, passions or inexperience of a minor, or abusing the state of infirmity or mental deficiency of a person, even if not interdicted or incapacitated, induces him to perform an act which has any harmful legal effect for him or others, shall be punished by imprisonment of from two to six years and a fine of from one thousand to ten thousand euros."

Article 416 bis (Misappropriation to the detriment of the State)

Whoever, not belonging to the public administration, having obtained from the State or from another public body or institution grants, subsidies or financing intended to promote initiatives aimed at carrying out works or activities in the public interest, does not use them for the aforementioned purposes, shall be punished with imprisonment from six months to four years. In the case of minor offence, the penalties are reduced.

Article 416ter (Aggravated fraud to obtain public funds)

The punishment shall be imprisonment from one to six years and prosecution shall be ex officio if the act referred to in Article 413 relates to grants, loans, soft loans or other disbursements of the same type, however denominated, granted or provided by the State, other public bodies or institutions.

Article 416quater (Misappropriation of funds to the detriment of the State)

Unless the act constitutes the offence envisaged under Article 413, any person who, by using or submitting false declarations or documents or by certifying untrue things, or by

omitting due information, unduly obtains for himself/herself or for others contributions, financing, subsidised loans or other disbursements of the same type, however denominated, granted or disbursed by the State, by other public bodies or institutions, shall be punished with imprisonment from six months to three years. In the case of minor offences, the penalties are reduced.

Article 417 (embezzlement)

Whoever appropriates, by converting it into a profit for himself/Herself or for a third party, a thing belonging to another person which has been entrusted or handed over to him/her for any reason involving the obligation to return it or to make a specific use of it, shall be punished, on complaint, with imprisonment of up to two years and a fine of over one hundred lire.

Article 418 (misuse of signed blank sheet)

Whoever, abusing a signed blank sheet of paper entrusted to him/her with the obligation to return it or to make a specific use of it, writes on it or causes to be written on it a deed that has any legal effect to the detriment of the person who signed it, shall be punished, on complaint, with imprisonment from three months to three years or with a fine of not less than three hundred lire.

Article 421quinquies (Usury)

Whoever, except for the cases provided for in Article 415, is given or promised, in any form whatsoever, for himself or for others, in exchange for the provision of money or other benefits, interest or other usurious advantages, shall be punished with imprisonment from two to eight years and with a fine ranging from five thousand to thirty thousand euros.

The same punishment shall apply to any person who, except in the case of complicity in the offence referred to in the first paragraph, procures for another person a sum of money or other benefit by having a usurious fee given or promised to him or others for the mediation.

The limit beyond which interest is always considered usurious for the purposes of criminal law is periodically determined by order of the President of the Governorate.

Interest, even if below the limits, as well as other advantages or remuneration shall also be considered usurious, if they are in any case disproportionate to the provision of money or other benefits, or to the mediation work, when the injured party is in financial or economic difficulty, having regard to the actual modalities of the act and to the average rate applied for similar transactions,

In determining the usurious rate of interest, account shall be taken of commissions, any remuneration and expenses, with the exception of taxes and duties, connected with the granting of the credit.

Article 45ter, l. n. CCCLV (Illicit import and export of cultural goods)

1. Whoever imports cultural goods of unlawful provenance shall be punished by imprisonment of from two to six years and with a fine ranging from one thousand to five thousand euro.

2. The same penalty shall apply to any person who exports cultural goods without the required authorizations."

E. SUPERVISORY BODY

1. Identification of the Supervisory Body.

According to the provisions of Law VIII of 2013, the Supervisory body is the body entrusted with the task of supervising the functioning, effectiveness and compliance of the Models, as well as ensuring that they are updated.

The SB must be an internal body of the entity other than the Directors or Managers. According to the above law - granting exemption from administrative liability upon condition that the task of supervising the functioning and compliance with the model is entrusted to a body within the Entity, the Supervisory Body shall be a monocratic body taking into account the size and also the supranational structure of FCAPP,

The members of the Supervisory Body shall not find themselves in the position of being banned, disqualified, bankrupt or sentenced, even temporarily, to a punishment bringing about disqualification, even temporary, from public office or the inability to exercise executive offices; they shall not have been sentenced, even if temporary or have plea bargained for one of the offences envisaged by the criminal law; and, if appointed, they shall be repealed. The above applies both to Vatican and foreign citizens according both to Vatican and their national regulations.

In any case, the members of the Supervisory Body are and shall be chosen from among persons who have no family relationships with the members of the Board of Directors, the Secretary General, with the Top management of the Foundation, and in general with persons who may compromise their independence of judgement. The same rule applies to the monocratic Supervisory body.

2. Requirements for members of the Supervisory body.

The Supervisory body and its members must meet the following requirements:

1. *Autonomy*: it must have decision-making autonomy, which can be qualified as indispensable freedom of self-determination and action, with full exercise of technical discretion in the performance of its functions

2. *Independence vis-à-vis the Company*: it must be free from influences deriving from links of subordination to top management and must be an independent

third-party- also hierarchically independent, capable of adopting autonomous measures and initiatives.

3. *Professionalism*: it must be professionally capable and reliable, both in terms of its individual members and as a whole. As a body, it must have the necessary technical knowledge and professionalism to carry out the functions entrusted to it to the best of its ability;

4. *Seamless action*: it must perform the functions assigned to it seamlessly, although not exclusively;

5. *Honourability and absence of conflicts of interest*: The members of the Supervisory body shall not find themselves in the position of being banned, disqualified, bankrupt or sentenced, for one of crimes envisaged, to a punishment bringing about disqualification, even temporary, from public office or the inability to exercise executive offices; if appointed, they shall be repealed. The above applies both to Vatican and foreign citizens according both to Vatican and their national regulations;

6. Moreover, if a member of the SB is to assist a manager or top management of the Company as a professional, the mandate must be authorized by the Board of Directors and must not be granted in any case if a conflict of interest may arise with his function as a member of the SB.

7. Finally, if a member of the SB has an interest on his own behalf or on behalf of a third party in a resolution, he must inform the other members of the Body, specifying its nature, terms, origin and scope. The other members will decide whether he/she should abstain from the resolution.

the Supervisory Body, in accomplishing its tasks, has the power/duty to implement the initiatives necessary to adapt the Model to the requirements related to the occurrence of deviations or violations against the rules laid down in the Model or to the concrete needs of the organization. The members of the Supervisory Body shall have legal and administrative competences, that can be briefly summarized as follows:

LEGAL COMPETENCES	• In-depth knowledge of the methodologies used in the interpretation of legal provisions with specific competence in the analysis of offences and in the identification of possible punishable conducts. This implies familiarity with the research and analysis of the relative case law. In short, capability of examining and interpreting the provisions of the law, identifying the types of offences, as well as the applicability to the Foundation's operations. • Knowledge of how the Foundation concretely operates gained in a position of responsibility and top management within the Foundation. • Ability to translate the risk prevention processes outlined in the Organizational Model into rules of conduct.
ADMINISTRATIVE COMPETENCES	• Specific training in the analysis of organizational procedures and processes as well as general principles of *compliance* and related controls, with experience in the preparation of procedures and manuals.

The members of the Supervisory Body shall remain in office for three years (TO BE CHECKED AND HARMONIZED BY REGULATION) and may in any case be re-elected. The criteria for the functioning of the Supervisory Body, as well as the information flows from/to the Body shall be established by means of specific organisational documents and/or internal communications. The Body has adopted its own internal regulations.

The Supervisory Body shall have the right to resort to external consultants for professional *auditing* and certification.

It may also choose a Chair from among its members if he/she is not appointed by the Board of Directors.

The Chair coordinates the work of the Supervisory body and ensures that adequate information on the agenda is provided to all members.

The Supervisory Body can be contacted by e-mail: odv@foundation.va in full confidentiality and anonymity. In order to guarantee its complete autonomy and independence, the Supervisory Body shall report directly to the top management of the entity.

3. Functions and powers of the Supervisory Body.

The Supervisory Body is entrusted with the task of monitoring:

a. compliance with the Model by employees, volunteers, consultants and partners;

b. effectiveness and adequacy of the Model in relation to the operational structure and the effective capacity to prevent Offences committed in the interest or to the advantage of the entity;

c. Model updating, where there is a need to adapt it to changes in the Foundation's operational or organizational conditions.

To this end, the Supervisory Body shall:

A. implement the control procedures laid down in the Model. Thus the Supervisory Body can request the issuance of specific procedures according to current provisions. It should be noted, however, that the control activities are the primary responsibility of the operational management of the Foundation and are considered an integral part of its operational processes, hence the importance of training personnel;
B. Survey operational activities to regularly update the mapping of sensitive activities;
C. Carry out periodic targeted checks on specific transactions or acts especially in the context of sensitive activities, whose outcomes are summarized in the reports sent to the corporate bodies;
D. Coordinate together with directors or managers training programmes on the criminal liability of entities;
E. Monitor initiatives to disseminate knowledge and understanding of the Model and prepare internal documentation necessary for the operation of the Model, containing instructions, clarifications or updates;
F. Collect, process and store information on the compliance with the Model, as well as update the list of information that must be transmitted to Body or kept at its disposal;
G. Coordinate with the other functions to best monitor the procedural activities established in the Model. Thus, the Supervisory Body shall have free access to all relevant documentation of the Foundation and be constantly informed by the *management*: 1) on operational activities that may expose the Foundation to the risk resulting from committing offences; 2) on relations with consultants and *partners*;
H. Construe relevant legislation and verify the adequacy of the internal control system in relation to these regulatory requirements;
I. Verify the need to update the Model;
J. Report periodically to the Foundation's bodies on the implementation of the operational policies for the implementation of the Model;
K. Check that the documentation supporting the Foundation's activities is in

place, properly maintained and effective;

4. SB Reporting to corporate bodies.

The Supervisory Body liaises continuously and directly with the Board of Directors and its Chair. Where necessary, it liaises with the Secretary General for matters falling within his remit. Where necessary, it liaises with the Board of Auditors.

In addition, the Supervisory body shall annually submit to the BoD a written report on its activities.

The report shall focus on:

1) the activity carried out by the Supervisory Body;

2) any criticalities that have emerged both in terms of conduct or events within the entity and in terms of the effectiveness of the Model.

Minutes of the meetings shall be drafted and copies of the minutes shall be kept by the Supervisory Body as well as by the bodies involved from time to time.

The Chair of the BoD shall have the right to convene the Supervisory body at any time.

5. Other control and reporting activities required by law or internal regulations.

The Supervisory Body must coordinate from time to time with the competent functions of the Foundation on the basis of the relevant specific needs.

6. Periodical checks.

Audits of the Model will be carried out by performing specific in-depth analyses and control tests. At the end, a report will be drawn up highlighting possible shortcomings and suggesting actions and submitted the attention of the Directors.

7. Information flows to control bodies.

Information and reports relating to acts, facts or events relevant for the purposes of Title X° of L. VIII of 2013, including those of an unofficial nature, such as those coming from employees, consultants, *partners*, shall al be submitted to the Supervisory Body, that shall assess the reports received and any consequent measures at its reasonable discretion and responsibility, hearing, if necessary, the author of the report and/or the person responsible for the alleged violation and motivating in writing any refusal to proceed with an internal investigation.

Reports may be in writing and concern any violation or suspected violation of the Model.

The Supervisory Body shall act in such a way as to guarantee whistleblowers against any form of retaliation, discrimination or penalization, also ensuring the confidentiality of the whistleblower's identity, without prejudice to legal obligations and the protection of the rights of the entity or persons wrongly accused and/or in bad faith.

All personnel, who come into possession of information about offences or "practices"

that are not in line with the rules of conduct adopted, shall report them.

The Supervisory body shall be informed about:

- *decisions relating to request, disbursement and use of public resources and funding; summary statements of projects financed with public funds for which the entity has been awarded contracts following national and European tenders, or by private treaty;*
- *news and documentation on projects financed with public funds entrusted by public bodies or entities performing public utility functions;*
- *requests for legal assistance made by managers and/or employees and collaborators against whom the Judiciary is proceeding for offence;*
- *measures and/or news coming from the judicial police, or from any other authority, from which it can be inferred that investigations are being carried out, even against unknown persons, for any offence;*
- *information on the actual implementation, at all levels, of the Model, with evidence of the disciplinary proceedings carried out and sanctions imposed, or of the measures for dismissal of such proceedings with the relevant reasons;*
- *reports prepared by the managers of other functions of the Foundation as part of their control activities and from which facts, acts, events or omissions may emerge that are critical with respect to compliance with the provisions of Title X° of Law VIII of 2013;*
- *the entity's system of delegation.*

Periodically, the Supervisory Body will propose to the Board of Directors, if necessary, any changes to the above list.

The regulations of the Supervisory Body supplement and complete the rules contained herein.

F. GENERAL PRINCIPLES OF CONDUCT.

The rules of conduct contained in this Model are integrated with those of the Code of Ethics, although the Model, as set out in Title X of Law VIII of 2013, has a different scope. In fact

- The Code of Ethics is an autonomously adopted instrument that can be generally applied by the organization in order to express the principles of "*deontology*" that the

organization recognizes as its own and which all employees and collaborators, including volunteers, shall comply with.

- the Model, on the other hand, responds to specific prescriptions contained in Title X°, Law VIII of 2013 aimed at preventing particular types of offences (acts which, committed apparently to the advantage of the entity, may entail administrative liability under the provisions of the above law.

The conduct of employees, collaborators, volunteers and directors ("Employees and Collaborators"), of consultants or in any case of those with powers of representation of the Company ("Consultants") and of the other contractual counterparties of the entity, shall comply with the rules of conduct provided for in the Model to prevent the occurrence of the offences envisaged in the Vatican legislation.

In particular, the rules of conduct provide that:

✓ Employees, Collaborators, Volunteers, Consultants and Partners **shall not**:

(a) engage in conduct constituting an offence
(b) engage in conduct which, although not in itself constituting an offence, may potentially become one;

✓ Employees, Collaborators, Volunteers, Consultants and *Partners* must avoid any situation of conflict of interest with the Public Administration;

✓ Money donations to public officials are prohibited;

✓ Compliance with the Foundation's current practice and *budget for the* distribution of gifts and gratuities is mandatory. In particular, any form of gift to Italian and foreign public officials (even in those countries where gifts are a widespread practice), or to their relatives, which may influence the independence of judgment or induce to secure any advantage for the FCAPP, is prohibited.

Permitted gifts are always characterized by the smallness of their value. Gifts offered, except those of modest value, must be adequately documented for possible checks and shall be authorized by the Head of Department. The Supervisory Body shall monitor, within the scope of its powers, controls and checks the distribution of free gifts and presents.

Employees and Collaborators of the entity who receive gifts or benefits not provided for in the permitted cases are required, in accordance with established procedures, to notify the Supervisory Body, which in turn shall assess the appropriateness and notifies the sender of the entity's policy on the matter;

✓ Relations with the P.A. must be managed in a unified manner, meaning that the

persons representing the entity in dealings with the Public Administration must receive an explicit mandate from the entity as follows: current delegations and proxies, under sub-delegations of the powers conferred and the organization of work tasks.

Those who perform a control and supervisory function with respect to employees and collaborators working with public bodies, must carefully and appropriately monitor the activities of their subordinates and immediately report to the Supervisory Body any situations of irregularity, detected or just merely suspected;

- ✓ The remuneration of consultants and *partners must be* determined only in writing; the principles of transparency must be respected by the directors in taking decisions that have a direct impact on third parties;

- ✓ Appropriate procedures must be complied with and, where not yet adopted, procedures must be put in place by the directors to allow the exercise of control and prompt access to the information envisaged by law or regulation.

G. DISCIPLINARY SYSTEM.

1. Disciplinary system and measures in case of non-compliance with the requirements of the Model.

1.1. General principles

The preparation of an adequate system of sanctions for the violation of the provisions contained in the Model is an essential precondition for ensuring the effectiveness of the Model and of the supervisory action of the SB.

The application of disciplinary sanctions is irrespective of the outcome of any criminal proceedings, as the rules of conduct imposed by the Model are assumed by FCAPP in full autonomy regardless of the offence that any conduct may determine.

The investigation of infringements may also be initiated by the Supervisory Body which, in the course of its control and supervision activities, has detected a possible breach of the Model.

The Supervisory Body may also be called upon to play a consultative role throughout the disciplinary procedure in order to acquire useful elements for the regular updating of the Model. The assessment of any responsibilities arising from the violation of the Model and the decision of the consequent penalty shall in any case be in compliance with current legislation, the protection of *privacy*, dignity and reputation of the persons involved.

The disciplinary system is constantly monitored by the Supervisory Body.

1.2. Sanctions for employees

Conduct by employees in breach of the individual rules of conduct set out in this

Model is defined as disciplinary offence.

By way of example and without limitation, the following conduct constitutes disciplinary offence:

- violation, including through omissive conduct and in possible concurrence with others, of the principles and procedures laid down in this Model or established for its implementation, as well as of the principles of the Code of Ethics;
- preparation, possibly together with others, of false documentation;
- facilitation, by omission, of the preparation by others of false documentation;
- failure to draw up the documentation required by this Model or by the procedures established for its implementation;
- removal, destruction or alteration of documentation relating to the procedure to evade the system of controls provided for in the Model;
- obstructing the control activities of the Supervisory Body or of the persons it employs;
- preventing access to information and documentation requested by persons in charge of monitoring procedures and decisions;
- any other conduct likely to circumvent the control system provided for in the Model.

Depending on the importance of the individual cases and their seriousness, the sanctions provided for are as follows:

a. VERBAL WARNING, WRITTEN WARNING,

b. PECUNIARY FINE (not exceeding € 100.00);

c. SUSPENSION FROM THE LIST OF MEMBERS (for a maximum of 30 days);

d. EXPULSION FROM THE LIST OF MEMBERS in the case of "*offences under the law*" or "*acts such as to radically undermine the Foundation's trust in it*", or the occurrence of events under the previous points resulting in serious moral and/or material damage to the Foundation.

In addition, the following sanctions are possible for employees:

e. SUSPENSION FROM WORK AND PAY (for a maximum of 3 days);

f. DISCIPLINARY DISMISSAL if the misconduct is "an *offence under the law*" or "*acts such as to radically undermine the Foundation's trust in him/her*", or the occurrence of the misconduct referred to in the previous points resulting in serious moral and/or material damage to the Foundation.

1.3. Measures against managers

In the event of violation of the provisions of this Model by managers, measures proportionate and appropriate to the position held and the nature and seriousness of the violation shall be applied.

If the breach causes the relationship of trust to break down, the sanction is dismissal for just cause.

1.4. Measures against directors and members of the Board of Auditors.

The Foundation rigorously evaluates breaches of this Model committed by those who represent the top management of the Foundation and thus manifest its image to employees, shareholders, creditors, and the public. The formation and consolidation of an ethic sensitive to the values of correctness and transparency assumes, first of all, that these values are acquired and respected by those who guide the choices of the Foundation, so as to constitute an example and incentive for all those who, at any level, work for FCAPP.

Whenever, Directors violate the internal procedures and principles of conduct provided for by this Model and/or adopt, in the exercise of their powers, measures that conflict with the provisions or principles of the Model, the SB shall promptly inform all members of the Board of Directors who, according to their respective competences, shall take the most appropriate and adequate measures consistent with the seriousness of the violation and in line with the powers provided for by law and/or the Statute (e.g. statements in the minutes of meetings, convening of the Shareholders' Meeting to resolve on the measures against the persons responsible for the violation, including revocation of the appointment of director and possible adoption of the liability actions provided for by the law and/or the Statute).

Violations of the provisions of this Model by members of the Board of Auditors shall be promptly reported by the Supervisory Body, to all members of both Board of Auditors and Directors. After hearing the opinion of the Board of Directors, the Board of Auditors shall take the appropriate measures against the members who have committed the alleged violations.

1.5. ***Measures against external collaborators and partners (report in the "RULES OF CONDUCT FOR ITALIAN AND FOREIGN PARTNERS.*** Any behaviour adopted by external collaborators or partners, that is in contrast with the lines of conduct indicated in this Model and which entails the risk of committing an offence, may result in the termination of the contractual relationship by resorting to the relevant clauses of the contract.

The Procurement Office, in agreement with the Board of Directors and in cooperation with the Supervisory Body, shall provide to draft, update and enter - in the letters of appointment or partnership agreements - such specific contractual clauses, which shall also envisage possible claim for damages caused to the Foundation from the application by the Vatican judge of the measures provided for by Title X° of Law VIII of 2013.

1.6. Measures for violation of information obligations towards the Supervisory Body

In the event of disciplinary offences committed by members of the Supervisory Body,

the Board of Directors shall be promptly informed and may issue a written reprimand to such member of the Supervisory Body or revoke him/her, depending on the seriousness of the offence committed. The sanctions provided for employees and managers shall also apply to members of the SB who fall into these categories.

1.7. Measures against employees and collaborators of companies acting on behalf of or in the interest of FCAPP.

In the case of disciplinary offences committed by staff members of companies which operate, even de facto, on behalf of and in the interest of FCAPP, both in the national territory of the Vatican and abroad, the SB will inform the BoD. The latter, through the competent structures, shall communicate the incident to the appropriate bodies/structures, that in turn shall evaluate the situation and adopt the most appropriate sanctioning measures according to the internal and local regulations.

H. TRAINING AND COMMUNICATION

1. Communication and training for employees

To guarantee the effectiveness of Model, the Foundation shall guarantee correct knowledge of the procedures and rules of conduct adopted- in line with the principles contained in this document- by the staff members involved in the areas of activity at risk. The information level shall be differentiated according to the level of involvement of the staff.

The procedures, control systems and rules of conduct adopted in this document, together with the Code of Ethics, are communicated to all personnel in relation to the activity carried out and the tasks assigned. Similarly, adequate information shall be provided on the disciplinary sanctions that may be imposed in the event of one or more violations of the rules introduced by the Model.

Upon acceptance of the employment proposal, employees shall sign a declaration of compliance with the Code of Ethics and commit to comply with the procedures for the implementation of the principles of the Model. Upon acceptance of their appointment, Directors shall also declare and/or sign to commit to comply with Code of Ethics, contribute to its implementation in line with the principles for the construction of the Model as set out in this document.

2. Information to external collaborators and *partners*

External parties (Consultants and Partners) shall receive appropriate information on the policies and procedures adopted by the Foundation with its Organizational Model as well as the texts of the relevant contractual clauses.

3. Information to suppliers

The Foundation's supplier shall be notified about the adoption of the Model and the Code of Ethics. Furthermore, suppliers shall self-certify that they have not been convicted and/or have no pending trials for crimes.

I. CONTROLS AND PROCEDURES AT A GLANCE:

The Foundation has carried out a careful analysis of its own organizational, management and control tools to verify if the behavioural principles and procedures already adopted align with the purposes set out in Title X° of Law VIII of 2013 and, where necessary, to appropriately adjust them.

The law expressly envisages that the Model identifies those activities of the Foundation were offences may potentially be committed.

Therefore, an analysis was made of those FCAPP activities and the relevant organizational structures that entail operational activities at risk of perpetration of offences, identifying examples of possible perpetration, as well as processes that might offer the conditions and/or the tools for the commission of offences (instrumental/functional processes).

FCAPP activities were mapped to assess the degree of risk of its exposure for each sensitive activity and instrumental/functional process, on the basis of quantitative and qualitative considerations taking into account, by way of example, several factors such as the frequency of each event or activity, the seriousness of the sanctions potentially associated with the offences, as well as the damage to the image of the Foundation due to potential unlawful conduct in the activities at risk.

Given the specific nature of the activities carried out by FCAPP, the main risk areas are: relations with the Public Administration, corporate offences, money laundering and self laundering, offences against property, etc..

The system of procedures

FCAPP has adopted a system of procedures aimed at preventing offences. These procedures are collected in the Manual of Procedures.

Sensitive activities shall be consistently regulated through a system of procedures and other regulatory instruments of the Foundation, so that at any time it is possible to identify the operating procedures for the activities, the relative controls and responsibilities.

The Foundation's organizational system must also comply with the fundamental requirements of: explicit formalization of the rules of conduct; clear, formal and knowable description and identification of the activities, tasks and powers assigned to each division and to the various professional roles and qualifications; precise description of the control activities and their traceability; adequate separation of operational and control roles.

In particular, the following internal control principles shall be pursued:

Behavioural standards:

- A Code of Ethics describing general rules of conduct to protect the activities carried out.

Definition of roles and responsibilities:

- The internal rules must set out the roles and responsibilities of organizational units at all levels, consistently describing the activities of each structure;
- such regulations must be available and known within the organization.

Separation of powers:

- Within each relevant process, the functions or persons in charge of the decision and its implementation must be separated from those who record and control it;
- there must be no subjective identity between those who take or implement decisions, those who draw up accounting records of the operations decided upon and those who carry out the relevant controls provided for by law and by the procedures laid down in the internal control system.

Control and traceability activities:

- *Operational controls and their characteristics (responsibilities, evidence, frequency) should be formalized in procedures or other internal rules;*
- *the documents about sensitive activities shall be suitably formalized and shall bear the date of completion, acknowledgement of the document and the recognisable signature of the compiler/supervisor; they shall suitably stored in order to protect the confidentiality of the data and to avoid damage, deterioration and loss;*
- *acts shall be traceable in their development and relative authorization levels, the development of the operations, both material and registration, with evidence of their motivation in order to guarantee the transparency of the choices made;*
- *the person in charge of the activity shall produce and maintain adequate monitoring reports containing evidence of the controls carried out and of any anomalies detected;*
- *wherever possible, computer systems shall be used to ensure that each transaction, or a segment thereof, is correctly and truthfully attributed to the person responsible for it and to the persons involved in it. The system shall provide for the impossibility of modifying the records;*
- *documents concerning the Foundation's activity, and in particular computer documents about sensitive activities, are filed and stored by the competent division so that they cannot be subsequently modified, except with appropriate evidence;*
- *access to documents already filed shall always be justified and allowed only to persons authorized under internal rules or their delegates, the Board of Auditors or equivalent body or other internal control bodies, the Audit Company and the Supervisory Body.*

In addition, the control system on entity liability must pay attention to the following sensitive activities:

1. *Management of the procurement of goods and services, with particular reference to public tenders and relations with the public administration;*
2. *Management of consultancies, professional appointments and suppliers*
3. *Managing compliance, communications, and relations with public authorities, regulatory, supervisory and control bodies, also during inspections;*
4. *Management of donations, sponsorships, gifts and gratuities*
5. *Treasury management and accounting;*
6. *Management of relations with auditors;*
7. *Selection, recruitment and development of human resources;*

Please refer to the Special Section for further specification of the areas and activities considered at risk.