



# IMF Assessment of Monaco

July 2009

The International Monetary Fund has published its report on the Assessment of Financial Sector Supervision and Regulation (AFSSR) which was undertaken in June 2008. This follows the Third Round Mutual Evaluation Report on the Principality of Monaco – Anti-Money Laundering and Combating the Financing of Terrorism published by Moneyval in December 2007.

The main findings of the IMF report are reproduced below:

“Since the 2002 Offshore Financial Centre assessment, the Principality of Monaco has taken important steps to further strengthen an already comprehensive legal framework, supervisory structure, and practices supporting a well regulated environment. Nonetheless, given Monaco’s ambition to develop into a fully-fledged financial centre, there is a case of intensifying ongoing efforts to comply with international best practices, in particular regarding the sharing of information with foreign regulatory authorities.

Moreover, the newly created Commission de Contrôle des Activités Financières<sup>1</sup> would need to strengthen its independence as well as its human resources, should it assume a greater direct role in overseeing local non bank institutions.

In its recent evaluation of compliance with the FATF 40+9 Recommendations, Moneyval acknowledged that Monaco has satisfactory Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) legal framework, but identified a range of issues on which further action by the authorities is needed. A Report on the Observance of Standards and Codes (ROSC) based on the Executive Summary of Moneyval evaluation supplements this AFSSR. The authorities expressed their commitment to implement Moneyval’s recommendations.

The Monegasque banking sector is generally robust. Private banking and asset management are the main services offered by the Monegasque banks, the majority of which are subsidiaries of large internationally active groups. In general, their investment activity is conservative, thus entailing limited risks. Nevertheless, financial market turmoil may heighten challenges for Monegasque banks, especially if serious difficulties were to emerge at a parent institution. ”

<sup>1</sup> CCAF – Financial Activity Supervisory commission

**Moore Stephens Services SAM**  
L’Estoril, Bloc C  
31 Avenue Princesse Grace  
MC98000 Monaco

**T:** +377 93.10.41.21

**F:** +377 97.70.28.70

**E:** [ms@moorestephens-mc.com](mailto:ms@moorestephens-mc.com)

**[www.moorestephensmonaco.com](http://www.moorestephensmonaco.com)**

We believe the information in this brochure to be correct at the time of going to press, but we cannot accept any responsibility for any loss occasioned to any person as a result of action or refraining from action as a result of any item herein.

Printed and published by © Moore Stephens Services SAM, a member firm of Moore Stephens International Limited, a worldwide network of independent firms.

Moore Stephens Services SAM does not provide advice concerning the choice of investments for investors.

July 2009