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Joint First and Second Evaluation Rounds

Compliance Report on Monaco

Adopted by GRECO
at its 48th plenary meeting
(Strasbourg, 27 September – 1 October 2010)

I. INTRODUCTION

1. GRECO adopted the joint first and second round evaluation report on Monaco at its 39th meeting (6-10 October 2008). The report (Greco Eval II Rep (2008) 1E) was published by GRECO on 14 November 2008, following authorisation from the country's authorities.
2. In accordance with Rule 30.2 of GRECO's Rules of Procedure, on 30 October 2009 the Monegasque authorities submitted their situation report (RS), accompanied by numerous appendices on measures to implement the recommendations. Additional information was supplied on 2 June and 23 July 2010.
3. In accordance with Rule 31.1 of its Rules of Procedure, GRECO asked Luxembourg and Switzerland to appoint rapporteurs for the compliance procedure. Mr Jean BOUR was appointed by Luxembourg and Mr Olivier GONIN by Switzerland. The GRECO Secretariat has assisted the rapporteurs in drafting the compliance report.
4. The compliance report assesses the measures taken by the Monegasque authorities to implement the evaluation report's recommendations.

II. ANALYSIS

5. In its evaluation report, GRECO made 28 recommendations to Monaco. The remainder of this report considers how fully they have been implemented.

Recommendation i.

6. *GRECO recommended to adopt an anti-corruption work programme that leads to the effective adoption of such measures as a) a study of the characteristics of corruption in its various forms and the sectors exposed to risk; b) identifying what reforms are required in the field of public procurement and other existing sectors at risk; c) measures to raise awareness of the importance of combating corruption in its various forms at both state and municipal levels.*
7. The Monegasque authorities state that following GRECO's adoption of the evaluation report, its conclusions were examined by the government, which decided to introduce stricter measures to prevent and combat corruption in the Principality. A working group was set up for this purpose¹ to produce an action plan for implementing GRECO's recommendations. The action plan, which was approved by the government, includes a number of measures, one of which is the drafting of new legislation on corruption and special investigation techniques that will be more comprehensive than the law in force at the time of the on-site visit². The new bill would amend the criminal and criminal procedure codes in a number of areas covered by the evaluation report. Its main objectives are to a) clarify and extend the corruption offences and make trading in influence an offence³; c) make confidentiality of investigations an institutional requirement; d) authorise the prosecutor's office to discontinue cases; e) introduce new special investigation techniques; f)

¹ This is chaired by the Inspector General of Administration, and composed of representatives of the Directorate of Judicial Services, the Department of Finance and the Economy, the Department of the Interior, the Directorate of Legal Affairs, the Directorate of Public Safety and the Financial Information and Monitoring Department (SICCFIN).

² The Monegasque government wished to revise the initial draft legislation on corruption and trading in influence to give clearer definitions of these two offences. The bill was supplemented by two provisions taken from the draft reform of the Code of Criminal Procedure, which were considered to be essential if anti-corruption measures were to be more effective.

³ This scope of these offences would thus be extended to include all those concerned in the public and private sectors, be they national, foreign or international.

- establish formal recognition of anonymous witnesses; g) amend the seizure and confiscation arrangements; h) establish a register of convicted legal persons.
8. The draft legislation is being finalised (a copy was submitted for information) and after adoption by the Crown Council, it will be lodged with the bureau of the National Council (parliament) by the end 2010 at the latest.
 9. The Monegasque authorities state that in connection with the aforementioned action plan, a study has been launched into the characteristics of corruption in its various forms and the sectors exposed to risk – part a) of the recommendation. The study will be undertaken by independent experts (French academics) with acknowledged expertise on the subject. The first stage was a series of meetings, discussions and thematic round tables in March and April 2010 with various leading figures from business, the economy and government in the private, public and parapublic spheres to prepare a "diagnosis" of the situation⁴. The diagnosis, based on typologies of corruption, was the subject of a pre-report in May 2009 and the final report was submitted by the experts to the Monegasque authorities in summer 2010. Moreover, the opinion poll of 2007 on public satisfaction with the Monegasque administration was repeated in March 2009 (it was commissioned to a French institute and was finally published on the governmental internet portal – [link to the document](#)); a new question on integrity was included and replies show that Monegasque public officials are, overall, perceived positively in this respect⁵.
 10. Turning to part b) of the recommendation, the aforementioned study identifies a few sectors which are vulnerable to corruption (real estate, construction and public works, public tenders and procurement, banking and financial sectors, non-governmental organisations) and it proposes introducing certain changes which are considered necessary in these areas.
 11. In connection with part c) of the recommendation, on 22 June 2010 the government organised an educational seminar attended by members of the government, the Director of Judicial Services and senior judges, representatives of the Prince's private office, the President of the National Council and the municipal council and nearly 200 public officials. The seminar was intended to draw attention to the complex nature of corruption, its economic and financial dimensions and its consequences for the rule of law (see also paragraphs 124 to 129 on recommendation xxii). The Monegasque authorities also point out that in the specific context of the Principality, the recent discussions with the most senior government and judicial authorities and the Mayor, in connection with the aforementioned study, also contributes to awareness-raising.
 12. GRECO welcomes the various steps taken to implement the recommendation and above all to raise awareness of corruption in connection with the country's prevention and enforcement policies. Although the study of corruption in the Principality is too recent for the authorities to draw all the lessons of its findings for the sectors requiring reform, in particular public procurement, areas for practical action have been identified and overall GRECO is satisfied with the measures taken.
 13. GRECO concludes that recommendation i has been dealt with in a satisfactory manner.

⁴ The themes covered included financial services, the business sector, health, public procurement, public works and construction, administrative services and their users, public establishments and licensed companies and the judicial system.

⁵ 86% of Monegasque residents (79% of non-residents) questioned believe that Monegasque civil servants are "very honest" or "fairly honest", 9% of residents (5% of non-residents) believe, on the contrary, that they are "barely honest" (2% of non-residents even consider that they are "not honest at all").

Recommendation ii.

14. *GRECO recommended to introduce further regular training for judges and police that takes account of the needs of new arrivals and new crime-related problems, particularly concerning corruption.*
15. The Monegasque authorities state that the initial training of police officers includes a 40 hour module on "ethics and police practice", which includes the subject of corruption. This covers the conduct expected of police officers and also how they should respond to cases of corruption of which might come to their attention in the course of their duties. Moreover, a session dealing specifically with corruption was included in addition to the above 40 hour module. This training is provided to police officers who will be required to undertake judicial investigations. As part of police continuing training, which implies mandatory training attendance on a biannual basis, these issues are again considered from the standpoints of both police ethics, and investigations of this type of offence; these updating courses having been prolonged by one day in order to address the topic of corruption specifically. Such offences are the responsibility of the police financial inquiries section. The members of this section specialise in this field and in addition to their continuing training in Monaco attend specialist courses in France (Certificate of economic and financial training; specialised traineeships on money laundering and corruption); however, more specific information is not provided on the courses actually attended in the last two years.
16. Both Monegasque and seconded French judges can attend specialist training modules on financial and economic crime organised by the French legal service training college, the full cost of which are met by the judicial services directorate⁶. In addition, starting in 2011 an annual seminar will offer judges the opportunity to discuss any problems they have encountered in the intervening period.
17. It should also be noted that section 66 of the Status of the Judiciary Act, no. 1.364 of 16 November 2009, reaffirms judges' right to training, stating that judges or prosecutors who are appointed to one of the permanent posts in the judiciary, as defined in the act, shall be entitled to training throughout their careers. The arrangements governing this continuing training will be laid down by the judicial service commission and be the subject of an order of the Director of Judicial Services.
18. Finally the June 2010 seminar (see paragraph 11), whose purpose was primarily educational, was also an opportunity for senior judicial officials to review the forms taken by corruption in France, a country very close to Monaco.
19. GRECO notes the information provided. Even though it regrets that the training attended by judges and prosecutors in the last two years have never addressed corruption as such, the training efforts are genuine and they go, overall, in the direction suggested by the recommendation as regards the police on the one hand, and judges and prosecutors on the other hand.
20. GRECO concludes that recommendation ii has been dealt with in a satisfactory manner.

⁶ Between 2008 and September 2009, 1 judge/prosecutor attended the module "Introduction to economic and financial criminal law"; 2 attended the module "Advanced economic and financial criminal law"; 2 attended the module "Statute, deontology and responsibility of judges and prosecutors"; 2 attended the module

Recommendation iii.

21. *GRECO recommended in consultation with the French authorities where this is necessary, a) complete the proposed reorganisation of the judiciary and establish a judicial body that would be responsible for the recruitment, appointment, promotion and training of Monegasque and seconded French judges, together with disciplinary and other aspects of their careers; and b) take steps to review the arrangements for the secondment of French judges to offer more safeguards for their independence, particularly at the time of eventual renewal of secondment.*
22. Concerning part a) of the recommendation, the Monegasque authorities state that the Status of the Judiciary Act, no. 1.364 of 16 November 2009, established a judicial service commission (*Haut Conseil de la Magistrature* or HCM [note: the concept of *magistrats* which is always translated in English as “judges” includes also prosecutors]). Part III of the act is entirely devoted to this new body, which manages the careers of (both national and seconded) judges and has disciplinary powers. It has seven members: the Director of Judicial Services (chair), the first President of the Court of Cassation, vice-chair, one full member appointed by the Crown Council, one full member appointed by the National Council, one full member appointed by the Supreme Court and two members elected by the judges. The quorum is at least five members.
23. The HCM, which was officially established on 26 April 2010, is responsible for ensuring that equity, equal treatment and all the principles that should govern the career management of independent judges under the rule of law are observed. It is therefore obligatory to consult the HCM prior to any decisions by the judicial authorities concerning the recruitment, promotion, position, training and honorary titles of judges.
24. It also exercises disciplinary powers over judges while at the same time there are stronger safeguards attached to the disciplinary procedure, in particular with regard to the right of both sides to be heard. When it sits in disciplinary hearings it is no longer chaired by the Director of Judicial Services, who then becomes the prosecuting authority, and co-opts an additional member, the first President of the Court of Appeal. The fact that the HCM is chaired by the most senior judge in the Principality offers substantial legal safeguards to judges facing disciplinary proceedings. Individuals concerned are required to appear in person, assisted if they wish by counsel of their choice. If they fail to appear without good reason the HCM can rule in their absence. An administrative procedure has also been introduced whereby after 5 to 10 years, according to circumstances, judges who have been sanctioned but not dismissed may ask the Director of Judicial Services to remove all reference to sanctions from their personal files. These provisions respect the principle that disciplinary proceedings should be entirely separate from criminal proceedings brought by the public prosecutor or complainants. The new body also has a consultative function in that it may be consulted by the Prince on any matter relating to the organisation and functioning of the judicial system.
25. Act 1.364 has been supplemented by various other instruments: sovereign order 2.572 of 13 January 2010 on the arrangements for electing elected members of the HCM (judicial service commission), sovereign order 2.573 of 13 January 2010 on judges' salary scales, sovereign order 2.706 of 7 April 2010 establishing the operating rules of the HCM and sovereign order 2.711 of 19 April 2010 on the composition of the HCM.
26. These constitute the first batch of measures of the justice system's reform, which also entails the enactment of the draft law to revise the organisation and administration of the judicial system (draft Law n. 778); a bill was lodged in 2004 with the bureau of the National Council and the

government has reminded this assembly of the importance of its early passage. In a nutshell, the draft aims at a) providing Monaco with a modern and consolidated law on the functioning of the justice system; b) reorganising the management of justice institutions whilst limiting the powers of the Director of Judicial Services to administrative tasks; c) reorganising the justice system in particular by clarifying the prosecutors' position. The authorities explain that although the two series of measures are complementary, the judges' new statute has been effective since 2009 and the HCM is already operational, independently from the adoption of the above draft law.

27. Concerning part b) of the recommendation, the Monegasque authorities state that the conditions governing the secondment of French public officials, including judges, to the Principality were reviewed when the Franco-Monegasque agreements were renegotiated in 2005. The conditions governing secondments are laid down in the convention of 8 November 2005 on the adjustment and extension of co-operation between France and Monaco⁷. The Directorate of Judicial Services would not be opposed to an extension of the three-year period of secondment, renewable once, particularly on the grounds of courts' internal functioning. The authorities stress that in principle, the recent revision of the bilateral agreement with France means that any renegotiation on this important aspect could not be envisaged in the near future. Nevertheless, to comply with the present recommendation, this matter was addressed during the visit to Monaco (in July 2010) of the French State Secretary of Justice and it was added to the agenda of the intergovernmental committee meeting between France and Monaco, to be held on 9 November 2010.
28. GRECO notes with satisfaction the establishment of a professional body for the judiciary and the reform of the status of judges as proposed in the recommendation; it accepts the argument that these changes are already fully effective and are not affected in their impact due to the fact that draft legislation to revise the organisation and administration of the judicial system is still awaiting parliamentary approval after six years (which concerns above all recommendation iv and matters which are specific to the prosecutor general's office). GRECO urges the early passage of this bill, which is also considered below (see paragraph 38). Turning to the conditions governing the secondment of judges, GRECO is pleased to learn that preliminary steps have been taken to discuss this matter with the French authorities and it very much hopes that this will allow reviewing the modalities for the secondment of judges. Overall, GRECO is satisfied with the measures taken.
29. GRECO concludes that recommendation iii has been implemented satisfactorily.

Recommendation iv.

30. *GRECO recommended a) to introduce a professional status for prosecutors that offers more protection against the powers of the executive/administrative authorities, and in particular specifies the circumstances in which they can be dismissed and the limits to the power of the executive/administrative authorities to influence the conduct of proceedings; b) to specify the grounds and arrangements for discontinuing proceedings.*
31. Concerning part a) of the recommendation, the Monegasque authorities state that the Directorate of Judicial Services acts as the Monegasque justice ministry. It is governed by an order of 9 March 1918 and is an administrative body independent of the government, headed by the Director of Judicial Services. The latter is responsible for the proper administration of justice and is answerable only to the Prince. As such, and for the purposes of judicial administration, he or

⁷ The procedure is that the Monegasque authorities send a profile of the post to be filled to the French justice ministry, which then sends back the names of three French judges who meet the specified criteria.

she has powers comparable to those of the Minister of State for the general administration of the country.

32. Under article 18 of the 1918 order on the Directorate of Judicial Services, the Director of Judicial Services, who is not a member of the government, supervises criminal prosecutions but does not conduct them directly and cannot terminate or suspend proceedings under way [underlined by the Monegasque authorities]. The Prosecutor General is explicitly responsible for conducting prosecutions, though he is still hierarchically responsible to the Director of Judicial Services.
33. Section 8 of the 2009 Status of the Judiciary Act restates this principle by stating that prosecutors are directed and supervised by the Prosecutor General, who is responsible to the Director of Judicial Services. But it also states that they are free to express themselves orally at hearings.
34. However, as indicated under the previous recommendation, the new law makes the HCM (judicial service commission) responsible for disciplinary matters, following referral by the Director of Judicial Services, to whom in turn cases where the facts warrant disciplinary proceedings against a judge or a prosecutor may be referred by the first president of the court of appeal, the president of the court of first instance or the Prosecutor General. The Director of Judicial Services does not sit on the HCM in disciplinary cases, when it is then chaired by the first president of the Court of Cassation.
35. The adversarial principle is respected because the case documents prepared by the Director of Judicial Services must be transmitted to the judge concerned at least fifteen clear days before any hearing takes place and the latter is entitled to present written arguments in response. He or she may also be assisted by a defence counsel or a Monegasque or foreign lawyer.
36. The HCM's decision has to be accompanied by reasons and is signed by all the members who take part in the deliberations. Decisions of the HCM involving relegation in step, downgrading, exclusion from all judicial duties, compulsory retirement and dismissal are implemented by sovereign order. Thus, judges and prosecutors can only be dismissed by the HCM in disciplinary proceedings. The HCM's competence extends both to Monegasque and to seconded judges and prosecutors⁸.
37. Turning to part b) of the recommendation, the Monegasque authorities state that the draft legislation referred to in paragraphs 7 and 8 of this report, which will reform a number of aspects of the criminal and criminal procedure codes, makes specific provision for discontinuing proceedings, the need to give reasons for such decisions and the possibility of appealing against them. Under existing legislation, proceedings cannot be discontinued if there are grounds for prosecution. According to the Monegasque authorities, this means that the principle of discretionary prosecution does not apply and that prosecution are mandatory if an offence can be established and the perpetrator is known and can be tried.
38. GRECO has already expressed satisfaction, under the preceding recommendation, with the general improvements in the professional status of judges (including prosecutors). GRECO notes the information supplied and that the prosecutor's office is governed by some fairly long-

⁸ Any disciplinary measures pronounced by the HCM against a French judge / prosecutor will have effects, in the first place, only in respect of the Monegasque territory but such measures would need to be added to the personal file of the practitioner concerned and the French authorities would be informed of this. The revocation of a seconded French judge / prosecutor would imply the immediate termination of his/her secondment and his/her return to the institution of origin which would then have jurisdiction to apply any other sanction applicable on French territory.

established provisions, including the order of 9 March 1918. The latter gives the Director of Judicial Services and the government certain prerogatives, which as the evaluation report pointed out raise a number of problems⁹. GRECO notes that the 2004 bill on the organisation and administration of the judicial system would repeal the 1918 order and make certain improvements, since section 27 introduces a clearer separation of powers between the executive and the Director of Judicial Services. Nevertheless, the latter would retain the right to issue written instructions in specific cases, which means that at best prosecutors could benefit from a certain margin of discretion based on their freedom to express themselves orally during requisitions¹⁰. However, the draft legislation to reform the Code of Criminal Procedure would establish rules to limit the risks associated with discontinuing proceedings, such as the need to communicate and justify such decisions in writing and the possibility of appeal, as proposed in the second part of the recommendation. Pending the final passage of the aforementioned two bills, GRECO cannot conclude that the recommendation has been fully implemented.

39. GRECO concludes that recommendation iv has been partly implemented.

Recommendation v.

40. *GRECO recommended to introduce, as rapidly as possible, clear provisions to guarantee the confidentiality of investigations.*
41. According to the Monegasque authorities, the draft legislation referred to in paragraphs 6 and 7 provides explicitly for the confidentiality of investigations. As currently drafted, these provisions make confidentiality a requirement for various categories of person involved in investigations, including police officers carrying out inquiries, investigating judges and prosecutors, police officers acting on judicial instructions or warrants, registrars, experts, interpreters, uniformed police officers acting under the orders of investigating officers and bailiffs. Lawyers are also bound by professional confidentiality for all aspects of the procedural phase. However, the proposed sections of the legislation would exclude from these requirements accused persons, third parties claiming damages, persons with civil liability, witnesses and journalists. The Monegasque authorities recall the existence of the Court of Appeal's case law of 29 November 2007, according to which persons participating in criminal investigations are bound by a confidentiality duty and can be sanctioned for "divulgence of secrets" in accordance with article 308 of the Criminal Code.
42. GRECO notes the information supplied and welcomes the fact that the draft legislation being prepared by the government would introduce clear provisions on the confidentiality of investigations, as proposed in recommendation v. The Evaluation Report had already taken into consideration the above-case law of 2007 and considered that it constitutes no fully satisfactory alternative. Pending the final passage of the bill, GRECO cannot conclude that the recommendation has been fully implemented.
43. GRECO concludes that recommendation v has been partly implemented.

⁹ As ECRI points out, under article 20 of the order of 9 March 1918, the Director of Judicial Services brings criminal prosecutions, but he does not exercise this responsibility directly since it is explicitly devolved to the public prosecutor. However, the Director of Judicial Services may give orders and instructions to members of the prosecutor's office. The latter also maintains relations with the Minister of State and prosecutors must when necessary refer matters of importance or difficulty to the government to the Director of Judicial Services (articles 21 and 22 of the 1918 order).

¹⁰ According to section 27 of the bill on the organisation and administration of the judicial system, where appropriate, the Director of Judicial Services shall issue instructions to prosecutors. The latter are required to comply with these instructions in their written submissions, but retain their freedom of oral expression as their conscience dictates.

Recommendation vi.

44. *GRECO recommended to adopt as soon as possible new criminal provisions introducing new investigative techniques which are currently missing in Monaco, and to ensure that they are also applicable to corruption inquiries.*
45. According to the Monegasque authorities, the draft legislation referred to in paragraphs 6 and 7 would supplement the existing provisions on the interception of communications¹¹. For example, in future electronic surveillance of premises and vehicles and under cover/infiltration operations would be included in articles 106-12 to 106-16 of the Code of Criminal Procedure. The same applies to joint investigation teams, which are already provided for in the Franco-Monegasque agreement and sovereign order 605 of 1 August 2006 to apply the United Nations Convention against Transnational Organised Crime and its protocols. Discussions continue on the possible introduction of other special techniques (in particular controlled deliveries). The Monegasque authorities do not specify to what extent the various methods reported would be applicable for investigating corruption; as the wording of the current draft stands (article 10), sound and video recording would only be applicable in connection with the investigation of organised crime, but under cover / infiltration operations would be applicable in the case of corruption offences – which are explicitly mentioned (article 11 of the draft).
46. GRECO notes this information and encourages the enactment of the draft legislation to supplement the Code of Criminal Procedure with provisions on additional investigation techniques that have proved their worth in other countries. If this does not delay the legislative process, it would be desirable for Monaco to include controlled deliveries in the list of new techniques, since these can be of use in connection with, for example, payments linked to corruption. Finally, steps will need to be taken, as mentioned in the recommendation, to allow for the application of the new measures to corruption inquiries, at least in the case of serious offences. Pending the final passage of the aforementioned amendments, GRECO cannot conclude that the recommendation has been fully implemented.
47. GRECO concludes that recommendation vi has been partly implemented.

Recommendation vii.

48. *GRECO recommended that in sensitive inquiries such as ones concerning corruption and other – often related – offences, like money laundering and organised crime, prosecutors and investigating judges be authorised to summon police assistance directly and give them appropriate instructions without having to pass through the respective hierarchies.*
49. The Monegasque authorities refer to the procedure applicable to serious and other offences discovered in the act of commission¹² and confirm that, other than in cases where police officers

¹¹ As indicated in the evaluation report, since 2007 article 106-1 of the Code of Criminal Procedure has authorised the interception, recording and transcription of telecommunications and electronic correspondence. These measures are applicable to investigations of offences punishable by more than one year's imprisonment, which includes all the corruption offences.

¹² Book I of part VII of the Code of Criminal Procedure, containing articles 250 to 268, sets out the powers of the public prosecutor, investigating judges and police officers acting as auxiliaries of the public prosecutor in connection with serious and other offences discovered in the act of commission. The public prosecutor has authority to visit and take note of the scene of the offence, seize any relevant documents or other objects, examine suspects and witnesses, order expert investigations and order the detention of any suspects. Similarly, in the case of such offences, investigating judges may undertake, directly and without the need for a formal request, all the steps they or the public prosecutor are empowered to

are themselves involved¹³, when bribery investigations involve persons exercising public authority the judicial authority will refer the case to the Director of Public Security, who is a police official and who will assign the case to the Financial Investigations Section. In such cases the investigators carry out the tasks delegated to them by the judicial officer. The administrative hierarchy must retain its powers concerning the organisation of these services to ensure that resources are properly managed and that instructions received are carried out correctly.

50. The Monegasque authorities also point out that instructions from investigating judges or prosecutors are issued to the Director of Public Safety, who himself has police powers and is responsible for using the necessary resources for carrying out judicial instructions. Cases are allocated in accordance with the division of responsibilities in force in the police. Once the Director of Public Safety has allocated an investigation to a department, the officer in charge of the case contacts the judge or prosecutor concerned. At this stage the role of the police hierarchy is to ensure that instructions are carried out properly and within the deadlines set.
51. GRECO notes the information provided, which confirms the situation already described in the evaluation report. No new measures or proposals are reported along the lines of the recommendation.
52. GRECO concludes that recommendation vii has not been implemented.

Recommendation viii.

53. *GRECO recommended to clarify SICCFIN's responsibilities for preventing and combating corruption and, in the light of the outcome, review and strengthen its independence and resources, including access to information.*
54. The Monegasque authorities state that the Monegasque anti-money laundering system has been significantly altered by Act 1.362 of 3 August 2009 on combating money laundering, terrorism financing and corruption. When it prepared this legislation, combating corruption was one of the government's main concerns. In particular, it was decided to extend all the existing anti-money laundering and terrorist financing measures to the fight against corruption. Chapter VI of Act 1.362, on the reporting of suspicions, now requires all those concerned to report to the Financial Information and Monitoring Department (SICCFIN) any sums or transactions that could be linked to corruption, and any information of which they might be aware to indicate that a corruption offence has been committed.
55. Section 15 of Act 1.362 makes SICCFIN the national central authority for gathering, analysing and transmitting information in connection with money laundering, terrorism financing and corruption. It is thus responsible for receiving, analysing and processing reports submitted by those concerned, as prescribed in chapter IV of Act 1.362. In addition, article 35 of sovereign

perform. If an investigating judge becomes involved in the course of operations, the public prosecutor and police officers automatically relinquish responsibility for the case. When such an offence is discovered, police officers are required, as auxiliaries of the public prosecutor, to advise the public prosecutor and the investigating judge of the facts. They must take all necessary steps to avoid the disappearance of evidence and in extremely urgent cases may even undertake all the steps that come within the powers of the public prosecutor. Under article 47 of the Code of Criminal Procedure, as auxiliaries of the public prosecutor, in the event of serious and other offences discovered in the act of commission, police officers must take all steps that are necessary for the investigation, as prescribed in part VII of the Code.

¹³ Sovereign order 765 of 13 November 2006 established a general police inspectorate, to which cases may be referred directly by the prosecution service or an investigating judge. The inspectorate would respond directly to the judicial authorities without passing through its administrative hierarchy, of which it is quite independent under the sovereign order.

order 2.318 of 3 August 2009, which implements Act 1.362, empowers SICCFIN to propose any changes to the law or regulations it considers necessary, particularly in connection with combating corruption.

56. As from last year, Act 1.362 also safeguards SICCFIN's operational independence. Under section 16, if a report made under chapter VI reveals serious evidence of money laundering, terrorism financing or corruption SICCFIN draws up a report which it submits – at present – directly to the Prosecutor General and no longer to the Minister of State (the Monegasque authorities point out that the latter has never intervened in the operational activity of SICCFIN anyway).
57. SICCFIN's access to information has also been improved by Act 1.362, section 27 of which authorises it to require any information at their disposal to be supplied, as soon as possible, by a) any professions covered by the act – particularly notaries, lawyers and real estate intermediaries – and not just financial institutions; b) police departments, particularly judicial information (which was not clearly stated in the past). Besides, SICCFIN may still request any information deemed to be useful from any other departments of the state, the Prosecutor General and national bodies with supervisory functions.
58. In addition, to strengthen SICCFIN's anti-corruption capacity, in 2009 one of its members undertook one month's specialist training at the national administrative college in Paris on the theme "corruption: economic realities and how to combat it".
59. SICCFIN's human resources are also currently being strengthened by the recruitment of two additional officials.
60. GRECO welcomes the fact that the available sources of information are being extended and that SICCFIN's human resources are being strengthened. It also notes that SICCFIN is not responsible for work on the country's anti-corruption policy since the working group referred to in paragraph 7 is answerable not to SICCFIN but to the Inspector General of Administration. The revised anti-money laundering legislation has made it clear that in the area of operational anti-corruption activities, SICCFIN does not conduct inquiries itself but simply carries out prior analyses of reports of suspected corruption, on the same basis as reports of suspected money laundering. The issue of the independence of anti-corruption bodies as specified in Article 20 of the Criminal Law Convention on Corruption therefore appears to be less crucial. Be that as it may, the fact that SICCFIN can now submit reports directly to the Prosecutor General is to be welcomed.
61. GRECO concludes that recommendation viii has been implemented satisfactorily.

Recommendation ix.

62. *GRECO recommended a) to clarify the scope of parliamentary immunity with regard to the different stages of the judicial procedure; b) to clarify the procedure for lifting immunity; c) to adopt guidelines to help members of parliament to decide whether to lift immunity, according to the offences concerned.*
63. The Monegasque authorities refer to the relevant legislation, in particular Act 771 of 25 July 1964 on the organisation and functioning of the National Council, and the latter's rules of procedure, adopted in 1964 and revised in 1965. Draft legislation to amend this act is currently being considered by the National Council. This was drawn up by a joint working group and will

modernise the organisation and functioning of the National Council and will be followed by changes to its rules of procedure. The authorities do not specify the relevance of these amendments for the purposes of the present recommendation; nevertheless, they point out that the attention of the President of the National Council was drawn to the issues raised in this recommendation at the meetings referred to in paragraphs 7 ff. The Monegasque authorities refer to the National Council's constitutional independence (which prevents the government from imposing the content of the rules of procedure) but state that following the adoption of the Monegasque anti-corruption programme and numerous studies and round tables, the Council will undoubtedly take account of the necessary measures in its rules of procedure.

64. GRECO notes the information provided. The proposed amendments to the legislation and rules governing the operations of the National Council would be a good opportunity to fill the legal vacuum identified during the evaluation visit, in particular the fact that the National Council's rules of procedure had never really clarified the regulations on immunity, as provided for in the 1964 act. For the moment, there are no practical measures reported that would help to implement this recommendation.
65. GRECO concludes that recommendation ix has not been implemented.

Recommendation x.

66. *GRECO recommended to abolish, as it is already envisaged, the requirement, under Article 14 of the Order of 9 March 1918, for the judicial authorities to obtain authorisation at several levels in order to prosecute and try Monegasque civil servants and administrative or military employees.*
67. The Monegasque authorities state that section 102 of the bill to revise the organisation and administration of the judicial system would repeal the sovereign order of 9 March 1918 on the Directorate of Judicial Services (see also the discussion on recommendations iii and iv – paragraphs 26, 31, 32 and 38). As noted earlier, the bill is still on its passage through parliament. The authorities also state that in any case, article 14 of the above order of 1918¹⁴ has never been applied in practice. In their additional information, they stress that since the State Council's procedure for dealing with requests for prosecution (former articles 572 to 576 of the Criminal Procedure Code) was abolished by Law n° 982 of 26 May 1976, the State Council would be deprived from any jurisdiction in this area.
68. GRECO notes the information supplied and once again wishes to encourage the Principality to complete the passage of the draft legislation n° 778 on the organisation and administration of the judicial system, which should finally put an end to the old system whereby authorisation is required to prosecute some Monegasque public officials for bribery, or other criminal offences. As already noted in the evaluation report, the argument that article 14 of the sovereign order of 9 March 1918 has never been used would be more convincing if a reasonable number of proceedings had been brought without relying on this provision. According to information available at the time of the on-site visit, no criminal proceedings had ever been brought against public officials, at least for corruption offences. Furthermore, from a strictly legal point of view, although the State Council has no jurisdiction anymore to decide on a request for prosecution (or has at least no procedural provisions any longer in this area), the principle of a request for

¹⁴ It is recalled that article 14 is drafted as follows: "Art. 14. [The Director of Judicial Services] transmits to the Council of State, after having taken the Prince's orders, the requests for a permission to prosecute and judge any civil servant, administrative employee or member of the military.

permission still remains in law, with exclusive powers simply being shared between the Director of Judicial Services (who is also automatically the chair of the State Council) and the Prince.

69. GRECO concludes that recommendation x has been partly implemented.

Recommendation xi.

70. *GRECO recommended to take the appropriate measures to make offences committed in relation with organised crime and similar notions (criminal association, organised gang) an aggravating circumstance for a broad range of corruption offences.*
71. The Monegasque authorities state that – as already noted in the evaluation report – the Principality has ratified the United Nations Convention against Transnational Organised Crime and issued a sovereign order (n°605 of 1 August 2006) implementing the convention that provides for the offences covered by it to constitute aggravating circumstances. The new draft legislation to amend the criminal and criminal procedure codes, referred to in paragraph 7, would make the committing of bribery and trading in influence offences (draft articles 114 to 120 of the Criminal Code) in an organised gang an aggravating circumstance (draft article 122-1 of the criminal Code).
72. GRECO notes with satisfaction the planned amendments; these should clarify the situation regarding the applicability to corruption offences of the provisions on offences committed as part of an organised gang (of the Criminal Code) and of the provisions on organised crime (of sovereign order of 2006). Committing offences in connection with an organised gang would become an aggravating circumstance for corruption and trading in influence offences; GRECO also notes that since the draft law significantly increases the level of penalty for corruption and trading in influence offences, the legal tools available under the sovereign order become more broadly applicable in respect of these (given the specific definition of organised crime in the order). Pending their final passage, GRECO cannot conclude that the recommendation has been fully implemented.
73. GRECO concludes that recommendation xi has been partly implemented.

Recommendation xii.

74. *GRECO recommended a) to explicitly extend the 1993 anti-money laundering legislation to include the various corruption offences, even outside the context of organised crime, as is currently envisaged; b) to consider extending the notion of “politically exposed persons” to persons who hold or have held functions in Monaco, rather than simply abroad.*
75. Regarding part a) of the recommendation, the Monegasque authorities state that as noted previously, under recommendation viii, the Monegasque anti-money laundering system has been significantly altered by Act 1.362 of 3 August 2009 on combating money laundering, terrorism financing and corruption. The introductory article of the act states that in connection with the application of the anti-corruption machinery, money laundering equated with the offences specified in Section VII of Chapter III of Part III of the Criminal Code. Article 218-3 of the Criminal Code states that this section concerns the laundering of the proceeds of offences punishable in Monegasque law by more than three years' imprisonment and the proceeds of offences covered by articles 115, 118 and 119 of the Criminal Code, which are concerned with corruption and attempted corruption. This new wording removes the restrictive reference that previously confined

the scope of laundering offences to the notion of organised crime. In addition, as part of this reform of the legislation it was decided to extend all the existing anti-money laundering and terrorist financing measures to the fight against corruption.

76. Regarding part b) of the recommendation, concerned with extending the notion of “politically exposed persons” to persons who hold or have held functions in Monaco, the working group set up to produce an action plan in response to the GRECO recommendations has examined the way this matter has been dealt with in other countries. An analysis of the different FATF evaluation reports shows that none of the countries considered¹⁵ had special provisions whereby persons holding important public positions at national level could be considered to be politically exposed. The working group therefore decided to await any possible modification to FATF recommendation 6 before extending the scope of “politically exposed persons”.
77. GRECO notes with satisfaction that under the anti-laundering legislation the predicate offences to laundering now include all the corruption offences specified in the section of the Criminal Code governing such offences. This will ensure greater consistency in the process of handling cases likely to be referred on by the Monegasque financial intelligence unit to the criminal authorities. This is particularly important because unlike other countries Monaco has extended the duty to report suspicious transactions to include not only money laundering and terrorism but also suspected corruption. This is in parallel to the reporting obligation in article 61 of the Code of Criminal Procedure applicable to public authorities and officials – see recommendation xxiv below. Regarding the second part of the recommendation, GRECO notes that the possible extension of the notion of “politically exposed persons” has been considered by the working group set up to implement the evaluation report's recommendations, in accordance with the wording of the recommendation¹⁶.
78. GRECO concludes that recommendation xii has been implemented satisfactorily.

Recommendation xiii.

79. *GRECO recommended to draw up guidance documents, organise training and develop other initiatives to help entities subject to the legislation to fulfil their detection and other obligations with regard to money laundering linked to corruption.*
80. The Monegasque authorities state that following the changes to the system for combating money laundering, terrorism financing and corruption introduced in Act 1.362 of 3 August 2009 (see recommendations viii and xii), in November 2009 SICCFIN organised a series of 7 awareness-raising sessions for the various professions concerned in the financial and non-financial sectors, for a total of more than 440 participants¹⁷. Particular emphasis was placed on the extension of the anti-laundering arrangements to the fight against corruption and the obligation of those concerned to report to SICCFIN any sums or transactions that might be linked to corruption, and any information of which they might be aware to indicate that a corruption offence had been committed. These meetings, aimed at securing the rapid and effective application of these new

¹⁵ Germany, France, Italy, Luxembourg, Switzerland.

¹⁶ Nevertheless, it should be pointed out that unlike the countries cited by Monaco, various member countries of FATF and of the MONEYVAL Committee (the Council of Europe committee that covers non-FATF members, including Monaco) make no distinction between politically exposed persons, whether or not they hold posts abroad.

¹⁷ Financial establishments, including banks and management companies, insurance companies, company service providers, accountants, notaries, estate agents, financial legal and tax advisers and so on.

measures, were also an opportunity to answer practical questions raised by members of the professions concerned.

81. SICCFIN has also produced an information document on corruption for the professions covered by Act 1.362. This presents the relevant national and international legal instruments. It also describes the different legal aspects of corruption, such as definitions, who is concerned, territoriality and time-limits for prosecution. In addition, a final, more practical, part lists a number of indicators to suggest greater vigilance and various typologies. The [document](#) has been available on-line since July 2010 and has been distributed to all the professions concerned.
82. GRECO welcomes the steps taken in the field of information and training and the preparation of an information document – which it considers to be highly relevant – on the issues raised in this recommendation.
83. GRECO concludes that recommendation xiii has been implemented satisfactorily.

Recommendation xiv.

84. *GRECO recommended that the rules on confiscation applicable to corruption, in the absence of money laundering or organised crime, be amended to make it clearly obligatory for all types of corruption and applicable to tangible, intangible, direct and indirect proceeds, to their equivalent value and to cases where legal and illicit assets are intermingled.*
85. The Monegasque authorities state that the aim of the draft legislation amending the Criminal Code and Criminal Procedure Code, referred to in paragraph 7, is to alter the confiscation arrangements applicable to corruption by introducing a mechanism specifically applicable to instruments and proceeds of corruption, including the assets of third parties, even when there is no laundering or organised crime involved. A new article 122-2 was thus included at the end of the chapter on conflict of interest, bribery and trading in influence of the Criminal Code, which would be applicable in relation to all these offences; the current wording of this new article provides that confiscation is – in principle – mandatory (paragraph 1), it applies to direct and indirect proceeds (paragraph 2) and proceeds held by third parties who should have been aware of their illicit origin (paragraph 3) as well as proceeds intermingled with legitimate assets and equivalent assets (paragraphs 4 and 5); the provisions are based on the model of article 219 on the confiscation of laundered assets which is mentioned at recommendation xv hereinafter.
86. GRECO notes the planned amendments to introduce through a new article 122-2 of the Criminal Code a (specific) confiscation mechanism that would meet the main expectations of the present recommendation. For the time being, this is part of a draft law which still needs to be finalised and adopted.
87. GRECO concludes that recommendation xiv has been partly implemented.

Recommendation xv.

88. *GRECO recommended to consider the possibility of confiscation of the proceeds of corruption held by third parties who are or should be aware of their illicit origin and also envisage making it possible to confiscate in the absence of a conviction.*

89. The Monegasque authorities refer to the information provided in respect of the above recommendation xiv, and to the intention of introducing in a revised version of the draft law amending the Criminal Code and Criminal Procedure Code, a confiscation mechanism specific for corruption offences that would also allow to target the proceeds of corruption held by third parties.
90. Moreover, Act 1.362 of 3 August 2009 on combating money laundering, terrorism financing and corruption has already modified article 219 of the Criminal Code, on the confiscation of the proceeds of laundering, as follows:

The court shall order the confiscation of assets and funds of unlawful origin or assets and funds whose value corresponds to that of the assets and funds of unlawful origin. It may order the confiscation of movables or real property acquired using such funds.

If assets and funds of unlawful origin have been mingled with lawfully acquired assets, such assets may be confiscated up to the estimated value of the proceeds mingled therewith.

If the assets and funds of unlawful origin cannot, or can no longer, be identified as such in the convicted person's property, the court may order the confiscation of assets and funds of equivalent value to that of the assets and funds of unlawful origin.

Assets and funds of unlawful origin may also be confiscated when they are held by a third party who is or should be aware of their unlawful origin.

Confiscation may be ordered without prejudice to the rights of third parties.

The State Prosecutor shall carry out the necessary formalities for registration and public notice.

91. The unlawful proceeds of money laundering offences may therefore be confiscated when they are held by a third party if the latter is or should be aware of their unlawful origin.
92. As regards the possible introduction into Monegasque law of a confiscation procedure in the absence of a conviction, the Directorate of Judicial Services has carried out a review of this issue, which was communicated to the government on 23 October 2009. It concluded that there are considerable problems attached to the introduction of a system of autonomous confiscation because under existing law confiscation always entails transfer of property to the state. Confiscation is an additional penalty to that of imprisonment or a fine. Monegasque law therefore makes no provision for the confiscation of assets where no one has been convicted and thus for an autonomous confiscation procedure quite separate from the conviction of the perpetrator. According to article 12 of the Criminal Code, confiscation, whether of the *corpus delicti* when it is the property of the offender, items that are the proceeds or procured from the offence or items that were used or were intended for use in committing the offence, shall apply to all offences, however they are classified. Moreover Monaco considers that confiscation of an asset without a conviction may be considered to incompatible with the fundamental principles of Monegasque law, since article 24 of the Constitution provides for the inviolability of property. While such a penalty might be applied to persons who are being prosecuted or have been convicted, it is difficult to imagine its application to third parties who are neither perpetrators or accomplices. Confiscation unrelated to any criminal offence would therefore, in principle, be an unjustified infringement of the right of property. Finally, Monaco is not yet party to an international treaty that would provide for the confiscation *in rem*. Nevertheless, in the interests of closer international

judicial co-operation, the issue is still under consideration and it would require broad inter-institutional consultations with a much heavier procedure.

93. GRECO notes with interest the extension of the special confiscation arrangements for the proceeds of laundering (article 219 of the Criminal Code) to assets held by third parties, although this is of lesser relevance in the context of the present recommendation. As indicated in respect of the previous recommendation (see paragraph 85), the revised version of the draft law amending the Criminal Code and Criminal Procedure Code would include through the new article 122-2 a provision similar to article 219 of the criminal Code, which would be specifically applicable for offences of corruption and trading in influence. Pending the final adoption of such amendments, GRECO cannot conclude that the present recommendation has been fully implemented. It also notes that the possibility of introducing confiscation in the absence of a conviction has been subject to a (first) examination, the results of which have been communicated. GRECO regrets the outcome but the recommendation has been taken into account on this matter.
94. GRECO concludes that recommendation xv has been partly implemented.

Recommendation xvi.

95. *GRECO recommended to provide for interim measures applicable to corruption as such, that will make it possible at an early stage of inquiries to protect the various forms of assets and, if necessary, to make further arrangements for the management of seized assets.*
96. The Monegasque authorities state that, as indicated earlier, Act 1.362 of 3 August 2009 has extended all the existing measures applicable to money laundering and terrorism financing to the fight against corruption, and this includes the freezing of assets. When the Financial Information and Monitoring Department (SICCFIN, the Monegasque financial intelligence unit) receives reports of sums or transactions that could be linked to corruption, or any information of which they might be aware that a corruption offence has been committed (see recommendation xii), it may, if it considers it necessary on account of the seriousness or the urgency of the case, block the execution of any operation on behalf of the customer who is the subject of the report, in accordance with section 19 of the Act. Section 20 provides that such decisions shall prevent the execution of any operations for a maximum period of three working days from notification and may be extended in an order issued by the president of the court of first instance or converted into a restraint order (*séquestres*) for the protection of the assets. Professionals who hold funds, securities and other objects that are the subject of interim measures are responsible for their safe keeping. These provisions make it possible at an early stage of inquiries to protect various forms of assets that might be confiscated following reports to SICCFIN.
97. In addition, in connection with a later stage of the proceedings, it is planned in the draft law amending the Criminal Code and Criminal Procedure Code, to modify article 596-1 of the Code of Criminal Procedure to make it applicable to corruption cases. Apart from the measures provided for in articles 100 ff, for investigating judges, and 255, for the Prosecutor General where offences are actually being committed, the seizure of assets may be ordered, after consulting the state prosecutor, by a substantiated decision of the investigating judge or court, which shall prescribe all appropriate measures of administration (for instance the conversion of shares and currencies in order to preserve their value, entrusting a bank with the management of assets or a professional for the house-keeping and payment of expenditures inherent to the maintenance of real estate property etc.).

98. GRECO notes the information provided. It welcomes the fact that not only the list of predicate offences of laundering but the reporting arrangements themselves have been extended to the various corruption offences and that, as a consequence, the arrangements for freezing and suspending transactions now apply to corruption-related transactions or operations. There now remains the final passage of the provisions of the Code of Criminal Procedure that would permit the application of more long-term interim measures, and this should include cases other than those identified from the reporting system applicable to financial institutions and other professions explicitly specified in the anti-laundering regulations.
99. GRECO concludes that recommendation xvi has been partly implemented.

Recommendation xvii.

100. *GRECO recommended to put in place appropriate measures (notably a system to collect detailed statistics on interim measures and confiscation, including data on offences committed in Monaco) to evaluate the effectiveness, in practice, of the activity of the enforcement authorities concerning the proceeds of crime.*
101. The Monegasque authorities state that the Director of Judicial Services has instructed in November 2008 the head of information technology at the law courts, a former member of the court registry, in conjunction with the individual courts and the Prosecutor General's office, to establish a reliable and efficient computer-based system to deliver statistics in real time. According to the latest information submitted by the authorities, these statistical tools have become operational - despite a few technical details which need to be sorted out - and they do already permit the gathering of data on confiscation and temporary measures involving amounts of money, movable and immovable assets etc., including in relation to fraud cases for instance. Given the size of the Principality, domestic offences invariably have an international dimension; for this reason, data available usually refers to money laundering and/or legal assistance. Moreover, the Directorate of Judicial Services, the Prosecutor General and the First President of the Court of appeal receive a quarterly report containing all acts and decisions from the investigating judges. Owing to the size of the Principality, all premises of the justice system are located in a single building. Therefore, contacts between the services including the Directorate of Judicial Services are frequent and easy. The latter has, thus far, not been informed of any particular difficulties as regards the application of confiscation, freezing and seizure measures.
102. GRECO takes note of the information. The statistical tools have been improved and various statistical tables submitted show that pertinent data is collected in respect of confiscation and temporary measures. The authorities do not provide information that would suggest that conclusions are drawn from the figures available (or not) as to *the effectiveness, in practice, of the activity of the enforcement authorities concerning the proceeds of crime*. This being said, their recent explanations show that the lacunae mentioned in the Evaluation Report are not too crucial in the context of Monaco. The authorities should nevertheless keep the matter in mind, in view of potential corruption cases that could be uncovered in future.
103. GRECO concludes that recommendation xvii has been dealt with in a satisfactory manner.

Recommendation xviii.

104. GRECO recommended a) to introduce framework legislation that liberalises access to state-held documents and information, with the requirement to justify decisions to withhold them, and sets out the circumstances in which their provision may exceptionally be refused; b) to establish arrangements for reviewing refusals to supply such information, based on objective criteria; c) to make a larger number of important documents on the activities and functioning of government available to the public.
105. In connection with parts a) and b) of the recommendation, the Monegasque authorities state that a draft instrument on the public archives is currently being considered by government departments in connection with the modernisation of the Monegasque administration. This will specifically include the conditions governing access to the public archives. Turning to the grounds for refusing access, Act 1.312 of 29 June 2006 on the requirement to state reasons for administrative measures has been in force in domestic law since 1 January 2007. Its material and personal scope is explained in an interpretative circular of 1 June 2007, which does not have legal force. It advises administrative departments of how the principles laid down in the act should be applied and an appendix summarises the types of unfavourable individual administrative decisions for which reasons should be given. The list, which is not exhaustive, was updated in October 2008, and is currently being further updated. There was a round table on the subject in June 2008 attended by the main heads of administrative departments. There will be a further seminar in the coming months as part of the government's anti-corruption action programme.
106. Concerning the final part of the recommendation, general information on the government's activities is available on its Internet portal: www.gouv.mc. Its operations and key documents are freely accessible to the public. Discussions are under way on how to modernise the portal in connection with developing electronic administration and improving public access to information. New publications are regularly added to the site, such as the *Journal de l'Administration*, which records the activities of the government's administrative departments. The High Commission for Accounts' report on the state accounts has been published since 2008 and is accessible on the government's Internet site under the heading *Journal de Monaco*. Other reports, such as those of SICCFIN and the international co-operation directorate, are also available on the government site.
107. In addition, Act 1.353 of 4 December 2008 amending Act 1.165 of 23 December 1993 on the processing of personal data has established a supervisory authority that draws up an annual report available to the public. The same applies to the financial activities control commission, which is also an independent body. To provide access to legislation, the LEGIMONACO site opened in December 2008 and should also be available on a dedicated site run by the Directorate of Judicial Services called Jurimonaco.
108. GRECO notes the information provided. GRECO had already noted the efforts made to improve access to information and its availability on line, and is pleased that further work is under way and that new documents and reports of different authorities are being published, examples being the *Journal de l'Administration* and the annual reports of SICCFIN and the High Commission for Accounts, the 2009 opinion poll on the public's satisfaction with the administration. Nevertheless, it appears that there has not yet been any follow-up to the first two parts of the recommendation and that the Principality still lacks general legislation on access to public information which makes free access the norm and refusal to supply information the exception. Moreover, the documentation supplied by the authorities on the reasons for administrative measures does not

deal with the reasons for refusing requests for information. GRECO notes with interest that discussions are under way on the issue of access to archive documents but it would have preferred these to extend to documents of topical concern, access to which is crucial to ensure maximum transparency in the work of government.

109. GRECO concludes that recommendation xviii has been partly implemented.

Recommendation xix.

110. *GRECO recommended a) to strengthen the General Inspectorate of Administration and the High Commission for Accounts, by assigning them genuine responsibilities and powers of audit, inspection and oversight, as appropriate, and updating their working methods; b) to give the members of the Commission adequate guarantees of independence; c) to ensure that the Commission is empowered to investigate the maximum possible number of entities and bodies receiving public funding.*
111. The Monegasque authorities state that the resources available to the General Inspectorate of Administration, which as the report noted was essentially composed of an inspector general with no specialist staff, have been strengthened by assigning him a B grade post to assist him in his duties. The General Inspector of Administration has transversal responsibilities, such as the modernisation of the administration, and undertakes more specific studies and investigations. These activities are recorded in a report to the Minister of State.
112. The Monegasque authorities note that the office of the High Commission for Accounts is enshrined in article 42 of the revised Constitution of 17 December 1962, which makes him responsible for monitoring the financial management of the public domain and public finances. Aside from overseeing, in the strict sense, the accounts and budgetary and financial management of the state, the municipality and other public establishments, his powers were clarified and extended in December 2002 and then July 2008. Sovereign order 15.594 of 12 December 2002¹⁸ extended his supervisory responsibilities to associations that benefit from state funding. Sovereign order 1.707 of 2 July 2008¹⁹ introduced three important innovations. 1. It has extended the Commission's powers of oversight (article 7) to all private bodies receiving state funding, including retirement, social insurance and family benefits funds and unquoted companies in which the state has a majority shareholding; its audits may now be carried out not just at the Prince's request but also on its own initiative. 2. The Commission's discretionary powers have also been extended (article 8) so that as well as its obligatory reports on the annual accounts it may present separate optional reports on specific subjects, such as the Louis II stadium or the Grimaldi Forum, or undertake general audits on establishments. There may also be more targeted investigations of any malfunctioning identified in particular departments or organisations. 3. The Commission now prepares an annual report that is published and accessible on-line in the *Journal de Monaco*, together with any replies by the Minister of State.
113. Finally the Commission's independence is safeguarded by the method of appointment by sovereign order (and the origin of Commission members)²⁰ and the incompatibility of membership of the Commission with any post in one of the bodies audited, and it was strengthened in July 2008 by the addition of new resources: a) the Commission can now use the services of experts

¹⁸ This amended sovereign order 3.980 of 29 February 1968 on the High Commission for Accounts.

¹⁹ It finally repealed the aforementioned sovereign order of 1968.

²⁰ All the members are appointed by the Prince and it is he who designates the Chair and vice-Chair; all the members are former judges of the French Court of Accounts; they are thus experienced persons with an "external eye".

(appointed on the recommendation of its chair (article 4 of the July 2008 sovereign order); b) it now has a permanent secretariat (article 5); c) it can ask to see any administrative document that it requires to carry out its task and can interview any officials concerned (article 9). The oath taken before the Prince, when taking up duties, was also modified in 2009 and emphasis is put at present on personal commitment, impartiality and independence in the exercise of duties. Practice shows that despite the limited statutory arrangements in place, the terms of the 6 Commission members have always been renewed since 1969, except where members themselves decided to the contrary (in particular for reasons of health or age). The President himself has been in this position since 1969. For every vacant position, new members are traditionally selected among the magistrates of the French Court of Accounts; the choice of new members is thus partly externalised and this constitutes an additional guarantee of objectivity. In practice, no one may interfere with the planning of audits and the Commission's operational activity, and its annual report is published (*in extenso*) just after presentation to the Prince.

114. GRECO notes with interest the reforms to the General Inspectorate of Administration and the High Commission for Accounts since its on-site visit. The evaluation report had highlighted the general weaknesses in the administrative oversight arrangements. It considers that still more ambitious measures could have been introduced, in the form of performance audits of efficiency, profitability and quality that went beyond mere reviews of the lawfulness of decisions and actions; these can be useful tools to also detect, on the medium term, repeated incoherence that could be the result of certain forms of corruption in connection with public tenders, for instance. Concerning the issue of the individual status of members of the Committee (who are appointed for a term of office of 5 years, without further indication of the modalities for a renewal of term or revocation for instance), the information submitted regarding practice suggests that despite the absence of specific guarantees, the statutory independence is a reality. Overall, despite the reservation expressed earlier on working methods (which has now become a minor issue), GRECO is pleased with the measures taken by Monaco given the additional explanation provided.
115. GRECO concludes that recommendation xix has been dealt with in a satisfactory manner.

Recommendation xx.

116. *GRECO recommended to clarify the categories of personnel concerned by the administrative and criminal provisions on the rights and obligations of established and contractual staff and make certain that these provisions cover all the relevant categories of employees working for or on behalf of the state and the municipality.*
117. The Monegasque authorities state that the draft legislation to amend the status of state public officials will be followed by a draft sovereign order setting out the arrangements applicable to non-established public officials. The draft order, which is being drawn up, will specify the different categories of non-established personnel – contractual, replacement and ancillary – to which these arrangements will apply. Similar arrangements may then be introduced for municipal officials. In addition, the new draft legislation to reform the criminal and criminal procedure codes with regard to corruption includes a broader definition of the persons subject to the regulations on active and passive corruption. This uses the term "performing public duties or exercising public authority or holding elective public office", which makes it possible to cover all those concerned: public officials, elected representatives and officials, contractual staff, experts, prison visitors and so on.

118. GRECO notes with interest the planned clarifications to which personnel constitute public officials and to the criminal law on the corruption of public officials. It encourages the Principality to complete the passage of these reforms and ensure that the administrative provisions concerned cover all the various categories of public official and are as consistent as possible with the planned changes to the criminal law. Pending the final adoption of the planned measures – reform of the status of public officials and a sovereign order on other categories of state official, equivalent provisions for municipal officials and reform of the criminal law provisions on the corruption of public officials - GRECO cannot conclude that the recommendation has been fully implemented.
119. GRECO concludes that recommendation xx has been partly implemented.

Recommendation xxi.

120. *GRECO recommended a) to take rapid steps to include anti-corruption provisions in the rights and obligations of established and contractual state and municipal officials, paying particular attention to the police and judges, in particular establish more detailed regulations on conflicts of interest in general and regulate gifts in a restrictive manner; and b) to establish arrangements to monitor compliance with these obligations.*
121. The Monegasque authorities state that the implementation of this recommendation must be seen in the context of the general reform of the status of public officials and the provisions applicable to non-established state officials, particularly through the introduction of a code of ethics. The draft law amending the status of State public officials introduces the principle that gifts, other than small and courtesy presents, are prohibited (article 11 bis). Discussions are under way on how to ensure transparency, such as, for example, an official inventory and, where appropriate, a requirement that recipients of gifts declare them themselves. This would also apply to non-established state officials. Conflicts of interest would be governed by the code of ethics and provide, for example, for the individual concerned to declare the interest and withdraw from involvement, and for this to be formally recorded. Failure to comply with this procedure could result in any resulting actions or decisions to be declared null and void. The provisions relating to migration to the private sector already apply to non-established officials and will be introduced into the new regulations governing state officials. The rules governing such migration will appear in the code of ethics and should then be made applicable to all personnel performing public duties. In the case of judges and prosecutors, sections 9 to 14 of Act 1.364 of 16 November 2009 on the status of judges lay down ethical rules and standards, which the judicial service commission (HCM) will be responsible for enforcing. The mayor's attention will be drawn to these new provisions so that they can be extended to municipal personnel.
122. GRECO notes with interest the measures that are in draft form or under consideration and encourages the Monegasque authorities to complete the reform of the rules to prevent corruption among public officials of the State and – as much as possible – those of the communal administration. It is very important to regulate such areas as conflicts of interest, incompatibilities and gifts, bearing in mind the particular context of Monaco - with the inevitably very tight-knit social and economic networks of a country of this size - and the significant shortcomings identified on site at various levels of the public administration²¹.
123. GRECO concludes that, so far, recommendation xxi has been partly implemented.

²¹ See paragraphs 113 ff and footnotes 35 and 36 of the evaluation report.

Recommendation xxii.

124. *GRECO recommended in respect of all officials employed by the state and municipality and with particular attention to the police and judges a) to include the topic of anti-corruption prevention in the initial training of all new officials; b) to organise training and other activities to familiarise all departments and staff in post with the new rules recommended in this report and use the opportunity to advise the public on the conduct to be expected from public officials; and c) to approve and circulate a code of conduct or ethics for public officials that can serve as a reference document in practical situations.*
125. Regarding part a) of the recommendation, the Monegasque authorities state that the directorate of public service human resources and training has developed training for public officials on the subject of corruption. Thus, the induction programme for new public service personnel includes training on corruption and this will take place each year for all new entrants. In addition, a handbook for new public service employees outlines the rules governing ethics, integrity and equity by which all public officials are bound. It is planned to organise training modules dealing with anti-corruption matters as from 2011 (see underneath, paragraph 127). As noted in connection with recommendation ii, issues relating to the prevention of corruption are now included in the initial training of police officers.
126. Turning to part b) of the recommendation, as noted in connection with recommendation ii (see paragraph 11) on 22 June 2010 the government organised an educational seminar attended by members of the government, the Director of Judicial Services and senior judges, representatives of the Prince's private office, the President of the National Council and the municipal council and nearly 200 public officials.
127. Concerning the final part of the recommendation (c), a code of ethics for established and other public officials setting out all the rules of conduct is currently in preparation and should be finalised in late 2010. The code will apply to all public officials, including the police, and it will be part of the training material used during the training modules planned as from 2011 for the various State officials (both established and recent staff members).
128. GRECO notes with satisfaction the steps taken to improve public sector training in and awareness of the need to prevent and combat corruption. The preparation of a code of conduct applicable to all public officials is also to be welcomed, though it still has to be finalised and approved. GRECO has already had the opportunity of appreciating the relevance of the initial draft presented²², although the concept of "customary gifts" is understood very broadly and leaves room for further improvements²³ in the context of the Monegasque efforts for the modernisation of anti-corruption standards. Finally GRECO also notes the absence of initiatives aimed at the various employees of the municipality and of any steps to make the general public, including business, aware of the conduct to expect of public officials.
129. GRECO concludes that recommendation xxii has been partly implemented.

²² The text covers general aspects (respect for individuals, for instance), but also matters related to integrity and impartiality, it deals with both subjective and objective impartiality, it addresses several preventive aspects (privileges, gifts, conflicts of interest) and provides for the applicability of general disciplinary mechanisms etc.

²³ At present, "customary gifts" can be of any type - gratification, reduced fares, favors, hospitality, renunciation to claims, any leisure activity or loan or other elements insofar as they have a financial value (certain advantages like titles and distinctions for instance, are thus not regulated at all) and in this context, there is no limit whatsoever to the financial value of the gift.

Recommendation xxiii.

130. *GRECO recommended to introduce arrangements for controlling and scrutinising conflicts of interest affecting elected members of public assemblies.*
131. The Monegasque authorities state that as part of the expert study referred to under recommendation i., meetings were held with the presidents of the elected assemblies. Their attention was particularly drawn (see recommendation ix) to the problem of conflicts of interest.
132. In connection with the failure of administrative or criminal law to deal with corruption noted by GRECO, the authorities maintain that Monegasque law already covers the risks concerned through article 67 of the National Council's rules of procedure, whereby members are not allowed, "to rely on or allow the use of their parliamentary status in financial, industrial or commercial undertakings or in the exercise of liberal professions or other occupations". Nor may they "enter into any commitments with associations or groupings dedicated to defending special interests concerning their parliamentary activities". Finally, the draft legislation to reform the criminal and criminal procedure codes with regard to corruption and extend the permissible special investigation techniques specifically make corruption and trading in influence by persons holding elective public office, be it national, foreign or international, criminal offences. It also foresees the incrimination of certain forms of conflict of interest (*prise illégale d'intérêts*) which would be applicable to elected State officials (future articles 113, 113-1²⁴ and 114 of the Criminal Code).
133. GRECO notes the information provided. The evaluation report had already noted article 67 of the National Council's rules of procedure but it was confirmed at the meetings on site that these provisions had not led to more practical measures, such as arrangements for declarations, publication or checks, to prevent and manage conflicts of interest, and that they were not really binding. The intended extension to elected state officials of the criminal provisions on conflicts of interest is a pertinent development which, if adopted, would fill part of the gaps identified in the Evaluation Report; this being said, it does not meet all the concerns of the present recommendation which also addresses the need for a prevention and detection mechanism of conflict of interest (in GRECO's view, the sanction is only the ultimate stage of such a process). There are therefore no sufficient new and finalised developments pertaining to this recommendation.
134. GRECO concludes that recommendation xxiii has been partly implemented.

Recommendation xxiv.

135. *GRECO recommended a) to remind all public officials and departments of the duty to report offences, as laid down in Article 61 of the Criminal Code, if necessary making it clear that such suspicions can be reported directly to the judicial authorities without passing through the hierarchy, and that this is fully compatible with other professional obligations, particularly those of confidentiality, discretion and respect for the hierarchy; b) to introduce measures to protect public officials against possible retaliation when they report suspicions of offences in good faith; c) to*

²⁴ The draft law defines in article 113-1 the "taking of an illegal interest" as follows: "The public official who takes, receives or keeps, directly or indirectly, a material or immaterial interest in a transaction or enterprise in respect of which, s/he exerts responsibilities of supervision, management, liquidation or payment at the time of the act, commit an offence of taking of an illegal interest."

supplement this administrative protection with measures applicable to witnesses in judicial proceedings concerning corruption offences.

136. Concerning part a) the Monegasque authorities state that the code of ethics currently being drawn up will refer to the obligation in article 61 of the Code of Criminal Procedure to report offences. Without awaiting the introduction of the code, these obligations have been discussed and communicated during a first awareness-raising and information action at the seminar held on 22 June 2010 (see paragraph 11) and they will be addressed in greater detail during the training events organised as from 2011 in connection with the adoption of the code of ethics (see paragraph 127). The monthly newsletter of the administration, which is distributed to each member of staff and can be seen on the Internet, could be a means of drawing everyone's attention to these principles.
137. Turning to part b) of the recommendation, the Monegasque authorities state that steps will be taken to protect officials and other employees against reprisals when they report suspicions. The specific arrangements are currently under consideration but no further information is made available.
138. Regarding part c), the new draft legislation introduces a section into the Code of Criminal Procedure on anonymous witnesses, which would apply to all offences punishable by at least 5 years' imprisonment (which would thus include part of the corruption offences given the planned increase in the level of penalty), and especially if there is a real threat for the life or the security of the witness or his/her relatives.. According to the authorities, the distinctive nature of the Principality makes it impossible to introduce more ambitious measures, such as witness protection programmes.
139. GRECO notes the initial measures taken or awaiting final approval in response to this recommendation. It encourages the Monegasque authorities to do more to provide information on the duty to report offences, without necessarily passing through the hierarchy, and to complete the adoption of the planned measures to protect witnesses, including witnesses in corruption cases (parts a. and c. of the recommendation). In the context of Monaco, the introduction of anonymous witness evidence coupled with certain safeguards for the rights of the defence could be an adequate measure. The introduction of career protection measures (part b. of the recommendation) is clearly at an early stage and here again GRECO awaits the adoption of more concrete measures.
140. GRECO concludes that recommendation xxiv has been partly implemented.

Recommendation xxv.

141. *GRECO recommended a) to strengthen the accounting requirements and corresponding penalties for all forms of company; b) to ensure that they are applicable to non-commercial bodies under Monegasque legislation that are nevertheless exposed to potential risks, particularly non-trading companies (sociétés civiles); and c) to take appropriate steps to improve the professionalism of all the accountancy professionals practising in Monaco.*
142. In connection with part a) of the recommendation, the Monegasque authorities state that public companies have long been subject to accounting requirements but since the reform of company law in Act 1.331 of 8 January 2007 any director or manager of a commercial company (see article 26 of the Commercial Code) who fails to meet the obligation to submit annual accounts to the

administrative authorities is liable to criminal penalties of 6 months' imprisonment and/or a fine of € 18 000 to 90 000 under section 39-1 of Act 408, amending the order on public companies and limited partnerships with shares. All commercial companies are therefore now obliged to submit annual accounts certified by a chartered or other accountant. This encompasses private limited companies, limited partnerships with or without shares and commercial partnerships (see article 51-6 of the Commercial Code).

143. Regarding part b), the authorities state that non-trading companies benefit from more flexible operating rules. Nevertheless, they are subject to administrative checks. Thus, under Act 797 of 18 February 1966 on non-trading companies, all such companies are subject to supervision (preliminary declaration for nationals and authorisation in case of foreigners, possibility to deny registration for instance for reasons of lack of good morality or competences required by the activity of the company). Any transfer of shares must be declared and registered with the tax authorities. When a non-trading company is set up for professional purposes each shareholder must apply for authorisation to the Directorate of Economic Expansion via an authorisation or administrative declaration procedure under Act 1.144 of 26 July 1991 on certain commercial and legal activities.
144. The companies appear in a special register maintained by the Directorate of Economic Expansion and any change of manager or managing director must be reported and subject to a fresh authorisation request. It should also be noted that in the case of non-trading companies there are strong safeguards for creditors because the members have personal and unlimited liability in equal shares for company debts. Finally, these companies are covered by Act 1.349 of 25 June 2008 on the liability of legal persons and are liable to fines and closure if individuals acting in their name commit fraud, without affecting the personal liability of such individuals. Discussions are currently under way on how to reform the law on non-trading companies to achieve better oversight of their activities.
145. Concerning the professionalism of local accountants (part c of the recommendation), the authorities state that under section 1 of Act 1.231 of 12 July 2000 chartered and other accountants (*experts comptables* and *comptables agréés*, respectively) require administrative authorisation in the form of a ministerial order in order to practise, and this is subject to certain legal conditions, in particular possession of an appropriate qualification (section 5). In practice, the accountants' professional body requires the same qualifications as French accountants or their equivalents. They must first be registered with the professional body. They are also members of a professional chamber of accountants, which is affiliated to the international federation of French-speaking accountants, enabling them to attend conferences and other exchanges with their foreign counterparts. Non-chartered accountants (*comptables agréés*) also require a certain level of qualifications and skills or experience which, in the opinion of their professional association, justifies their inclusion on a professional register that it maintains. This will eventually disappear because only chartered accountants are now accepted for inclusion on the professional register, to increase the level of professionalism.
146. The Directorate of Economic Expansion has powers of oversight and can order the cessation of any unlawful accounting activity. Those concerned are also liable to criminal penalties.
147. In addition, the functions of statutory auditor (of whom there are two in Monegasque public limited companies) are governed by amended Act 408 of 20 January 1945, which lays down the conditions governing their appointment and professional obligations. They may only certify the accounts of joint stock companies. They must be chosen from the register of the accountants'

professional association. Court appointed administrators of bankruptcy responsible for companies in difficulty placed under court supervision must also be appointed from this list. These appointments, of which there are only four, are made *intuitu personae* and take account of the individual's experience, professional skills and good name.

148. GRECO notes the information supplied and that there are no new measures in response to this recommendation. Concerning part a), some types of company are not subject to precise rules such as those in order 3.167 of 29/01/1946 on the accounts of public companies and limited partnerships with shares; this applies particularly to personal companies²⁵. Turning to part b), it welcomes the authorities' plans to reform the legislation on non-trading companies (Act 797 of 18 February 1966) to achieve better oversight but to date no more concrete steps have been taken and these companies are still not subject to any accounting standards provided in law or stemming from the practice. Finally, with regard to c), GRECO notes that there have been no new steps to improve the professionalism of all the accountancy professionals. The existence – on paper – of disciplinary measures and strict oversight had already been noted during the on-site visit.
149. GRECO concludes that recommendation xxv has not been implemented.

Recommendation xxvi.

150. *GRECO recommended to consider the introduction of a register of convicted legal persons.*
151. According to the Monegasque authorities, the new draft legislation on corruption and special investigation techniques, which entails various changes to the criminal law, provides in Chapter VI (article 16 to 18) for the extension of the register of convicted individuals to legal persons by amending articles 650, 653 and 657 of the Code of Criminal Procedure.
152. GRECO notes with satisfaction the measures reported above. The principle of extending the register of individual offenders to legal persons has not only been considered, as proposed in the recommendation, but also accepted and included in the draft legislation to amend the criminal and criminal procedure codes. GRECO encourages the Principality to finalise the establishment of such a register.
153. GRECO concludes that recommendation xxvi has been implemented satisfactorily.

Recommendation xxvii.

154. *GRECO recommended that the authorities involve the tax authorities in combating corruption by a) specifying clearly and through appropriate means that expenses linked to the various corruption offences are non-deductible; and b) taking measures to encourage the identification of possible cases of corruption and their reporting to the criminal authorities.*
155. The Monegasque authorities state that the Directorate of Fiscal Services has finalised on 17 September 2010 a handbook that will deal with these different points. It will be presented to officials of the directorate at meetings called specifically to cover these topics. Moreover, a draft

²⁵ The Monegasque authorities stress, however, that for these companies, the practice followed by the professional chamber of accountants and non-chartered accountants is to apply an accounting format based on the French model, at least when the company concerned is subject to the income tax (i.e. companies whose turnover is based on more than 25% on activities carried out outside the Principality).

sovereign order was prepared to amend the legislation pertaining to corporate income taxation (sovereign order n. 3152 of 19 March 1964), which is the only direct taxation applicable in Monaco. The purpose of the draft is to exclude the deductibility from the income tax of advantages or sums given to a public official in the context of international business transactions.

156. GRECO notes with interest the recent finalisation of the handbook to respond to the points raised in the recommendation, as well as the drafting of a sovereign order aimed at spelling out clearly that corruption-related expenditures are not tax-deductible. However, GRECO recalls that, as indicated in paragraph 142 of the evaluation report, the relevant Monegasque regulations date back to 1964 and generally authorise the deduction of various commissions and brokerage fees. This does not explicitly exclude expenses associated with corruption, and it should also be pointed out that under the current Criminal Code, certain forms of corruption are not offences²⁶. The French officials who are seconded to Monegasque institutions continue automatically to apply the principles of their own law²⁷ but the on-site discussions showed that in Monaco this would not lead to any reports to the criminal authorities. GRECO notes that the handbook is of a pretty high standard but that it is not explicit at all as regards the prohibition of tax deductibility; it refers (for the time being) to the upcoming new sovereign order that will amend the 1964 legislation. Moreover, the order in question addresses international bribery exclusively (foreign public officials, officials of international organisations etc.), as does the manual, and this does not meet the expectations of the first part of the recommendation. Finally, the reporting duty mentioned in the manual concerns two types of situations: a) accountancy offences and manipulation in the financial situation (which could result from the dissimulation or deduction of expenses linked with corruption) must be reported to the Director of Fiscal Services; but such reports do not seem to trigger any measure other than those applicable to tax offences; b) as for suspicions of corruption as such, the manual only requires administrations to establish databases for the collection of reports of such suspicions, and this only for statistical and intelligence purposes. This too, is far from reflecting the (second part of) the recommendation.
157. GRECO concludes that recommendation xxvii has been partly implemented.

Recommendation xxviii.

158. *GRECO recommended that the authorities press ahead with Bill 755 on disqualifications from and conditions for the exercise of commercial, industrial, artisanal or professional activities, and ensure that the authorised exclusions are extended to include corruption offences.*
159. The Monegasque authorities state first that provisions relating to occupational disqualification had already been introduced before the April 2008 evaluation visit in the Companies Act, no. 1.331 of 8 January 2007²⁸. Bill 755, which is general in scope, is still being considered by the National Council. It would amend existing domestic law to allow the courts when passing sentence in cases involving serious offences to order, as an additional penalty, the offender's occupational

²⁶ See the discussion relating to recommendations i and xxiii, and paragraphs 8 and 10 of the evaluation report.

²⁷ For the French provisions on non-deductibility, concerning in particular the bribery of foreign public officials, and the obligation to report criminal offences concerning other forms of corruption, see the second round evaluation report on France, paragraph 69.

²⁸ This amended section 9.7 of Act 1.144 of 26 July 1991 on certain commercial and legal activities to authorise the withdrawal or suspension of the authorisations or declarations of activity of members of partnerships, including non-trading companies, when the individuals concerned had failed to meet their legal obligations, for example with regard to taxation or occupational health and safety. This measure also makes it possible to exercise administrative oversight of the activity in question.

disqualification. The government will certainly draw the National Council's attention to the importance it attaches to the passage of this bill.

160. GRECO notes from the information supplied that no progress has been made in the enactment of bill 755 or that consideration has been given to extending it to a wider range of corruption offences. It urges the relevant bodies to do what is necessary to implement this recommendation.
161. GRECO concludes that recommendation xxviii has not been implemented.

III. CONCLUSIONS

162. **In view of the above, GRECO concludes that Monaco has satisfactorily implemented or dealt satisfactorily with just less than a third of the 28 recommendations in the joint first and second round evaluation report.** Recommendations iii, viii, xii, xiii and xxvi have been implemented satisfactorily and recommendations i, ii, xvii and xix have been dealt with in a satisfactory manner. Recommendations iv, v, vi, x, xi, xiv, xv, xvi, xviii, xx, xxi, xxii, xxiii, xxiv and xxvii have been partly implemented. In contrast, to date there has been no significant progress on recommendations vii, ix, xxv and xxviii, which must therefore be considered not to have been implemented.
163. The Principality of Monaco has initiated numerous administrative, legal and criminal law reforms to give effect to the recommendations in GRECO's first evaluation report. There is some important progress to its credit in such areas as awareness raising, the status of judges, strengthening the financial intelligence unit, which has also been made the central anti-corruption body, and the anti-laundering machinery, where more specific account is now taken of corruption. Unfortunately such decisive progress is limited to a few areas and the rate of reform still seems to be slow, since so far the majority of the recommendations have only been partly implemented. In a few areas, finally, no new developments have been reported. These include the regulations on parliamentary immunity, the management and monitoring of possible conflicts of interest of members of elected assemblies and the – much to be desired – extension of the arrangements for occupational disqualification. GRECO therefore strongly encourages Monaco to speed up the pace of reform and adopt the necessary measures to implement fully the recommendations in the joint first and second round evaluation report.
164. GRECO invites the Head of the Monegasque delegation to submit additional information on the implementation of recommendations iv, v, vi, vii, ix, x, xi, xiv, xv, xvi, xviii, xx, xxi, xxii, xxiii, xxiv, xxv, xxvii and xviii not later than 30 April 2012.
165. Finally, GRECO invites the Monegasque authorities to authorise publication of this report as soon as possible.