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British Judge on Sloane Avenue: Mincione did not act in good faith

The High Court of England and Wales has published its ruling on the legal proceedings initiated by the Italian financier in 2020 against the Secretariat of State in an attempt to halt the investigation launched by the Vatican's Promoter of Justice.

Vatican News

"Based on the facts that emerged during the trial, the applicants did not meet the standards of communication with the State (Secretariat of State, ed.) that could be qualified as conduct in good faith." These were the words used by Judge Robin Knowles, on behalf of the High Court of England and Wales, in issuing his decision today in the legal proceedings initiated by financier Raffaele Mincione and his companies against the Secretariat of State of the Holy See. The ruling aligns with the decisions of the Vatican Tribunal.

Mincione, who had commenced this legal action (along with his companies) in June 2020, requested that the English court issue a series of declarations against the Secretariat of State. These declarations concerned the contracts concluded between November and December 2018, through which the Secretariat of State sought to acquire the property located at 60 Sloane Avenue in London.

Specifically, Mincione and his companies sought court declarations affirming their good faith in negotiating and executing their contracts with the Secretariat of State. This dispute arose in the context of the investigation and, later, in July 2021, the indictment of Mr. Mincione by the Office of the Promoter of Justice of the Vatican City State for a series of alleged offenses related to the Secretariat of State's investments.

In a significant 50-page judgment issued today, the Court rejected the applicants' requests for declarations of good faith. On the contrary, the judge found, among other things, that Mincione had made misleading representations to the Secretariat of State regarding the value of the property at 60 Sloane Avenue. In paragraph 130, the Court stated that the financier and his companies had failed to meet communication standards with the Secretariat that could be classified as good faith conduct. The judgment further noted: "The Secretariat of State asserts that this figure 'has no basis in reality.'

Naturally, Mr. Mincione represented the selling side of the transaction, with an interest in obtaining a high price. However, there was a particular context to the matter, including the State's investment relationship with the applicants. In my view, his reference to £275 million did not relate to an asking price. He did not elaborate on his meaning of value during the meetings, and without such elaboration, what he stated was not candid and was misleading."

Furthermore, in paragraph 243 of the judgment, the Court found: "Based on the evidence I heard during the trial, the (Secretariat of State, ed.) had reason to feel entirely disappointed by its experience with the applicants. The applicants made no effort to protect the (Secretariat of State, ed.) from fraudulent bad actors. They did not concern themselves with the (Secretariat of State, ed.) and prioritized their own interests. The (Secretariat of State, ed.) expected more from professional counterparts such as Mr. Mincione and others."

The Court granted Mincione certain declarations (distinct from those concerning "good faith") that directly derived from the contractual provisions agreed upon at the time and faithfully reflected them. The exact wording of these declarations will be determined in a subsequent hearing to ensure their accuracy in accordance with the contracts.

Regarding broker Gianluigi Torzi, the English court observed in paragraph 183 that: "There was no substantial dispute that Mr. Torzi had fiduciary duties to the State in relation to the transaction. Based on the facts available (to the judge, ed.), at a minimum, his conduct regarding the Gutt shares was improper, unscrupulous, and dishonest. The entire episode is also significant in illustrating the fact that the State lacked the experience and expertise to protect itself from this type of conduct."

The High Court's decision, issued following a trial held between June and July 2024, ruled that no declaration of good faith should be made given the conduct of Mincione and others associated with him. This ruling represents a significant vindication of the Secretariat of State's position. Additionally, the English court emphasized that the testimony given at trial by the Secretariat of State's witness, Substitute Archbishop Edgar Peña Parra, was honest.

During the English proceedings, the Secretariat of State chose not to file a counterclaim, instead focusing its attention on the criminal proceedings before the Vatican City State courts. These proceedings led to Mincione's conviction for multiple offenses, resulting in a sentence of five years and six months in prison and the confiscation of €200.5 million. This criminal conviction is currently under appeal. Nonetheless, the English court's decision confirms several key findings of the Vatican Tribunal at the first-instance level.

"I take note with satisfaction," commented Vatican Promoter of Justice Alessandro Diddi, "of the content of the decision issued today by the High Court of Justice in

London regarding the claims brought by Raffaele Mincione in 2020 to challenge the initiatives undertaken by the Office of the Promoter."

Diddi further stated: "Even the British judges have affirmed what has always been argued by the Office, namely that Raffaele Mincione acted towards the Secretariat of State 'below the standards' by which good faith conduct is measured. I believe that this ruling also underscores the correctness of the conclusions reached by the Vatican Tribunal."