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Apostolic Letter issued “Motu proprio” of the Supreme Pontiff Francis on the instrumental legal persons of the Roman Curia

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“*He who is faithful in a very little is faithful also in much*” (Lk 16:10a). Following the overall reform of the institutional structure of the Roman Curia, which I have implemented through the recent Apostolic Constitution *Preadicatum Evangelium*, it is also necessary to regulate the various funds, foundations and entities that, over the years, have arisen within the curial institutions and are directly dependent on them.

Although these entities have a formally separate juridical personality and a certain administrative autonomy, it must be recognized that they are instrumental to the realization of the ends proper to the Curial Institutions at the service of the ministry of the Successor of Peter and that, therefore, they too are, unless otherwise indicated by the norms that establish them in some way, public entities of the Holy See. Since their temporal goods are part of the patrimony of the Apostolic See, it is necessary that they be subjected not only to the supervision of the Curial Institutions on which they depend, but also to the control and vigilance of the economic bodies of the Roman Curia.

In this way, considering canon 116 § 1 of the *Codex Iuris Canonici*, instrumental legal persons come to be clearly distinguished from other foundations, associations and non-profit bodies which, although based in the Vatican City State, are nevertheless born from the initiative of private individuals and are not instrumental to the realization of the ends proper to the Curial Institutions. They are governed by their own statutes and not by these norms, unless expressly provided otherwise.

Therefore, by the present Apostolic Letter issued *Motu proprio*, I establish:

Article 1

Scope of Application

These regulations apply to instrumental legal persons, meaning those entities that refer to the Holy See registered in the list referred to in Article 1 § 1 of the Statute of the Council for the Economy and located in Vatican City State, with the exclusion of the Curial Institutions and Offices of the Roman Curia, the Institutions connected with the Holy See and the Governorate of the Vatican City State.

Article 2

Institutional Supervision

The Curial Institution on which the legal person is canonically dependent oversees the proper functioning of the entity in the pursuit of its statutory purposes. To this end, it shall:

- a) appoint and replace administrators or legal representatives, if they do not meet the requirements of good repute, referred to in Article 7(1)(h) below
- b) after consulting the directors and the internal control body, annul acts that are contrary to the law or the articles of association. The annulment of the act shall not affect any rights acquired by third parties in good faith;
- c) dissolve the board of directors and appoint of an extraordinary commissioner, if the directors have acted in serious breach of the law or the articles of association;
- d) assess the contents of the legal entity's business plan, with the possibility of providing indications as to its compliance with the purposes of the articles of association;
- e) analyze the minutes of the body entrusted with the administration of the legal person, which must be forwarded to it, with the possibility of submitting comments on the compliance of the decisions taken with the statutory purposes;
- f) express its evaluations on the correspondence of the acts of extraordinary administration to the institutional purposes, for the *ad validitatem* approval of the Secretariat for the Economy;
- g) express its observations on the draft budget and balance sheet, before they are presented for approval.

Article 3

Economic and Financial Supervision and Control

1. The Secretariat for the Economy shall exercise supervision and control over instrumental legal persons in accordance with its statutes. In particular, it shall:

- a) analyze the accounting records and provide assistance and support;
- b) having consulted the Curial Institution on which the juridical person is canonically dependent, issue authorization *ad validitatem* for acts of extraordinary administration
- c) appoint the chairman of the board of auditors or auditors, or the auditor or sole auditor, where envisaged by the Statutes of the entities indicated in a special list approved by the Council for the Economy, verifying their integrity, professionalism and the absence of conflicts of interest;
- d) conduct on-site audits
- e) analyze the performance of economic and administrative management and make recommendations on any corrective actions that may be necessary.

2. The Secretariat for the Economy, having consulted with the Financial Supervision and Information Authority and the Office of the Auditor General, to the extent of its competence, shall adopt or recommend the adoption by instrumental legal persons of appropriate measures to prevent and combat criminal activities.

Article 4

Accounting entries

1. The instrumental legal persons shall submit to the Secretariat for the Economy the budget and the final balance sheet within the deadlines set by the Secretariat.
2. At the request of the Council for the Economy or the Secretariat for the Economy, the accounting records must be submitted to the Office of the Auditor General or to an external auditor indicated by the Council for the Economy.
3. The budget and final accounts of the instrumental legal persons, together with the reports required by the statute and the law, shall be forwarded to the Secretariat for the Economy, which shall submit them to the Council for the Economy for approval. The administrative body of the instrumental legal person, before submitting the budget proposal for approval, must obtain the opinion of the curial institution on which it is canonically dependent.

Article 5

Exchange of information

1. The Curial Institution on which the legal person is canonically dependent, the Secretariat for the Economy and the Office of the Auditor General may always have access to
 - a) accounting records, supporting documents and information concerning financial transactions;
 - b) the identification data of:
 - associates;

- beneficial owners;
- members of governing bodies;
- volunteer service providers;
- donors;
- beneficiaries of the activities or, where this is not possible due to the nature of the services, the categories of beneficiaries.

2. The authorities of the Holy See and of the Vatican City State shall exchange information for the purposes of the performance of their institutional functions according to the rules in force in the State.

Article 6

Extinction and devolution of property

1. Apart from the causes provided for by the law, the deed of incorporation or the statute, instrumental legal persons shall be suppressed and put into liquidation by decree of the Curial Institution on which they canonically depend, when the purpose has been achieved or has become impossible or contrary to the law, or, in the case of associations, when the reduction in the number of members prevents their functioning. The decree shall be communicated without delay to the Prefect of the Secretariat for the Economy.
2. In the absence of a specific provision in the statute or deed of incorporation, the Curial Institution on which the juridical person is canonically dependent appoints one or more liquidators.
3. Once the creditors have been satisfied and the assets devolved, the liquidators must draw up the final liquidation balance sheet and transmit it to the Secretariat for the Economy, which submits it to the Council for the Economy for approval.
4. At the indication of the Curial Institution on which the juridical person is canonically dependent, the liquidators shall see to the devolution of the residual patrimony to the juridical persons indicated in the deed of foundation or statutes. In any other case, it is devolved to the Apostolic See.
5. Thereafter, the Secretariat for the Economy communicates the approval of the liquidation balance sheet to the President of the Governorate, who, by his own decree, acknowledges the extinction of the entity and orders its cancellation from the register of juridical persons.
6. The accounting records, documents and data referred to in articles 4 and 5, and the company books of the suppressed entity must be deposited with the Legal Office of the Governorate, which provides for their preservation for a period of 10 years from the extinction of the legal entity.

Article 7

Referral to Vatican Law

1. Notwithstanding that which is otherwise provided for by the present norms, the general provisions established by Vatican law in the following matters shall be applied to instrumental legal persons:

- (a) requirements for the constitution of the legal person
- b) registration of the legal person in the register of the Vatican City State;
- c) compulsory corporate books
- d) registration and preservation obligations;
- e) measures to combat money laundering, the financing of terrorism and the proliferation of weapons of mass destruction;
- (f) non-profit and voluntary organizations, if applicable;
- (g) administrative sanctions;
- (h) requirements to be met by members of the management body and liquidators.

2. The prior authorization of the Secretariat of State is required for the establishment of instrumental legal persons and for their registration in the Vatican City State Register.

Article 8

Transitory rule

Existing instrumental legal persons must adapt to the provisions of the present *Motu proprio* within three months of its entry into force.

I decree that this Apostolic Letter issued *Motu proprio* be promulgated by publication in *L'Osservatore Romano*, and subsequently inserted in the *Acta Apostolicae Sedis*.

All that I have determined in this Apostolic Letter issued *Motu proprio*, I order to have full and stable effect, anything to the contrary notwithstanding, as from 8 December 2022.

Given in Rome, at Saint Peter's, on 5 December in the year 2022, the tenth of my Pontificate.

FRANCIS
