

# Monaco

Monaco's financial marketplace dates back to the end of the nineteenth century, when the first deposit banks opened in the Principality. Most of these banks were French. However, the financial industry did not really take off until the 1970s, when expansion was stimulated by an imaginative and active policy on the part of the public authorities and by the effect of a long period of economic growth and political and social stability.

Today, Monaco has a very extensive financial network, comprising twenty-six full service banks, and sixty seven portfolio or mutual fund management companies. The banking and asset management industry is now one of the strengths of the Principality's economy. As of 2023, financial activities contribute to almost 18% of Monaco's GDP and the total assets grew by 19% over the last 3 years.

Monaco's continued attraction as a financial center is not surprising in light of its wide range of exceptional advantages that include:

- high quality infrastructure and dedicated professionalism;
- sustainable environment to maximise both business and personal growth;
- a diversified economic base;
- an attractive tax regime.

All of the banks operating in Monaco belong to leading banking groups. Less than 50% of the industry's assets belong to non-resident clients from across Europe and sub-Saharan Africa, the Middle East, Latin America and Asia-Pacific.

Under various agreements between France, European Union and Monaco, Monegasque banks are supervised by the French Prudential Supervisory Authority (Autorité de Contrôle Prudentiel et de Résolution - ACPR) and are therefore subject to the same prudential and regulatory rules as French and European Union banks. All supervisory activities are, of course, strictly regulated, which guarantees the confidentiality of transactions carried out by financial institutions in Monaco.

Asset management companies are approved and supervised by the Monegasque Commission de Contrôle des Activités Financières (CCAF), which is supported at the highest level by the Autorité des Marchés Financiers (AMF), the French market supervisor body.

Both asset management companies and banks are controlled by the Autorité Monégasque de Sécurité Financière for AML/FT-C purposes. They also are supervised by two monegasque authorities for personal data protection and IT security purposes.

The industry provides a full range of private banking products and services, as well as a personalized approach to a highly demanding clientele. More importantly, it guarantees the confidentiality of "clean" money (see section below on "Confidentiality and the Drive Against Money Laundering").

It also provides access to mutual fund management through a very broad array of investment funds covering every business sector and markets, including emerging markets.

The AMAF is an associate member of the European Banking Federation, the united voice of banks established in the European Union and European Free Trade Area.