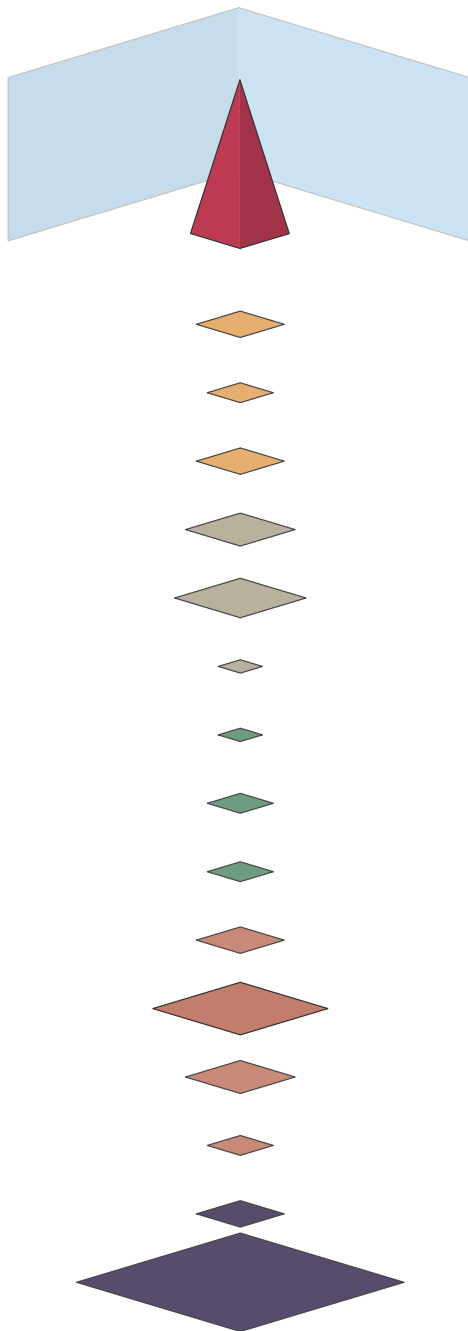




# SAN MARINO



3.48

## CRIMINALITY SCORE

168<sup>th</sup> of 193 countries

38<sup>th</sup> of 44 European countries

7<sup>th</sup> of 8 Southern European countries



## CRIMINAL MARKETS

2.37

HUMAN TRAFFICKING	2.00
HUMAN SMUGGLING	1.50
EXTORTION & PROTECTION RACKETEERING	2.00
ARMS TRAFFICKING	2.50
TRADE IN COUNTERFEIT GOODS	3.00
ILLICIT TRADE IN EXCISABLE GOODS	1.00
FLORA CRIMES	1.00
FAUNA CRIMES	1.50
NON-RENEWABLE RESOURCE CRIMES	1.50
HEROIN TRADE	2.00
COCAINE TRADE	4.00
CANNABIS TRADE	2.50
SYNTHETIC DRUG TRADE	1.50
CYBER-DEPENDENT CRIMES	2.00
FINANCIAL CRIMES	7.50



## CRIMINAL ACTORS

4.60

MAFIA-STYLE GROUPS	2.00
CRIMINAL NETWORKS	4.00
STATE-EMBEDDED ACTORS	5.00
FOREIGN ACTORS	6.50
PRIVATE SECTOR ACTORS	5.50



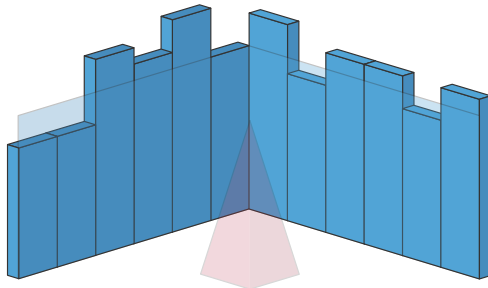
5.21

## RESILIENCE SCORE





# SAN MARINO



5.21

## RESILIENCE SCORE

77<sup>th</sup> of 193 countries

32<sup>nd</sup> of 44 European countries

5<sup>th</sup> of 8 Southern European countries

POLITICAL LEADERSHIP AND GOVERNANCE	4.00
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	4.00
INTERNATIONAL COOPERATION	6.00
NATIONAL POLICIES AND LAWS	5.50
JUDICIAL SYSTEM AND DETENTION	6.50
LAW ENFORCEMENT	5.00
TERRITORIAL INTEGRITY	6.00
ANTI-MONEY LAUNDERING	4.50
ECONOMIC REGULATORY CAPACITY	5.50
VICTIM AND WITNESS SUPPORT	5.50
PREVENTION	4.50
NON-STATE ACTORS	5.50



3.48

## CRIMINALITY SCORE



**CRIMINAL MARKETS** 2.37



**CRIMINAL ACTORS** 4.60



# CRIMINALITY

## CRIMINAL MARKETS

### PEOPLE

There is minimal evidence of human trafficking in San Marino. According to the Sammarinese government, the country's small size, limited infrastructure and tiny population make it unattractive to criminal organizations associated with human trafficking. Nevertheless, trafficking is still believed to take place on a small scale, due to the country's proximity to Italy's Romagna Riviera, an area affected by labour exploitation.

Although San Marino lies in the Mediterranean region, where human smuggling normally occurs on a large scale, the country is not near any major human smuggling routes. Barriers to human smuggling in San Marino, in addition to its small size, include its landlocked position and the lack of major ports or railways. Extortion and protection racketeering are also not major issues in the country, although a few cases are reported.

### TRADE

The possession of firearms is regulated by legislation and the making and circulation of firearms is punished under the penal code. Although data shows an increase in legal arms transactions, this has not translated into potential opportunities for a criminal market to emerge. On the contrary, there continues to be very limited evidence of arms trafficking in the country.

In the past, police operations have seized counterfeit luxury goods imported from China and destined for San Marino. However, no such operations have taken place recently. There are no records of an illicit market in excise goods in San Marino.

### ENVIRONMENT

San Marino's small size provides a natural barrier to the emergence of a flora-related criminal market. Although the fauna crimes market remains almost absent, San Marino has been involved in the illicit traffic of puppies from Eastern Europe. Sammarinese companies may be involved in non-renewable resource crimes in Italy.

### DRUGS

San Marino is a destination country for the cannabis trade. Profits from this market are generally passed from domestic to foreign actors, particularly Italian mafia-style groups. However, initial steps have been taken to legalize cannabis

and its derivatives for personal use. If this does happen, the existing profit structure may change. San Marino is also a destination country for small quantities of heroin. Due to its geographic location, profits go to foreign actors (mafia-style groups and/or criminal networks) who have de facto control over Italy's drug trafficking markets.

San Marino is also a possible destination country for a small cocaine market. Compared with the rest of the region, seizures tend to be insignificant, although there are indications that consumption may be higher than what is reflected by these seizures. The laundering of money originating from cocaine trafficking was recently reported in the country. In terms of the global synthetic drug market, San Marino is irrelevant. Even within the country, this market lags far behind other illicit drug markets.

### CYBER-DEPENDENT CRIMES

With the advent of COVID-19, organized crimes have also evolved, taking advantage of the growing digitization process. There is an increase in cyber-dependent crimes in San Marino, but they are not attributable to known cases of organized groups engaged in cyber-dependent crimes operating from within the country.

### FINANCIAL CRIMES

San Marino is considered a tax haven, which facilitates not only the legal commission of financial shady business, but also makes it virtually impossible to detect most financial crimes. In the past, cases of embezzlement have been uncovered. However, no such cases have been recorded recently. This also applies to cases involving the misuse of funds. More recently, San Marino residents have been increasingly targeted by scam attempts and phishing messages. In April 2022, assets worth more than one hundred million euros, involving companies in London and San Marino, were confiscated from a Sicilian entrepreneur, who would have become the spearhead for the operations of mafia clans based in Sicily. This case shows how San Marino might provide a shield for the financial operations of criminal entrepreneurs and organised crime groups in Italy.

## CRIMINAL ACTORS

There is scant information on domestic mafia-style groups operating in San Marino. Rather, mafia-style groups operating in San Marino originate from other countries, most notably Italy. They are often not based in San Marino but have operatives in the country who launder money earned from criminal markets abroad. There is evidence to suggest that

Russian and Chinese organized crime networks could play a bigger role in San Marino in the future.

Because San Marino is used as a transit country for money laundering, loose organized crime groups and tax evaders have links to start-up businesses, investment funds and banks. Also, it is likely that financial advisors and lawyers as

well as real estate brokers could be involved in facilitating and enabling financial crimes in the state. Allegations have been made against state-embedded actors and there have been investigations into the role some politicians play in San Marino's criminal markets and money-laundering operations.

# RESILIENCE

## LEADERSHIP AND GOVERNANCE

San Marino's political leadership has not taken a firm stance against organized crime and it has not been a salient topic for campaign rallies and political debates. While the country's democratic process and the transition of power is smooth, independent and protected from criminal activities, its political system is not entirely free of organized crime. Links between high-profile politicians and organized crime groups have been reported.

In March 2022, the republic's legislature discussed the work of the Commission for Organized Crime Infiltration, focusing on its interaction with the socio-economic system. The legislature stressed the need for an improved legislative and operative framework to tackle organized crime. The country has adopted a code of conduct for councillors in the legislature that abides by the Council of Europe's Group of States against Corruption's (GRECO) recommendations for enhanced transparency. While San Marino does not have an independent anti-corruption body, the Sammarinese authorities have taken steps towards fighting corruption. However, state bodies are still insufficiently scrutinized and GRECO has called for increased access to public information with regards to the judiciary.

San Marino has ratified several international treaties on organized crime and, despite its small size, has extradition agreements with several countries. Italy is San Marino's most important partner, with many signed treaties in place to strengthen relations and fight crime. One of the most important of these is the agreement between Italy and San Marino on cooperation for the prevention and repression of crime. Furthermore, the country strengthened its cooperation with the Bank of Italy and the European Central Bank to provide San Marino's banking and financial system access to Eurosystem refinancing facilities.

On a national level, San Marino has very few laws that specifically criminalize organized crime-related activities. There are some provisions that regulate cases of organized crime, but the laws do not go into detail on the investigation, arrest, prosecution, adjudication and punishment of organized crime groups.

## CRIMINAL JUSTICE AND SECURITY

San Marino is working on reforming the judicial system and the code of criminal procedure to strengthen the independence and autonomy of the judiciary, as envisaged by GRECO. Some political parties have proposed reforms, but the debate is still ongoing. There are no specialized departments in the San Marino judiciary that deal with organized crime. However, the judicial system copes well with money laundering issues, and cooperates effectively with international authorities and other relevant bodies. Nevertheless, the judiciary appears vulnerable to political interference and accountability is an issue. The country has only one correctional prison facility, which is reportedly well run, with no evidence of corruption among prison personnel.

While San Marino's law enforcement agencies include a unit with authority to combat organized crime, corruption and money laundering, it lacks a proper intelligence apparatus. Sammarinese law enforcement has a working agreement with Europol to share information and good practice, in addition to participating in training activities. San Marino's border with Italy is porous and this compromises its territorial integrity. Although the country is close to major criminal markets, it is not particularly vulnerable to their activities because of its small size and limited infrastructure.

## ECONOMIC AND FINANCIAL ENVIRONMENT

No criminal activities, apart from money laundering, are prevalent in San Marino, and organized crime groups do not control any specific sectors of the economy. However, its weak banking sector makes the country vulnerable to money laundering. In the past few years, the country has sought to improve its legislation and policies around combating money laundering. It has also signed memorandums of understanding with several countries on this issue, as it has realized that money laundering poses a major threat to the economy. Nevertheless, attempts to reform the banking system have been a challenge for San Marino's economy and gaps in the legal system are a cause for concern.

## CIVIL SOCIETY AND SOCIAL PROTECTION

Victim- or witness-support programmes are not much in evidence in San Marino. Because of its small population, historically low levels of violence and the quasi-absence of domestic organized crime groups, the country has felt no pressure to build a stronger support system. The implementation of new regulations for the prevention of organized crime (related to San Marino's bilateral agreement with Italy) is still at an early stage. Because organized crime is not particularly prevalent in the country, non-state actors do not play a big role in combating criminal activities. However, anti-mafia groups from the nearby Emilia-Romagna region of Italy have a presence in San Marino.

Several media outlets cover financial crimes and the judiciary in San Marino, but there have been no reported attacks on journalists, media houses or civil society activists. However, San Marino has strict defamation laws that sanction journalists with civil damages and fines. As a result, journalists may be inclined to self-censor.

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