

**Consolidated Act of the regulations and
legislative provisions regarding public debt**

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Consolidated Act of the regulations and legislative provisions regarding public debt

THE PRESIDENT OF THE REPUBLIC

Considered arts.76 and 87 of the Constitution;

Considered art.1 of Law no.340 of November 24, 2000, concerning “Provisions for the delegation of regulations and the simplification of administrative procedures – Simplification Law of 1999”;

Considered art.7, comma 1, letter c of Law no.50 of March 8, 1999, and in particular enclosure no.3;

Considered art.23, comma 3 of Law no.229 of July 29, 2003, concerning “Interventions regarding regulations, normative rearrangement and codification – Simplification Law of 2001”;

Having heard the decision of the Council of State, expressed by the Advisory Division for the Government normative acts in its assembly of March 24, 2003;

Considered the preliminary deliberation of the Council of Ministers, adopted at the November 27, 2003 meeting;

Having obtained the advice of the competent Parliamentary Commissioners of the Chamber of Deputies and of the Senate of the Republic;

Considered the deliberation of the Council of Ministers adopted at the meeting of ... proposed by the President of the Council of Ministers of the Ministry of Economy and Finance;

ORDERS

The following Legislative Decree

TITLE I

OBJECT AND LIMITS OF APPLICATION OF THE CONSOLIDATED ACT

Art.1 (L) Object

The provisions of this Consolidated Act regulate the issuance, management, admission to be quoted and trading of Government bonds.

Art.2 (L-R)
Definitions

1: The following definitions apply in this decree:

- a) financial instruments: the financial instruments as provided by art.1, comma 2, letters b) and d) of the Legislative Decree no.58 of February 24, 1998, concerning the provisions regarding financial brokerage of the Consolidated Act;
- b) Ministry: Ministry of Economy and Finance;
- c) Treasury: Department of the Treasury;
- d) Minister: The Minister of Economy and Finance;
- e) Head of public debt: General Manager, Head of the Second Directorate of the Department of the Treasury;
- f) Directorate: Department of the Treasury – Directorate II;
- g) internal public debt: short, medium and long-term financial instruments issued in euro;
- h) foreign public debt: securities issued in currency and those issued according to the same procedural modalities;
- i) Fund: account held at the Bank of Italy and denominated “Government Bond Amortization Fund”;
- l) Account: “Treasury availability to provide the service of treasury”;
- m) Government bonds: all forms of borrowing by the State; short, medium and long-term, as well as loans of Ferrovie dello Stato (State railways) S.p.A., recognised as State debts in accordance with art.2, comma 12 of Law no.662 of December 23, 1996;
- n) Securities: documents, certificates or records, also in the form of accounting entries, bearing rights of financial instruments;
- o) financial products: non-negotiable securities and bonds;
- p) intermediaries: nominee holders of accounts held at the centralized depository company and through which they can exercise patrimonial rights and carry out transfer operations, both for constraint and release of the same instruments under centralized depository;
- q) redenomination: reconvertng in euro of the values of the financial instruments expressed in a national unit of currency;
- r) centralized depository company: the depository company having a legal headquarters in Italy or in the European Union that predominantly or exclusively performs centralized depository services regarding financial instruments;
- s) MTS depository company: company for the Government bond market – M.T.S. – S.p.A.;
- t) capital stock: total capital stock of the centralized depository company wholly paid up and extant;
- u) systems: centralized depository systems for financial instruments;
- v) coupon stripping: stripping operation of the coupon portion from the redemption value;
- z) principal: redemption value of the bond less the coupon;
- aa) reconstitution of the bond: operation of reuniting the components of the coupon already split from the principal, even if originating from different bonds, in order to obtain new bonds;
- bb) participating currencies: currencies of EMU Member States (L-R).

Art.3 (L)
Issuance

1. In each financial year, the Ministry has the authority, within the annual limits established by the budgetary law, to issue framework decrees that allow the Treasury to:
 - a) carry out short, medium and long-term borrowing operations on both the domestic and foreign markets, indicating the nominal amount, the rate of interest or the criteria necessary to determine it, the duration, the minimum lot, the placing procedure and every other characteristic and modality, and therein included, the right to stipulate conventions with the Bank of Italy, with the centralized management company dealing in Government bonds and with Italian and foreign financial intermediaries as well as the competent forum, and to comply with the law applicable to controversies arising from the aforementioned borrowing operations;
 - b) provide, in order to promote the efficiency of the financial markets, the temporary issuance of tranches of current loans by resorting to prompt cash payments or others on the markets. Considering their transitory nature, such operations do not modify the consistency of the securities and give rise to the fluctuations in a special treasury account. The consequent financial effects are charged to the State budget, or rather, weigh on the floating debt. Loan operations of financial instruments, in accordance with letter a), are carried out on the inter-bank market using the same procedures;
 - c) proceed, in order to restructure the national and external public debt, to the reimbursement before maturity of bonds, to the transformation of maturities, to exchange operations as well as substitution of different types of bonds or other instruments provided by the praxis of the international financial markets (L).
2. Where necessary, the regulations contained in the Ministerial Decrees can deviate from the State accounting rules on the basis of and within the limits determined in comma 1.

Art.4 (L)
Financial instruments

1. The traded financial instruments or those intended for trading on regulated markets cannot be represented by those bonds provided by Title V, Book IV.

Art.5 (L)

Regulations regarding the account held by the Treasury for treasury purposes at the Bank of Italy

1. The Bank of Italy cannot grant any type of advance to the Ministry. (L)
2. The debt held at the Bank of Italy for treasury services will, at the end of the month in which the placement has been completed in accordance with comma 3, be transferred to an appropriate transit account the following day, at an annual interest rate of 1 per cent, and converted into Government bonds within 30 days, for an equivalent value, to be allocated to the Bank of Italy at an annual rate of 1 per cent, with an annual coupon. The duration and amortization method for the aforesaid bonds is established by the Minister with the relevant issuance decree. (L)
3. Within one month of Law no. 483 of November 26, 1993 coming into force, the Minister will proceed with the bond placement, with net receipts of at least 30,000 billion lire (euro 15.493.706.973) through the Bank of Italy. The bonds will have a yield equivalent to market values. The net receipts will be entered in the State budget and reassigned to the proper provisional budget item of the Ministry in order to be deposited in a transitory account held at the Bank of Italy with a

corresponding interest rate to cover the interest deriving from the issuance in accordance with the said comma. (L)

4. At the end of the placement the balance of the transitory account will be transferred to an account set up at the Bank of Italy and denominated "Treasury availability to provide treasury services " and utilized to guarantee the normal execution of the said services. (L)

5. Regarding the aforesaid mentioned account the Bank of Italy will, at the beginning of each semester, attribute interest equal to the average rate of Treasury bills issued in the previous semester. Any differential sum to be paid by the Bank of Italy, that is qualified to guarantee the compensatory costs that arise from the difference between the aforesaid rate of interest and that relative to the bonds referred to in comma 3 until their repayment, will be established by Ministerial Decrees. The Minister has the authority, if deemed necessary, and having heard the Bank of Italy, to personally assume the management, within the sphere of State treasury, of the funds available in the said account, and to proceed according to the order laid down in art.2, comma 2, of Law no. 104 of March 28, 1991. (L)

6. Seizure, distraint, objection or other protective measures regarding the said account are not permitted. Such measures, notified to the Bank of Italy and to the participants in the placement of Government bonds who turn out to be assignees at the auction, and directed to affect the receipts of the placement that have not yet been placed in the said account, are similarly not permitted, Acts contrary to the present regulations are null and have to be notified to the judicial office. However, such acts do not carry any charge of cantonment on the sum in the account or on the sums arising from the aforesaid placement. (L)

7. If, at the end of the month, the balance of the account held at the Bank of Italy should turn out to be less than 30,000 billion lire (euro 15.493.706.073), and if modified in compliance with comma 9, the Treasury has to reconstruct the aforesaid amount within the following three months. The uninvested monies in the said account cannot be utilized at length to cover the borrowing requirements of the Treasury. In any case, the maximum issuance limit as provided by art.3, comma 1, letter a) of the present Consolidated Act cannot be exceeded. If the end of month balance is less than fifty per cent of the said amount of 30,000 billion lire (euro 15.493.706.973) the Minister has to send a report to Parliament by the 5th of the following month giving the reasons for the insufficient balance and possible corrective measures; in the event that the balance turns out to be less than the said amount of 30,000 billion lire (euro 15.493.706.973) for three consecutive months, the Minister has to explain to Parliament, within the following month, the reasons for the insufficient balance, indicating possible corrective measures. (L)

8. The account cannot present a negative debit for the Ministry. In the event that, at the daily accounting closure of the Bank of Italy there should prove to be a debit for the Ministry, the Bank of Italy will enter it in a temporary account, where it will benefit from the official discount rate, will immediately notify the Minister, and will not carry out further payments as treasury until the debt has been settled. (L)

9. In the event that the public sector borrowing requirements turn out, in two consecutive exercises, to be more than 30 per cent inferior to that of 1992, the Minister can also, by proper decree, modify the amount as stipulated by comma 7. The Minister can also, by proper decree, reduce the aforesaid amount in relation to an achieved reduction in the intra-month displacements between cash flow receipts and State Treasury payments. (L)

Art.6 (L)

Denomination of domestic public debt

1. As from January 1, 1999, borrowing operations on the domestic market are effected in euro. (L)

Art.7 (L)
Accounting unit used for dealings on regulated markets

1. As from January 1, 1999, the euro is the only accounting unit used for dealing, payment and settlement on the regulated markets, provided that, in the transitory period, the clients, even though making offers in euro, can entertain relations with the intermediaries either in lire or in euro. (L)

Art.8 (L)
Payment of public debt

1. The annual laws for the approval of the budget provide for the assignation of interest payments, possible premiums and repayments of public debt. (L)
2. The payments of public debt are not reduced, paid late or subject to any special levy, not even in case of public necessity. (L)
3. The subsequent check of the ordinary and extraordinary accounting regarding the payment of public debt by the Corte dei conti is carried out on the accounts presented by the provincial divisions of the State treasury. (L)

ITEM 1 Management

Section 1

GENERAL PROVISIONS

Art. 9 (R)
Redenomination of international laws denominated in the currency of a Member State.

1. The Treasury can redenominated international loans issued according to Italian law, denominated in the currencies that are part of the European Monetary Union, if the issuing States have redenominated their own public debt in euro. (R)
2. The international loans in accordance with comma 1 are redenominated using the same rules used for bonds in lire in accordance with art.53, based on the minimum lot indicated in the respective issuance prospectuses. (R)

Art.10 (L)
Treatment of references to the lira of non-redenominated instruments

1. As from January 1, 2002, the references to the lira and other adhering currencies, present in the non-redenominated financial instruments during the transitory period, are understood to refer to the euro with an unlimited number of decimal points and are contextually expressed – for the purpose of trading of the financial service, of the transfer of bonds and of the financial account – as a conventional amount corresponding to the original nominal value, respecting the repayment

program. The rounding off to the euro cent has to be applied at the moment that the consideration is determined. (L)

Art.11 (L)
Centralized depository system

1. The Treasury does not release bearer or registered bonds, nor temporary certificates bearing or not bearing coupons that represent loans for the domestic market. (L)
2. The Treasury notifies the centralized depository company of the amount of each issuance of financial instruments in order to set up a special account. (L)

Art.12 (L)
Assignment of depository company and intermediary

1. The transfer of the financial instruments that are subject to the regulations of the present Title and the exercising of the relevant patrimonial rights is carried out only through the intermediaries authorized in accordance with Legislative Decree no.58 of February 24, 1998, which determines the requirements that the said subjects must possess and the activities that they are qualified to carry out. (L)
2. On behalf and by request of the intermediaries, the centralized depository company sees to the setting up, for each intermediary, of accounts for registering the movements of the financial instruments provided by the same. (L)
3. The intermediary registers, for each account holder, the financial instruments pertaining to the same bondholder, as well as the transfer, the management acts and the constraints, in accordance with art.15, prepared by or on behalf of, the bondholder, in distinct and separate accounts also with respect to accounts pertaining to the intermediary. (L)

Art.13 (L)
Duties of intermediaries

1. The intermediary:
 - a) carries out, in his own name and on behalf of, the account holder, the rights regarding the financial instruments if the latter confers the relevant mandate;
 - b) releases, by request of the interested party, non-transferable certificates, whenever necessary, for exercising the rights relating to the financial instruments. (L)
2. The certificates released by the intermediary have to be accepted on deposit every time that the regulations provide for the bonds to be deposited. (L)

Art.14 (L)
Rights of account holder

1. Having provided for the registration, the account holder is entitled to exercise fully and exclusively the rights relevant to the financial instruments he has already registered, according to each one's own regulations, and can arrange in conformity with that provided by the relevant regulations in force. (L)
2. Whoever has obtained the registration in his favour, on the basis of eligible title and in good faith, is not subject to claims or actions by previous title-holders. (L)

Art.15 (L)

Establishment of constraints

1. Every type of constraint regarding the financial instruments of this Title is singularly established by their registration in a special account held by the intermediary. (L)
2. Specific accounts designed to permit the establishment of the constraint of the financial instruments therein registered can be opened; in such a case the intermediary has the responsibility of observing the instructions received at the act of constitution of the constraint in order to maintain the integrity of the constraint and the exercising of the rights regarding the financial instruments. (L)

Art.16 (L)

Responsibility of intermediaries

1. The intermediary is responsible for the prompt execution of the obligations laid down by this Consolidated Act as well as any damage resulting from the transfer operations of the financial instruments. The intermediary is also responsible for the keeping of accounts. (L)

Art.17 (L)

Admissibility of faxes when participating in Government bond auctions

1. In participating in Government bond auctions carried out by telematic means, bids by means of private or public service using faxes are permitted, in the cases and subject to the conditions established by Treasury Decree. (L)

Art.18 (L)

Performance, deposits or reinvestment in Government bonds

1. Government bonds represented by accounting entries have to be accepted every time that, due to legislative provisions or regulations, performance or compulsory surety or deposits guaranteed by Government bonds, is demanded. (L)
2. The price to be paid for the sale of patrimonial real estate, or rather of State holdings, whose divesting has been ordered in accordance with current regulations, can also be paid for with Government bonds. (L)
3. The Minister establishes, by Ministerial Decree, the types of Government bonds in accordance with comma 1, and their method of calculation in order to meet the due price. (L)

Art.19 (L)

Keeping of documents

1. The resultant documents remain deposited with the Directorate, in justification of the transaction carried out, for a period of five years. (L)
2. At the end of the five-year period, starting from the date on which the payments were first registered, the Directorate can cancel the relevant bonds that have not been contested. (L)

Art.20 (L)
Payment

1. Payment to the interested parties of the amounts resulting from public debt operations will be made by the Sections of the Provincial State Treasuries, through the crediting of the amount on behalf of the creditor, to an established credit agency upon receipt of the orders referring to and before, collection of the apposite receipt, if released, or upon written request by the creditor. (L)

Section II

PRESCRIPTION

Art.21 (L)
Prescription of interest and capital

1. The interest payments not claimed during the five years after maturity will be prescribed. The five-year limit is applied to all forms of interest payments. (L)
2. The capital represented by Government bonds not claimed during the five years after the repayment date will be prescribed. (L)

Art.22 (L)
Interruption of prescription

1. To all intents and purposes, the prescription can be interrupted as indicated in the civil code, and by simple request or other valid act that demonstrates the wish of the petitioners to maintain their right. (L)
2. The request or act expresses their interruptive effectiveness from the day on which the Directorate, or one of its offices receives instruction, and where said Directorate or one of its offices has the right, either in Italy or abroad, to receive requests for dealing in Government securities or to pay interest. (L)

Art.23 (L)
Limits of prescription

1. For the limits of prescription of Government bonds, refer to the Civil Code.

Section III

CENTRALIZED DEPOSITORY

Art.24 (R)

Selection of centralized depository companies

1. The centralized depository Company for Government bonds is chosen from those authorized pursuant to art.80, comma 9, of Legislative Decree 58/1998, or from those that carry out, predominantly or exclusively, centralized depository services for financial instruments, as long as they are subjugated to the supervisory regulations provided by art.82 of the same Legal Decree. (R)
2. The centralized depository companies that intend to carry out the activity of centralized depository of Government bonds and that comply with the criteria in accordance with comma 3, and to the requirements provided by art.80, commas 4 and 6, of Legal Decree 58/1998, submit application to the Ministry. (R)
3. The Ministry selects the centralized depository company for Government bonds on the basis of the following criteria, which have to form part of the statute of the regulation of services or appropriate documentation:
 - a) The degree of patrimony, including capital stock of not less than fifteen million euro;
 - b) the organizational structure, with particular reference to the terms and conditions of carrying out the activities of centralized depository, regarding the quality and type of services offered and the degree of transparency of the systems;
 - c) the effectiveness in dealing with other centralized depository companies;
 - d) the carrying out of connected and instrumental activities;
 - e) the service costs of the issuer and costs for the participants, in accordance with art.81, comma 3, of Legislative Decree 58/1998;
 - f) the intermediaries admitted to the system;
 - g) the commitment to observe, in the events pursuant to art.85, comma 1, of Legislative Decree referred to in letter e), the regulations provided by the same article and the following articles, 86, 87, 88. (R)
4. The Ministry will communicate the outcome of the procedure activated by request in accordance with comma 2, within 60 days of receiving the said request. The aforementioned time limit is suspended should the Ministry request further information, and a new limit of 30 days will begin from the date of receiving such request. (R)
5. Following the selection of the centralized depository company for Government bonds, the Ministry can assess new requests to grant the centralized depository functions. (R)
6. The Ministry can grant the centralized depository of Government bonds to a number of companies. (R)

Art.25 (R)

Parties admitted to the systems

1. The Ministry is admitted to the systems and can open its own accounts at the centralized depository companies in Government bonds. (R)

Art.26 (R)

Relationship between the Treasury and the centralized depository companies

1. The relationship between the Treasury and the centralized depository of Government bonds is regulated by a convention that, in every case, has to provide:
 - a) the means of checking the balance of the accounts in accordance with art.27;
 - b) the duration and conditions of renewal;
 - c) the causes, methods and limits of recession;
 - d) the procedure for fulfilment in accordance with comma 2;
 - e) the procedure and limits of communicating, also to the Bank of Italy, information regarding daily movements of the stock of centralized Government bonds;
 - f) the procedure and limits of communicating, also to the Bank of Italy, information regarding payments to be made for the maturities;
 - g) the procedure and limits of information to the public of the nominal value of the Government bonds subject to coupon stripping;
 - h) the procedures for the cancellation of bonds that are to be repurchased from the stock in the fund and the limits of information to the public regarding the above mentioned operations. (R)
2. Starting from the time as provided by art.24, comma 4, the fulfilments carried out by the Bank of Italy in its capacity as centralized depository of Government bonds are executed by the centralized depository company in Government bonds. (R)
3. The Bank of Italy continues to perform the service of treasury regarding Government bonds in accordance with current regulations. (R)

Art.27 (R)

Balancing of accounts

1. After the elaboration of all the operations carried out in each accountable day for every Government bond issued in the system, the centralized depository company of Government Bonds will check that the sum of the balances of the intermediaries accounts, belonging to third parties, and of the contingent account for the management of financial instruments owned by the same depository company, corresponds with the dematerialized capital outstanding of each issuance, and if necessary, taking account of market purchases. (R)
2. The centralized depository company of Government bonds will regularly send details of the movements and the daily balance of each issuance to the Treasury and the Bank of Italy, both of which will carry out the checks in accordance with art.26, comma 1, letter a), for the issuances that are completely dematerialized. The Treasury, in agreement with the Bank of Italy, will communicate any differences found to the centralized depository company of Government bonds that will duly check and see to timely adjustments. (R)
3. Within the scope of providing the service of treasury that has been entrusted to it and it being understood that the sum paid by the Treasury for such service in the application of the agreement of January 17, 1992, the Bank of Italy will provide for the timely payment of maturities, upon verifying the information sent by the centralized depository company of Government bonds pursuant to art.26. The Bank of Italy will inform the Treasury of any differences found. The duty to account for payments in accordance with the regulations on State accounting remains. (R)
4. The balancing of accounts pursuant to comma 1, regarding Government bonds subject to coupon stripping and reconstitution pursuant to arts.40, 41, 42, is carried out by the centralized depository company of Government bonds exclusively with regard to the intermediaries. (R)

ITEM II

Government bond secondary market

Section I

ADMISSION OF GOVERNMENT BONDS TO BE QUOTED

Art.28 (R)

Admission to be quoted on the domestic and international markets

1. All types of short, medium and long-term Government bonds, issued by proper Treasury Decree, and including Government bonds convertible into shares or bearing a warrant of quoted companies, are admitted for official quotations. (R)
- 2 The bond quotation is arranged by the National Commission for Companies and the Stock Market (CONSOB) following notification of the promulgation of the issuance Decree by the Treasury that also specifies the minimum lot. Such notification is deemed to be executed through the transmission, also by fax, of the said Decree. (R)
3. The quotation of the bonds allotted by auction procedure takes place the following day. (R)

Art.29 (R)

Public information

1. The information to the public concerning the rights, either patrimonial or not, deriving from the possession of bonds, are made known through the publication of the relevant Treasury provision in the Official Gazette. (R)

Art.30 (R)

Cancellation of listing

1. The cancellation of the bonds from the list can be arranged by CONSOB upon request from the Treasury, when the need or the usefulness of a market quotation is deemed less important. (R)

Section II

GOVERNMENT BOND SECONDARY WHOLESALE MARKET REGULATIONS

Art.31 (R)

Market regulations

1. The organisation and management of Italian and foreign Government bond wholesale markets is governed by the regulations discussed by the ordinary assemblies of the respective depository companies; the regulations can give the Board of Directors the power to prescribe implementation provisions. The regulations govern in all events:
 - a) The conditions and modalities for the admission of the operators to the dealings, with reference also to the capital adequateness and to the operational levels;

- b) the conditions and modalities for the carrying out of dealings also with reference to the technical modality and to the minimum number of participants and the possible obligations of the operators, as well as the measures that could be taken in the case of non-compliance by the operators;
 - c) the organisational characteristics, capital and operational levels of the principal operators;
 - d) the obligations of the principal operators, who must execute bids to buy and sell bonds continuously, differentiated by characteristics, to maintain price competitiveness and to carry out significant transactions;
 - e) the bonds and contracts permitted, as well as the criteria to determine the minimum quantities tradable, that cannot however be less than those established in accordance with art.61, comma 10. of Legislative Decree 58/1998;
 - f) the conditions and modalities for the suspension and exclusion of subjects and bonds admitted to the dealings;
 - g) the modalities for the ascertainment, publication and circulation of prices, as well as the calculation and circulation of the aggregate of prices and volumes traded. (R)
2. The regulations pursuant to comma 1, and any subsequent modifications are approved, within 90 days, by the Minister, having heard the Bank of Italy and CONSOB, verifying the conformity of the present Item and to the Community regulation as well as the competence to guarantee the overall efficiency of the market, and an adequate correct report and ordered carrying out of transactions. (R)
3. The regulation emanated by CONSOB in accordance with art.62, comma 3, of Legislative Decree 58/1988 is complied with regarding the publication of the regulations. (R)

Art.32 (R)

Authorisation by Government bond wholesale markets

1. Within 60 days from the date of receipt of the application by the depository company, the Treasury, first having heard the Bank of Italy and CONSOB that pronounce their decisions within 30 days of the application, authorizes market operations when:
- a) The depository company proves to be in possession of the requirements provided by art.61, commas 2, 3, 4, and 5 of Legislative Decree 58/1998;
 - b) the regulation has been approved in accordance with art.31, comma 2, of the present Consolidated Act. (R)
2. If the Treasury asks the depository company for further information, the limits contained in comma 1, are no longer applicable, and a new limit of 30 days will apply from the date of receipt of such information. (R)
3. Subjects that perform functions of administration, management and control in accordance with art.61, comma 3, of Legislative Decree 58/1998, that do not comply with due honourability and professionalism will be discharged of their duties. The Board of Directors declares this within 30 days of the motion or knowledge of the shortcoming. If no action is taken, the Bank of Italy pronounces the duties discharge. (R)
4. The notifications pursuant to art.61, comma 6, of Legislative Decree 58/1998 are made known also to the Treasury and the Bank of Italy. Art.61, comma 7, of Legal Decree 58/1998 is applied; in case of inobservance, art.14, comma 5, of the same Legal Decree is applied. Impugment can also be proposed by the Bank of Italy within the limit provided by art.14, comma 6, of Legislative Decree 58/1998. (R)
5. CONSOB registers the authorized markets in the list pursuant to art. 63, comma 2, of Legislative Decree 58/1998, seeing to the fulfilment of the relevant Community regulations. (R)

Art.33 (R)
Specialists in Government bonds

1. For each Government bond wholesale market, the Treasury, with regard to the needs connected with the management of public debt, registers the principal operators in accordance with art.31, comma 1, letter d), who apply and have the requirements indicated in the following comma, in a special list called “list of Specialists in Government bonds” (the “Specialists”). (R)
2. Registration in the list in accordance with comma 1, is subject to the following conditions:
 - a) net worth, identified as the same aggregate under the surveillance control, of at least 38.734.267,43 euro;
 - b) carrying out activities in different sectors of the secondary market consistent with the objectives of public debt management, with particular regard to the continuity of the activity performed, the number and type of bonds, as well as the quantity traded;
 - c) a suitable organisational structure, in particular, to guarantee the placement of Government bonds with the final investors;
 - d) adjudication, on an annual basis, even at group level, of a share of at least 3 per cent of the total bonds issued at auction on the primary Government bond market. The aforementioned share will be calculated taking account of the different financial characteristics of the bonds. (R)
3. The following, who have applied for registration, are considered as belonging to the group in accordance with comma 1, on condition that they:
 - a) control the above-mentioned subject, that is, that they are not controlled;
 - b) they are controlled by the same subject that controls the subject that has applied for registration.In order to determine the degree of control, art.23 of Legislative Decree, no. 385, of September 1, 1993 is applied. (R)
4. The principal operators that apply for registration in the list in accordance with comma 1, must prove that they possess the requirements pursuant to comma 2, in the twelve months following the date of presenting the application. The Treasury verifies that the requirements are met. (R)
5. The Treasury checks the list of “Specialists” every 2 years in accordance with comma 1. Before this expiry date, a “Specialist” can be excluded if ever any of the requirements pursuant to comma 2, is not complied with, or for serious reasons as in the case of behaviour that is not coherent with the overall efficiency of the market or with the ordered carrying out of dealings. The operators excluded from the list cannot apply for reinstatement until at least a year has passed from the date of exclusion. (R)
6. The operators, pursuant to commas 1 and 4, transmit, upon request, to the Treasury and the Bank of Italy, figures and information regarding the activities carried out. The depository company regularly and also upon request, provides dates and information regarding contracts executed and the activities carried out by the participants in the market, to the Treasury. The Treasury can request further information from the Bank of Italy on the activities carried out by the operators pursuant to commas 1 and 4. (R)

Art.34 (R)
Depository Companies

1. The depository company:
 - a) Organizes the structure, provides the market services, and establishes the consideration owed;

- b) adopts all the acts necessary for the correct functioning of the market and checks that the regulations are complied with.
 - c) provides for the admission, exclusion and suspension of bonds, contracts and dealers;
 - d) communicates to the Treasury, the Bank of Italy and CONSOB, any violations of market regulations, and any action taken;
 - e) sees to the management and circulation of the information and documents indicated in the regulations provided by art.65 of Legislative Decree 58/1998. (R)
2. The depository company sees to any other possible duties entrusted by CONSOB. (R)

Art.35 (R)

Market supervision

1. The Bank of Italy supervises the Government bond wholesale markets considering the overall efficiency of the market and the ordered execution of dealings. The depository company provides the Bank of Italy with figures and information regarding the contracts effected and the market activity carried out by the operators. The Bank of Italy duly informs the Treasury of the supervisory functions carried out and of any irregularities found. (R)
2. The Bank of Italy, through the modalities and within the limits established by itself, can ask the depository companies to notify, even on a regular basis, of figures, information, acts and documents, as well as the carrying out of inspections at the aforesaid companies, and to request vision of documents and the carrying out of acts deemed necessary. (R)
3. If deemed urgent, the Bank of Italy adopts, with the purpose as indicated in comma 1, the necessary provisions, even taking the place of the depository company. (R)
4. In order to fulfil the purpose indicated in comma 1, the Bank of Italy can request the market participants to provide figures and information regarding the functions carried out. (R)
5. The Bank of Italy duly informs the Treasury of any irregularities found while carrying out its supervisory role, with particular attention to the operativeness of the operators in accordance with art. 33, commas 1 and 4. (R)

Art.36 (R)

Informative report to CONSOB

1. CONSOB checks that an adequate and correct informative report to the participants and the investors on the Government bond wholesale markets is guaranteed. (R)
2. CONSOB can ask the depository companies to communicate, even on a regular basis, figures, information, acts and documents necessary for the carrying out of the activities pursuant to comma 1. CONSOB duly informs the Treasury and the Bank of Italy of the supervisory role carried out and of any irregularities found. (R)

Art.37 (R)

Supervision of depository companies

1. The depository companies are subject to the supervision of the Bank of Italy that, to this end, avails itself to the powers provided by art.35, comma 1. (R)
2. Having heard the Bank of Italy and CONSOB, the Treasury checks that the statutory modifications of the depository companies are not contrary to the requirements provided by art.61, of Legislative Decree 58/1998. It is not possible to proceed with the registration in the companies register without such verification having been carried out. (R)

3. The Bank of Italy presides over to make sure that the regulation of the market is fit to guarantee the fulfilment of the aim indicated in art.35, comma 2, and that it conforms to that established by the regulation emanated by CONSOB pursuant to art.61, comma 2, of Legislative Decree 58/1998. (R)
4. The Treasury, upon proposal by the Bank of Italy after having heard CONSOB, can ask the depository company for modifications in the market regulation that should itself eliminate dysfunctions in the role of supervision pursuant to comma 3. (R)

Art.38 (R)
Clearing and settlement

1. Each party admitted to dealings must comply, directly or through a party that is duly qualified, with the systems that allow clearing, settlement and executing of operations in financial instruments. (R)

Art.39 (R)
Extraordinary measures to safeguard the market and crises of the depository companies

1. In case of serious irregularities in the management of markets or rather in the administration of the depository companies, or in every case in order to fulfil the purpose as indicated in art.31, comma 2, the Treasury, upon proposal of the Bank of Italy, provides for the dissolution of the administrative organs and of the control of the depository companies. The powers of the dissolved administrative organs are assigned to a nominated commissioner by the same order, which directs him, on the basis of the directives and under the control of the Bank of Italy, to the reconstitution of the organs. Art.70, commas 2, 3, 4, 5, and 6, art.72, with the exception of commas 2, and 8, and art.75, of Legislative Decree 385/1003, are applied with regard to what is not provided for by the present comma. (R)
2. In the event that the irregularities pursuant to comma 1 are considered exceptionally serious, the Treasury, upon proposal of the Bank of Italy, can revoke the authorisation provided by art.32. (R)
3. Within 30 days of the notification of the provision to revoke the authorisation, the administrators or the commissioner calls for a meeting to modify the corporate purpose or to adopt other measures consequential to the same provision, or to discuss the voluntary liquidation of the company. In the event that the meeting is not convened within the said limit or that the assembly does not deliberate within three months of the date of notification of the provision to revoke, the Treasury, upon proposal by the Bank of Italy, can provide for the dissolution of the depository company nominating the liquidators. The provisions for the liquidation of stock companies are applied, except those regarding the recall of the liquidators. (R)
4. In cases provided for by commas 1 and 2, the Treasury, upon proposal by the Bank of Italy, and having heard CONSOB, institutes the agreements necessary to guarantee the continuity of dealings. To this end, it can provide for the temporary transfer of the management of the market to another company, subject to the said company's consent. The definitive transfer of management of the market can come about even departing from the regulations of Title II, Item VI, of Royal Decree no.267 of March 16, 1942, and subsequent modifications. (R)
5. The provisions provided for by commas 1 and 2, are adopted by the Treasury upon proposal of CONSOB after having heard the Bank of Italy, as provided for by art.36. (R)
6. The undertakings to declare bankruptcy, or to be allowed to come to an arrangement with the creditors, or to be in receivership, and the relevant court orders are communicated within three days to the Bank of Italy by the court clerk. (R)

Section III

COUPON STRIPPING OPERATIONS AND RECONSTITUTION OF GOVERNMENT BONDS

Art.40 (R)

Object of coupon stripping operations

1. The coupon stripping operations to which this Consolidated Act applies are only those regarding fixed rate Government bonds not eligible for advance reimbursement, deposited with the centralised depository system for Government bonds. (R)
2. The reconstitution operation, in accordance with the present section, can be carried out on Government bonds previously subjected to coupon stripping. (R)
3. The operations, in accordance with commas 1 and 2, are carried out by parties to whom the substitute income tax is not applied. (R)
4. The individual loans that can be subjected to coupon stripping, the minimum nominal capital outstanding above which the operation is viable, as well as the overall maximum amount of bonds, are individuated by Treasury Decree. (R)

Art.41 (R)

Operational procedures

1. The coupon stripping and reconstitution bond operations take place through bookkeeping annotations, at the request of account-bearers with the centralised depository system for Government bonds. (R)
2. Each coupon stripping and reconstitution operation must be in the amount of 1,000 euros or multiples thereof. (R)

Art.42 (R)

Bond characteristics

1. Each bond previously subjected to the operations pursuant to art.40, represents an independent Government bond and can be outstanding only within the centralised depository system for Government bonds. (R)
2. The coupon components separated from the principal that have the same maturity are fungible amongst themselves. (R)

Art. 43 (R)

Minimum lots

1. Regarding the trading of bonds that have been subjected to coupon stripping, the minimum tradable lot on the regulated wholesale markets is 2.5 million euro as regards the principal, and 100,000 euro for the components separated from the principal. (R)

ITEM III

Sinking fund

Section I

FUNDAMENTAL PROVISIONS

Art.44 (L)

Government bond sinking fund

1. An account denominated Government bond sinking fund has been established at the Bank of Italy. Its purpose is to reduce, according to the modalities provided by the present Consolidated Act, the stock of Government bonds outstanding. (L)
2. The administration of the fund, in accordance with comma 1, is assigned to the Minister, assisted by a consultative committee composed of:
 - a) The General Director of the Treasury, who presides;
 - b) the State Paymaster-General;
 - c) the Director of State Revenues;
 - d) the Director of State Property. (L)
3. The Minister presents an annual report to Parliament on the administration of the fund, together with the final accounts. The provisions of Law no.1041, of November 25, 1971, and subsequent modifications, do not apply to the administration of the fund. (L)

Art.45 (L)

Contributions to the fund

1. The following are conferred to the fund:
 - a) Government bonds, established by Ministerial Decree that defines the category and modality therein implied, returned by the purchasers as payment due for the sale of real estate, that is, State-owned, whose disinvestment is provided in accordance with current regulations;
 - b) other proceeds arising from the sale of State holdings; from such proceeds are always excluded the real estate disinvestments pursuant to commas 86 to 109 of art.3, of Law no. 662, of December 23, 1996;
 - c) the receipts deriving from extraordinary Government taxes, within the limits established by the respective legislative provisions;
 - d) any appropriation by the Minister;
 - e) the proceeds arising from donations or testamentary provisions, but in any case, destined for the purpose of the fund;
 - f) the proceeds deriving from the sale of investments or real estate confiscated by the judiciary and corresponding to sums illegally extracted from the public administration;
 - g) the sum, up to a maximum of 15.493.706.973 euro (30.000 billion lire), on the authority pursuant to art.3, comma 5, of Law no. 539, of December 24, 1993. (L)
2. The sums relative to the conferments pursuant to comma 1, flow to the appropriate revenue chapter of the State budget, to be then reassigned to the proper provisional budget item of the Ministry in order to be conveyed to the fund.
3. The Minister has the authority to present, by proper Decree, the necessary changes to the budget. (L)

Art.46 (L)

Criteria and procedure for the purchase of Government bonds

1. The fund makes use of the conferments pursuant to art.45:
 - a) in the case provided for by letter a) of art.45, for the equivalent reduction of the outstanding Government bonds equal to their nominal value;
 - b) with reference to letters b), c), d), e), f), and g), of art.45, in the purchase of Government bonds, or the reimbursement of bonds maturing after January 1, 1995, as well as for the purchase of shares owned by companies of which the Treasury is the only share-holder, for the purpose of their disinvestment. (L)
2. The buying operations pursuant to comma 1 are carried out through the Bank of Italy or by other certified intermediaries. Said operations are exempt from the tax pursuant to art.1, of Royal Decree no. 3278, of December 30, 1923, and subsequent modifications. (L)
3. A rate of interest equal to the average rate of the BOT's issued in the previous semester is paid on the sum in the fund at the Bank of Italy every six months. (L)
4. The provisions pursuant to art.5, comma 6, are applied to the fund. (L)

Art.47 (L)

Discharge of bonds held in the fund

1. The Government bonds conferred to the fund or purchased by itself, cannot be redeemed or traded and are aimed at reducing the amount of the debt. (L)
2. The bonds still outstanding in paper form are sent to the Directorate that provides for their subsequent annulment. (L)

Section II

PROCEDURAL PROVISIONS

Art.48 (R)

Utilization of the fund

1. The utilisation of the sums available in the "fund" is provided by the issuance of acts and dispositions of the General Director of the Treasury, or, by delegation, by the Head of public debt for the following purposes:
 - a) Purchase of outstanding Government bonds;
 - b) reimbursement of maturing Government bonds;
 - c) purchase of shares held by companies in which the Ministry is the only shareholder, for the purpose of their disinvestment. (R)
2. Purchases pursuant to letter a) of comma 1, can be carried out in the following ways:
 - a) by charge, conferred by the General Director of the Treasury, or by delegation by the Head of public debt, to the Bank of Italy or other selected intermediaries, for bonds issued on the domestic market amongst the Specialists in Government bonds in accordance with art.33, indicating the maximum price acceptable;
 - b) by competitive bidding auction limited to the Specialists in Government bonds in accordance with letters a), who operate either for themselves or for their clients. (R)

3. The costs of the purchasing operations pursuant to the preceding comma are met by monies in the fund. The aforesaid costs include the value of the bond, any additional costs and charges, and also any accrued interest due on the coupon. (R)

4. The consequent relationship between the Ministry, the Bank of Italy or the selected intermediaries, is governed by specific agreements. (R)

5. In the event provided for by comma 1, letters a) and b), the General Director of the Treasury, or by delegation, the Head of public debt, communicates each time to the Bank of Italy, the total amount and type of Government bonds he intends to reimburse or buy utilizing the fund, and authorises the Bank of Italy to withdraw from the said fund the sum necessary to meet the total cost of the relative operations. (R)

6. In the occurrence of the event provided by comma 1, letters c), Bank of Italy is authorized, any time it is needed, to withdraw sums from the fund to finance the costs relative to those transactions. (R)

Art.49 (R)

Duties of the Bank of Italy and of the appointed intermediaries

1. In the event that the bonds purchased were issued on the domestic market, the Bank of Italy notifies Monte Titoli S.p.A. in order to cancel the said bonds by the appropriate entry in the centralised accounts and notifies these charges to the Directorate. Each of the operations shows the nominal value, interest and any costs. (R)

2. In the event that the bonds purchased are loans issued on the international markets, the Bank of Italy or the appointed intermediaries duly notify the total amount and types of bonds, to the Directorate. If the bond has the complete document of title, the Directorate sees to the release of a new complete certificate, upon receipt of the old, duly annulled. (R)

Art.50

Specifics of the appointment of the Bank of Italy and the intermediaries

1. The appointment provided for by art.48, comma 2, letter a), must specify:

a) the type of bond in question and the total amount that can be repurchased;

b) the period of time in which purchases can be carried out;

c) the limits of the regulation;

d) the maximum price acceptable for each bond;

e) the payment due to the Bank of Italy or to the other intermediaries for the service rendered. (R)

2. In every case, the Ministry reserves the right to review the maximum price pursuant to point d), if the market conditions should change significantly during the purchasing period. (R)

Art.51

Auction procedure

1. The auction by competitive bidding, pursuant to art.48, comma 2, letter b), limited to the Specialists, is administered by the Bank of Italy. The auction processes are carried out in the presence of an officer of the Ministry with notarial powers, who sees to the compilation of an appropriate report wherein are indicated the prices adjudicated. (R)

2. The Treasury communicates the date and auction procedure, as well as the type of bonds that can be purchased. (R)
3. Offers considered inappropriate are not accepted. (R)

Art.52 (R)

Duties subsequent to auction

1. As soon as the auction has finished, the type and amount of Government bonds actually withdrawn from the market is ascertained, by proper Decree, also specifying the relative coupons. (R)
2. The Government bonds withdrawn from the market, through the procedures indicated in the preceding articles, are communicated to the Directorate that adopts measures to:
 - a) reduce the amount of debt by the amount of the corresponding nominal value of the said bonds;
 - b) enter the consequent modifications in the corresponding budget lines, for that regarding interest forecasts, and also that for reimbursement at maturity. (R)

TITLE II

Provisional Regulations

Item I

Provisional Rules of Redenomination

Art.53 (R)

Redenomination procedure

1. The redenomination into euros of the bonds issued prior to January 1, 1999, is achieved by calculating, on the basis of the respective exchange rates, the value in euro of each minimum lot multiplied by the number of minimum lots that make up the loan, rounded down or up to the second decimal point depending on whether it is less than or more than 0,005 euro. (R)
2. For the purposes of conversion pursuant to comma 1, minimum lot of bonds issued on the domestic market, means the minimum amount subscribable at auction. (R)
3. For bonds issued and allotted in return for the reimbursement of tax credits, or to discharge debts, the minimum lot is that provided for by the relevant issuance Decree. (R)
4. The minimum lot of the bond issue ex Ferrovie dello Stato S.p.A. to the value of 1.500 billion lire (euro 774.685,349) (bond code 26808), is 5 million lire (euro 2.582,28). (R)
5. The redenomination of the bonds that have been subjected to “coupon stripping” pursuant to art.40 is carried out according to the procedures pursuant to comma 1. The minimum lots of the financial instruments arising from separate coupon trading and share capital (principals) are respectively 1.250.000 lire (euro 645,57), and 5.000.000 lire (euro 2.582,28). (R)
6. The redenominated bonds are made up of financial instruments with a nominal unitary value of one-euro cent. (R)

Art.54 (R)

Payment and trading of the redenominated bonds

1. Up to December 31, 2001, the payments linked to the financial service for bonds already redenominated in euro that have to be settled in cash, are effected with the equivalent value in lire. (R)
2. Due to the redenomination pursuant to the present Consolidated Act, the amounts in lire relating to the principal and coupons of Government bonds that are outstanding in paper form will be referred to in euro as from January 1, 1999. (R)
3. The payment of interest on Government bonds redenominated in euro is effected by applying the interest rate, whether fixed or variable, of each loan, to the nominal unitary value of each redenominated loan and multiplying the result, including all the significant decimal points, by the number of times in which the said nominal unitary value figures in the overall nominal value in euro of the said loan. (R)
4. The interest rates of the coupons of redenominated bonds expressed in percentage must contain at least six decimal points. The relevant interest is calculated by applying the aforesaid coupon interest rate to the unitary value in euro (0,01) pursuant to art.53, comma 6. The consequent result, to at least ten decimal points, is multiplied by the nominal value of the associated bonds, again multiplied by one hundred. (R)
5. The intermediaries guarantee that the clients have the opportunity to buy or sell sufficient amounts of bonds already redenominated in euro in order to attain the minimum lot of Government bonds tradable, or multiples of, set by the market management companies, without applying further costs other than the normal dealing commissions. The purchase or selling price accepted for such transactions is that registered on the regulated markets on the day of trading. In the event that in a day when no price is registered for the bond to be traded pursuant to the present comma, the last official price quoted is applied. (R)

Item II

Provisional Regulations for Dematerialized Bonds

Art.55 (L)

Management

1. The rights related to bonds and certificates subjected to the regulation of Title I are exercised upon deliverance of them to an appointed intermediary, that arranges the setting up of an account, and sending the relevant documents to the centralised depository company for issuance into the system of the said company. (L)
2. The operations pursuant to comma 1 are carried out by the intermediaries without applying further costs other than the commissions expected for similar operations regarding dematerialized bonds. (L)

Item III

Provisional Regulations of Government Bonds not yet Dematerialized

Art.56 (R)

Repayment of bonds or fractions of, with a value of less than five million lire (euro 2.582,28) of current loans

1. On December 1, 1998, advance reimbursement was provided at the official price registered on November 26, 1998, on the screen-based market for bonds (M.O.T.) communicated by the Bank of Italy, for bearer bonds or registered bonds pertaining to current loans issued by the Treasury with a nominal capital value of less than five million lire (euro 2.582,28). (R)
2. With the procedures pursuant to comma 1, advance reimbursement of fractions of capital with a value of less than five million lire (euro 2.582,28) forming part of registered bonds however registered and tied with a value of more than five million lire (euro 2.582,28), is also provided for. In such a case, the intermediary provides to enter the relative nominal amount, originally equal to five million lire (euro 2.582,28) or multiples thereof, in the centralised deposit of the depository company, and to also register any ties. (R)
3. Registered bonds pursuant to comma 1, not subject to a cautionary tie, are reimbursed by the provincial Sections of the State Treasury upon verification of the identity of the bearer, without the need of further documentation or formalities. The same bonds, if ever subjected to a cautionary tie, are reimbursed in accordance with the procedures indicated in art. 58. (R)
4. In applying the current regulations, the bonds to be issued for the repayment of tax credits are subject to the regulation of the present Consolidated Act. (R)

Art.57 (L-R)

Repayment of bonds with a value equal to or more than five million lire (euro 2.582,28)

1. The reimbursement of the capital of bonds with a value equal to or more than five million lire (euro 2.582,28), not subject to a cautionary tie, is carried out upon request and the authenticated signature of the bondholder or his assignee, and upon deposit of the bonds themselves. Authentication of the signature on the request is not required when the bondholder or his assignees declare their wish to intervene personally to the collection of the capital. (R)
2. In the event that the bonds are registered to institutions or companies or even to taxable individuals that do not have unencumbered access to their property, the reimbursement of capital is effected upon request by the bondholder or his assignees and with an authenticated signature. (L)
3. Authentication of the signature is not necessary also when the wish to be reimbursed is expressed through:
 - a) public notarial, judicial or administrative act;
 - b) simple contract with authentication of the signature by a notary;

- c) declaration made at the Directorate or at a provincial department of the Treasury. (L)
4. The capital of registered bonds and those subject to a cautionary tie, if equal to or more than five million lire (euro 2.582,28), is reimbursed upon the presentation of the documentation pursuant to comma 3, and, on the basis of art.56, upon presentation of an appropriate declaration by a financial intermediary who certifies the opening of a deposit account registered and tied for an amount equal to the bonds exhibited. (R)
5. The reimbursement operations for unexpired bonds must be requested from the Directorate or, from the provincial departments of the Ministry. (L)
6. The present article is also applied whenever the payment of premiums is anticipated. (L)

Art.58 (L)
Discharge of ties

1. For the purpose of reimbursement, the freeing of ties of registered bonds with a nominal capital of less than five million lire (euro 2.582,28) subjected to a cautionary tie, or those with a nominal capital equal to or more than five million lire (euro 2.582,28) subjected to other ties, is effected:
- a) by consent of the creditor expressed by request with authenticated signature or in one of the ways provided for by art.57, comma 3, letters a), b) and c);
 - b) by provisions by the competent authority;
 - d) by sentence, passed in judgement, that expressly orders the cancellation;
 - e) when the implicit right in the tie is consolidated or is confused with the right of ownership of the bond;
 - f) when the time limit has elapsed or the reason for the tie no longer applies, except where the rights of third parties arising from the law or resulting from acts lodged with the Directorate interfere. (L)

Art.59 (L)
Cancellation of the tie of usufruct

1. The cancellation of the tie of usufruct, other than in the cases of consolidation or lapsing of the time limit, has effect upon application by the party:
- a) if the usufruct is for life, upon presentation of the death certificate of the usufructuary;
 - b) if the usufruct is subject to conditions, upon presentation of a document that proves the condition has been violated;
 - c) if the usufruct is in favour of an institution, upon expiry of the thirtieth year;
 - d) by prescription, when the interest has not been claimed in five years.(L)
2. In the event considered in letter d), the five year time limit begins from the day on which prescription can be imposed. (L)

Art.60 (L)
Proof of the right of succession

1. The right of succession of the bondholder of registered bonds is established by presenting to the Directorate:
- a) in the case of testamentary succession:
 - 1) the death certificate, or if possible, the equivalent substitutive certificate;
 - 2) the act or acts of the last will;
 - 3) the substitutive affidavit, which clearly identifies the heirs, that the testament presented is the only one, and, in the case of more than one, that those presented represent the last will of the

testator, that no disputes have arisen in connection with the inheritance, or contestations against the testament or testaments, and that apart from the persons summoned by the testator, there are no others to whom the law reserves a portion of the inheritance or other rights of succession;

b) in the case of intestate succession:

- 1) the death certificate, or if possible, the equivalent substitutive certificate;
- 2) the substitutive affidavit, which states that no testamentary provisions exist, and all the persons to whom the succession is devolved by law, as well as the deceased's last place of domicile. (L)

Art.61 (L)

Additional documents

1. In the event that facts or acts have modified the situation of the assignees of the succession, a new affidavit must be presented. (L)
2. The Directorate can also request a certificate from the clerk of the court in whose jurisdiction the succession was opened, attesting if, and which acts or declarations have been entered in the succession register, and if, and which testaments have been notified to the court. Furthermore, the Directorate can also request a certificate, released by the Mayor, of the place pertaining to the opening of the succession, based on information at the registry office, in order to ascertain the deceased's family circumstances. (L)

Art.62 (L)

Succession opened abroad

1. If the succession of the title-holder has been opened abroad, the right of succession is established by the documents indicated in art.60 and 61. In this case, the substitutive affidavit can be drawn up with the Italian Consul or substituted by the equivalent probative document, drawn up in accordance with the laws of that country. (L)
2. In the event that the substitutive declarations pursuant to the preceding articles are presented by European Union citizens, the same procedure provided for Italian citizens is applied. (L)
3. In the case of non-Europeans, proof of succession must be provided by the documents prescribed by the national law of the deceased, or rather, if it involves a stateless person, by the law of the country in which the deceased was last resident. In addition to the said documents, the Directorate can request a certificate from the consular authority, which attests to the conventional and substantive validity of them in relation to the aforesaid laws. (L)

Art.63

Judicial provisions

1. In place of the documents indicated in art. 60 and 61, a Decree can be produced, issued in the court chamber of the place where the succession was opened, through which the bonds are expressly assigned to whom it may concern, establishing, if there is more than one assignee, each one's share. In the case of a succession opened abroad, the Appeal Court of Rome must issue the aforesaid Decree. (L)
2. The Directorate can request directly to the judicial administration that the proof of succession be provided according to the form indicated in comma 1, if doubts arise regarding the operation requested and that the Directorate considers it is unable to resolve. (L)

Art.64 (L)

Succession of heirs of bondholders.

1. If, other than the bondholder, any of the heirs has died, the substitutive affidavit indicated in art.60 can be the only one, as long as all the successions have been opened in the same district; otherwise, separate attestations for each succession are necessary. (L)
2. If the successions have been opened in different District Courts, the Decree pursuant to art.63, can be issued by the Court of the district where one of the successions was opened. If any one of the successions has been opened abroad, the Decree of the Court of Appeal of Rome is needed. In every case, both the Court and the Court of Appeal must take account of all the instances that have occurred because of the various successions. (L)

Art.65 (L)

Specific bequest

1. The legatee can obtain, without any action by the heir, the reimbursement of registered bonds with a value equal to or more than five million lire (euro 2.582,28) that have been expressly assigned to him by the testator, as long as he presents the said bonds and the documents relating to the succession. (L)
2. In the event that the bonds have been lost, stolen or destroyed, the legatee cannot be permitted to fulfil the reimbursement procedure if he does not provide documentary proof that he was legitimately in possession of them. (L)

Art.66 (L)

Succession of ayant cause

1. If the capital to be reimbursed is of an amount equal to or more than five million lire (euro 2.582,28), the provisions contained in the preceding articles are applied also in the cases that concern the succession of the ayant cause of the bondholder and of any other person that has, in any case, rights pertaining to registrations that have been freed of their relevant ties through abolition laws. (L)

Art.67 (L)

Collection and reinvestment of capital

1. The reimbursement operations of bonds registered to taxable persons who are incapable or have a limited capacity, are considered, under the Civil Code, as acts of collection of capital, as long as they are also otherwise suitably employed. (L)
2. The same operations, if they concern registered bonds forming part of the equity administered by curators in accordance with the Civil Code, as well as being bonds constituted as endowments or family estate, or as correlative guaranteed mortgages, but in every case, also otherwise suitably employed, are considered equally as acts of collection of capital, and if judicial authorisation is needed, this can be given by a magistrate. (L)

Art.68 (L)

Bearer bonds

1. Bearer bonds are a risk and a danger to the owner. (L)

2. Duplicates or other documents equipollent to bearer bonds that have been lost, stolen, or destroyed are not released. Nonetheless, whoever reports the loss, theft, or destruction of a public debt bearer bond, before the reimbursement date, to the Directorate or to one of its offices on the national territory or abroad, can be subject to demands for operations on the Government bonds and to provide for the payment of interests, but can also, before the time limit for prescription lapses and on condition that a *fideiussione* type guarantee in favour of the Directorate is provided, ask for payment through an appropriate request that must arrive at the Directorate within six months of the aforementioned report. (L)
3. If the time limit for prescription has lapsed and the bond has not been reimbursed, the time limit for presenting the request for reimbursement begins at the moment in which prescription takes place. (L)
4. In such a case, regarding the period of prescription of bonds and coupons, interest calculated at the legal rate in force is applied to the sums due. (L)
5. Seizures, impediments or objections to bearer bonds are under no circumstances allowed. (L)
6. The administration, in accordance with comma 2, recognizes as the owner of bonds corresponding to such registrations only the bearer of them. (L)

Art.69 (L)

Objection to registered entries

1. Registered entries can be objected to in case of:
 - a) loss, theft or destruction of the relevant certificate, reported by the bondholder or his ayant cause;
 - b) disputes on the right of succession;
 - c) bankruptcy of the title-holder;
 - d) disputes or the quittance due to the mortgage or other charge entered in the registers. The registered entries can be subject to seizure, impediment or specific performance only in the aforesaid cases. Except where a mortgage or a tie is in favour of the State or public administrations, the objections pursuant to letter b), c), and d), do not have effect if they have not been authorised in advance by judicial provision notified directly to the Directorate. (L)
2. An objection pursuant to letter b) can be lodged only by the heir of the bondholder or his ayant cause, and by the legatee to whom the bond has been expressly assigned. (L)
3. The Directorate notes down any objections to registered entries in a special register, acceptable in the cases and forms provided by the present Consolidated Act. (L)

Art.70 (L)

Loss of registered bonds

1. In the event of loss, theft or destruction of a registered bond, the bondholder or the assignee can obtain reimbursement, if lapsed and not prescribed, or if the dematerialisation forms part of a current loan, by presenting proper denunciation, with authenticated signature, and if necessary properly documented, in which a taxable person expressly declares, inter alia, and under his own responsibility, that the lost, stolen or destroyed bond, did not contain endorsed declarations of transfer to third-parties or of transmutation to the bearer through delegation to third-parties for collection of the new bonds, and that the same bond had, in any case, not been surrendered or transferred to third-parties.
2. The Directorate publishes a notice in the Official Gazette and provides for the posting of the same notice, for a period of six months, in places open to the public in the competent provincial

treasury Sections of the State, and if no opposition is registered, provides for the reimbursement or the dematerialisation. (L)

Art.71 (L)

Execution of registered bonds

1. The resulting enforcement of a mortgage or other tie depends on the decision of the competent judge. (L)
2. For the reimbursement of registered bonds that are under mortgage in favour of the State and public administrations, the tied-bonds are freed and transferred completely or in part, as determined by the competent administrative authority. (L)

Art.72 (L)

Seizure and confiscation of bonds

1. Attempts to seize or confiscate bearer bonds or registered bonds are permitted wherever they are found. (L)

Art.73 (L)

Report to penal judge

1. If the bonds are presented subsequent to the seizure notice, the Directorate limits itself, solely in the interest of penal justice, to inform the competent authority, but without suspending the operation requested concerning the bonds themselves. (L)

Art.74 (L)

Forms to present objections

1. Special forms are compiled to report the relevant entry numbers and appropriate notes concerning bearer bonds that have been the subject of seizure, impediment or objection of any type, authorised or ordered by the competent authority and duly notified in accordance with the present Consolidated Act, solely for the purpose of providing the competent authority, in the interest of criminal justice, with the information brought to the notice of the Directorate after the date of the report. (L)

Art.75 (L)

Refusal to perform operations

1. In the event that the Directorate refuses to perform a reimbursement operation, the petitioning party can go to the civil court where he is domiciled, and the court will see to the matters by a Decree pronounced in the court chambers, after having heard the public prosecutor and the Directorate with their written observations. (L)
2. If the Court does not deem the application sufficiently justified, it can order the parties, who it is assumed are interested, to court, or commit to trial because of inconsistencies, and can also order publications or provide for the execution of the operation with special precautions. (L)
3. Appeal against the court order is admissible, even by the administration, as long as the procedures indicated in the first comma have been complied with. (L)

Art.76 (L)

Tacit revocation of the mandate

1. Unless there is a declaration to the contrary, the mandate applying for the reimbursement of bonds or the payment of interest is taken as revoked, without the need to notify the revocation to the mandatee, when the mandator has delegated a different person to the one previously entrusted with the operation or collection, or he declares to see to the matters personally. (L)
2. In all cases, the mandator must be in possession of the bonds to be subjected to the operations, or the receipt for having deposited them, released by the Directorate or a provincial Department of the Treasury. (L)

Art.77 (L)

Publications

1. The publications pursuant to art.70, and those that, according to current regulations, must be carried out following the loss of the receipts released on deposit of bearer or registered bonds, are carried out gratis. (L)

Art.78 (L)

Prohibition of producing forged bonds

1. The production, issuance and circulation, for whatever purpose, of any type of print imitating or simulating, whole or in part, any public debt bond is prohibited. (L)
2. The violations are punishable with the penalty afforded by art.142 of the Consolidated Act no. 204, of April 28, 1910, referring to issuance institutions, and by subsequent modifications. (L)
3. The prints and associated materials, no matter who they belong to, must be confiscated and destroyed. (L)

Item IV

Provisional Rules of Prescription

Art.79 (L)

Coming into force of prescription

1. The limits of prescription, as indicated in the present Consolidated Act, regarding registered bonds and Treasury commercial bills, took effect from January 1, 1998, as provided for by Law no. 449, of December 27, 1997, whereas, for bearer bonds, from September 5, 1993, the date of the coming into force of Law no. 313, art.2, of August 12, 1993, which has integrated art. 2948 of the Civil Code, as long as, in compliance with earlier laws, a shorter limit has not yet expired. (L)

Art.80 (R)

Issuance of non-dematerialized bonds into the systems

1. The intermediaries, in accordance with art.12 will continue to collect bearer and registered bonds, forming part of current securities and as provided for by art.13, that are presented to them by the possessors, for dematerialization. The same intermediaries provide for:
 - a) the transformation of the same bonds into book-keeping entries, forwarding the particulars of the operation to the Government bond depository company for issue into the depository system.;
 - b) the forwarding of the said bonds, together with the particulars, to the Bank of Italy that, after verification of their legitimacy, renders them null, sends them to the Treasury, and transmits the relevant information to the Government bond depository company. (R)
2. Following the dematerialization procedure in accordance with the preceding comma, the Government bond depository company sends the information regarding the daily movements carried out to the Treasury and the Bank of Italy that, within the next working day, check that the balance of the accounts set up with the Government bond depository company corresponds to the amount issued of each Government bond, and if necessary, taking into account market purchases and the residual non-dematerialized bonds outstanding. (R)
3. Any differences found during the checks pursuant to comma 2, are notified by the Treasury, as agreed with the Bank of Italy, to the Government bond depository company that duly provides to concord the competences and to appropriate adjustments. (R)

Item V

Final Provisions

Art.81 (L) *Jurisdiction*

Regarding controversies between the State and its creditors concerning the interpretation of contracts pertaining to Government bonds or the laws relative to them, or in any case, regarding public debt, it is the lower-Court of the regional administrative tribunal that provides exclusive jurisdiction, and the Council of State on appeal. (L)

Art.82 (L) *Abrogation of regulations*

1. With the coming into force of the present Consolidated Act, the following are abrogated: art.1, arts.4 to 10. arts. 12 and 13, arts.15 to 18, art.24, art.26, arts.33 to 40, arts.41 to 47, art.59, art.62 to 68, art.70, art.72, art.74, arts.78 and 79, art.81, arts.83 and 84, arts.86 to 88, arts.90 to 95, of Presidential Decree no. 1343, of February 14, 1963; Ministerial Decree of May 27, 1993, as modified by art.3 of the Ministerial Decree of January 5, 1995.

Art.83 (L) *Coming into force of the Consolidated Act*

1. The regulations of the present Consolidated Act come into force on the.....

Regulatory enclosure

TITLE I

Object and Scope of the Consolidated Act

Art.1 Object

Art.2 Definitions

Art.3 Issuance

(Law no. 941, December 27, 1953; Law no. 119, March 30, 1981, arts.38 and 39,; Law no. 526, August 7, 1982, art.43,; Legal Decree no.149, , May 20, 1993, converted into Law no. 237, July 19, 1993 art.9; Law no. 483, November 26, 1993 arts.1,2,3,4,5,6,7,8; Law no. 488, December 23, 1999 art.48, comma 1).

Art.4 Financial instruments.

(Legislative Decree no. 213, June 24, 1998, art.28, comma 1)

Art.5 Regulations of the account held by the Treasury at the Bank of Italy

(Law no. 501, December 23, 1992, art.3, comma8; Law no. 483, November 26, 1993; Law no. 104, March 28, 1991, art.2)

Art.6 Denomination of domestic public debt

(Legislative Decree no. 213, June 24, 1998, art.5)

Art.7 Accounting unit used for dealings on regulated markets

(Legislative Decree no. 213, June 24, 1998, art.15)

Art.8 Payment of public debt

(Presidential Decree no. 1343, February 14, 1963, arts. 2 and 3; Law no. 428, August 7, 1985, art.5, comma 2)

ITEM I Management

Section I General Regulations

Art.9 Redenomination of international loans denominated in a member state currency

(Legislative Decree no. 213, June 24, 1998, art.6; Ministerial Decree, November 30, 1998, art.4)

Art.10 Treatment of references to the lira of non-redenominated instruments

(Legislative Decree no. 213, June 24, 1998, art.14)

Art.11 Centralized depository system

(Legislative Decree no. 213, June 24, 1998, arts.29 and 40)

Art.12 Assignment of depository company and intermediary

(Legislative Decree no. 213, June 24, 1998, art.30)

Art.13 Duties of intermediaries

(Legislative Decree no. 213, June 24, 1998, art.31)

Art.14 Rights of account holder

(Legislative Decree no. 213, June 24, 1998, art.32)

Art.15 Establishment of constraints

(Legislative Decree no. 213, June 24, 1998, art.34)

Art.16 Responsibility of intermediaries

(Legislative Decree no. 213, June 24, 1998, art.35)

Art.17 Admissibility of fax reproductions when participating in Government bond Auctions

(Law Decree no. 6, January 8, 1996, art.2, converted by Law no. 110, March 6, 1996, art.1, comma 1)

Art.18 Performance, deposits or reinvestment in Government bonds

(Presidential Decree no. 1343, February 14, 1963, art.73; Law no. 432, October 27, 1993, art.1)

Art.19 Keeping of documents

(Presidential Decree no. 1343, February 14, 1963, art.77; Law no. 428, August 7, 1985, art.5, comma 2)

Art.20 Payment

(Presidential Decree no. 1343, February 14, 1963, art.80; Presidential Decree no. 21, February 10, 1984, art.1)

Section II Prescription

Art.21 Prescription of interest and capital

(Presidential Decree no. 1343, February 14, 1963, art.69; Law no. 313, August 12, 1993, art.2; Law no. 449, December 27, 1997, art.54, comma 5)

Art.22 Interruption of prescription

(Presidential Decree no. 1343, February 14, 1963, art.71)

Art.23 Limits of prescription

(Art.2948 C.C.)

Section III Centralized depository

Art.24 Selection of the centralized depository companies

(Legislative Decree no. 58, February 24, 1998, art.90; Ministerial Decree April 17, 2000, art.2)

Art.25 Parties admitted to the systems

(Ministerial Decree April 17, 2000, art.3)

Art.26 Relationship between the Treasury and the centralized depository companies

(Ministerial Decree April 17, 2000, art.4)

Art.27 Balancing of accounts

(Ministerial Decree April 17, 2000, art.6)

ITEM II Government Bond Secondary Market

Section I Admission of Government bonds to be quoted

Art.28 Admission to be quoted on the domestic and international markets

(Ministerial Decree no. 457, August 8, 1996, arts.1 and 2)

Art.29 Public information

(Ministerial Decree no. 457, August 8, 1996, art.3)

Art.30 Cancellation of listing

(Ministerial Decree no. 457, August 8, 1996, art.4)

Section II Government Bond Secondary Wholesale Market Regulations

Art.31 Market regulations

(Legislative Decree no. 58, February 24, 1998, art.61, comma 10, and art.63, comma 2; Ministerial Decree no. 219, May 13, 1999, art.1)

Art.32 Authorization by Government bond wholesale markets

(Legislative Decree no. 58, February 24, 1998, art.61, comma 6; Ministerial Decree no. 219, May 13, 1999, art.2)

Art.33 Specialists in Government bonds

(Legislative Decree no. 385, September 1, 1993, art. 23; Ministerial Decree no. 219, May 13, 1999, art.3)

Art.34 Depository Companies

(Legislative Decree no. 58, February 24, 1998, art.65; Ministerial Decree no. 219, May 13, 1999, art.4)

Art.35 Market supervision

(Ministerial Decree no. 219, May 13, 1999, art.5)

Art.36 Informative reports to CONSOB

(Ministerial Decree no. 219, May 13, 1999, art.6)

Art.37 Supervision of depository companies

(Legislative Decree no. 58, February 24, 1998, art.61, comma 2; Ministerial Decree no. 219, May 13, 1999, art.7)

Art.38 Clearing and settlement

(Ministerial Decree no. 219, May 13, 1999, art.8)

Art.39 Special measures to safeguard the market and crises of the depository companies

(Royal Decree no.267, March 16, 1942, and subsequent modifications; Legislative Decree no. 385, September 1, 1993, art.70, commas 2, 3, 4, 5 and 6, art.72, except commas 2 and 8, art.75; Ministerial Decree no. 219, May 13, 1999, art.9)

Section III Coupon stripping operations and reconstruction of Government bonds

Art.40 Object of coupon stripping operations

(Legislative Decree no. 239, April 1, 1996, art.2, comma 1; Ministerial Decree July 15, 1998, art.3)

Art.41 Operational procedures

(Ministerial Decree July 15, 1998, art.5; Ministerial Decree November 30, 1998, art.3, comma 4)

Art.42 Bond characteristics

(Ministerial Decree July 15, 1998, art.6)

Art.43 Minimum lots

(Ministerial Decree July 15, 1998, art.7; Ministerial Decree December 18, 1998, art.1, comma 3)

ITEM III Sinking Fund

Section I Fundamental Provisions

Art.44 Government bond sinking fund

(Law no. 432, October 27, 1993, art.2; Law no. 539, December 24, 1993, art.3, comma 5; Law no. 110, March 6, 1996, art.1, commas 1 and 2; Law no. 662, December 23, 1996, art.3; Law no. 144, May 17, 1999, art.56)

Art.45 Contributions to the fund

(Law no. 432, October 27, 1993, art.3; Law no. 110, March 6, 1996, art.1, commas 1 and 2; Law no. 662, December 23, 1996, art.2, comma 181)

Art.46 Criteria and procedure for the purchase of Government bonds

(Royal Decree no. 3278, December 30, 1923, art.1; Law no. 432, October 27, 1993, art.4; Law no. 110, March 6, 1996, art.1, commas 1 and 2; Law no. 662, December 23, 1996, art.2, comma 182; Law no. 184, June 16, 1998, art.1)

Art.47 Discharge of bonds held in the fund

(Law no. 432, October 27, 1993, art.5)

Section II Procedural provisions

Art.48 Utilization of the fund

(Ministerial Decree May 29, 2001, arts.1 and 2)

Art.49 Duties of the Bank of Italy and of the appointed intermediaries

(Ministerial Decree May 28, 2001, art.3)

Art.50 Specifics of the appointment of the Bank of Italy and the intermediaries

(Ministerial Decree May 29, 2001, art.4)

Art.51 Auction procedure

(Ministerial Decree May 29, 2001, art.5)

Art.52 Duties subsequent to auction

(Ministerial Decree May 29, 2001, art.6)

TITLE II Provisional Regulations

ITEM I Provisional Regulations of Redenomination

Art.53 Redenomination procedure

(Legislative Decree no. 213, June 24, 1998, art.7; Ministerial Decree November 30, 1998, art.2)

Art.54 Payment and trading of the redenominated bonds

(Legislative Decree no. 213, June 24, 1998, art.8; Ministerial Decree November 30, 1998, arts. 3 and 5)

ITEM II Provisional Regulations for Dematerialized Bonds

Art.55 Management

(Legislative Decree no. 213, June 24, 1998, art.38)

ITEM III Provisional Regulations of Government Bonds not yet Dematerialized

- Art.56 Repayment of current bonds or fractions of, with a value of less than five million lire**
(Legislative Decree no. 213, June 24, 1998, art.41; Ministerial Decree September 21, 1998; Ministerial Decree July 21, 2000, art.1)
- Art.57 Repayment of bonds with a value equal to or more than five million lire**
(Presidential Decree no. 1343, February 14, 1963, arts.11, 14, 28, 29, 31 and 32; Ministerial Decree September 22, 1998)
- Art.58 Discharge of ties**
(Presidential Decree no. 1343, February 14, 1963, arts.48 and 49)
- Art.59 Cancellation of the tie of usufruct**
(Presidential Decree no. 1343, February 14, 1963, arts.50 and 69)
- Art.60 Proof of the right of succession**
(Presidential Decree no. 1343, February 14, 1963, art.19; Law no. 15, January 4, 1968; P.D. no. 403, October 20, 1998)
- Art.61 Additional documents**
(Presidential Decree no. 1343, February 14, 1963, art.20; Law no. 15, January 4, 1968; P.D. no. 403, October 20, 1998)
- Art.62 Succession opened abroad**
(Presidential Decree no. 1343, February 14, 1963, art.21; Law no. 15, January 4, 1968; P.D. no.403, October 20, 1998)
- Art.63 Judicial provisions**
(Presidential Decree no. 1343, February 14, 1963, art.22)
- Art.64 Succession of heirs of bond-holders**
(Presidential Decree no. 1343, February 14, 1963, art.23; Law no. 15, January 4, 1968; P.D. no. 403, October 20, 1998)
- Art.65 Specific bequest**
(Presidential Decree no. 1343, February 14, 1963, art.25; Ministerial Decree September 22, 1998)
- Art.66 Succession of ayant cause**
(Presidential Decree no. 1343, February 14, 1963, art.27; Law no. 15, January 4, 1968; P.D. no. 403, October 20, 1998; Ministerial Decree September 22, 1998)
- Art.67 Collection and reinvestment of capital**
(Presidential Decree no. 1343, February 14, 1963, art.30)
- Art.68 Bearer bonds**
(Presidential Decree no. 1343, February 14, 1963, art.51; Law no. 313, August 12, 1993)
- Art.69 Objection to registered entries**
(Presidential Decree no. 1343, February 14, 1963, arts 52 and 55)
- Art.70 Loss of registered bonds**
(Presidential Decree no. 1343, February 14, 1963, art.53)
- Art.71 Execution of registered bonds**

(Presidential Decree no. 1343, February 14, 1963, art.54)

Art.72 Seizure and confiscation of bonds

(Presidential Decree no. 1343, February 14, 1963, art.56)

Art.73 Report to penal judge

(Presidential Decree no. 1343, February 14, 1963, art.57)

Art.74 Forms to present objections

(Presidential Decree no. 1343, February 14, 1963, art.58)

Art.75 Refusal to perform operations

(Presidential Decree no. 1343, February 14, 1963, art.60)

Art.76 Tacit revocation of mandate

(Presidential Decree no. 1343, February 14, 1963, art.75)

Art.77 Publications

(Presidential Decree no. 1343, February 14, 1963, art.76)

Art.78 Prohibition of producing forged bonds

(Presidential Decree no. 1343, February 14, 1963, art.82)

ITEM IV Provisional Regulations of Prescription

Art.79 Coming into force of prescription

(Law no. 313, August 12, 1993, art.2; Law no. 449, December 27, 1997, art.54, comma 5)

Art.80 Issuance of non-dematerialized bonds into the systems

(Ministerial Decree April 17, 2000, art.5)

ITEM V Final Regulations

Art.81 Jurisdiction

(Consolidated Act no. 1343, February 14, 1963, art.61; Law no. 1034, December 6, 1871, arts. 7 and 28; Presidential Decree no. 74, March 15, 1984, art.7)

Art.82 Abrogation of regulations

Art.83 Coming into force of the Consolidated Act

NOTES

NOTICE:

The text of the notes published here was edited by the administration competent in these matters, in accordance with art.10, paragraph 3, of the consolidated act of dispositions on the promulgation of laws, the issuance of decrees by the President of the Republic, and the official publications of the Italian Republic, approved with D.P.R. 28 December 1985, no.1092, to the sole end of facilitating the reading of the legal dispositions to which one is referred. The value and the efficacy of the legal acts transcribed here remains unaltered.

All the figures, expressed in lire within the present consolidated act on the basis of the preceding regulation, are to be considered in their equivalent value in euros according to the legislative decree 24 June 1998, no.213.

Notes to art. 2:

-- Transcribed below is the text of article 1, paragraph 2, letters b) and d) of the legislative decree 24 February 1998, no.58 (Consolidated Act of the dispositions in matters of financial intermediation, according to articles 8 and 21 of the L. 6 February 1996, no. 52.- Published in the Off. Gazz. 26 March 1998, no. 71, S.O.):

“PART I

Common dispositions

1. Definitions.

2. «Financial instruments» are defined as:

b) securities, Government bonds, and other debt instruments negotiable in capital markets;

d) bonds normally traded in the monetary market; “

-- Transcribed below is the text of article 2, paragraph 12, of the law 23 December 1996, no.662 (Measures for rationalization of public finance - Published in the Off. Gazz. 28 December 1996, no. 303, S.O):

“12. Mortgages and loans of the Ferrovie dello Stato S.p.a., in existence on the date of transformation into a corporation, as well as those contracted and to be contracted, even after the date on which the present law goes into effect, on the basis of and within the limits authorized by valid legal dispositions that place the burden of amortization fully with the State, should be considered by all rights debt of the State. The modalities for amortizing debt and for the raising of loans to be contracted are established by decree of the Ministry of the Treasury (157/a).

(157/a) See, now, art. 54, L. 27 December 1997, no. 449, shown at no. A/CLXVI. “

Notes to art. 4:

-- See Heading V, Book IV, of the civil code

Notes to art. 5:

-- Transcribed below is the text of the law 26 November 1993, no. 483 (Regulation of the account held by the Treasury at the Bank of Italy for treasury services and amendment of the regulation of the obligatory reserves of credit agencies. Published in the Off. Gazz. 1 December 1993, no. 282):

“1. 1. The Bank of Italy cannot grant any type of advance to the Treasury.

2. 1. The debt held by the Treasury at the Bank of Italy for treasury services will, at the end of the month in which the placement has been completed in accordance with paragraph 3, be transferred to an appropriate transit account the following day, at an annual interest rate of 1 percent, and converted into Government bonds within 30 days, for an equivalent value, to be allocated to the Bank of Italy at an annual rate of 1 percent, with an annual coupon.

2. The duration and amortization method for the bonds mentioned in paragraph 1 are established by the Minister of the Treasury with the relevant issuance decree.

3. The amount of the bonds mentioned in paragraph 1, held by the Bank of Italy, is deducted, for the purposes of calculating the stamp tax on tickets and fiduciary bonds issued by the institute of issuance, in accordance with article 11 of the tariff, attachment A, annexed to the decree of the President of the Republic 26 October 1972, no. 642 (2), and subsequent amendments.

4. Regarding the bonds mentioned in paragraph 1, in the determining of the earnings subject to IRPEF, IRPEG and ILOR, the following are not considered: costs, revenue, unsold stock, nor the differences between the reimbursement value and the purchase cost.

(2) Shown under the entry Stamp (Tax).

3. 1. Within one month of the date in which the present law goes into effect, the Minister of the Treasury will proceed with the issuance of bonds to be placed through the Bank of Italy for a value in net revenue of at least 30,000 billion.

2. The bonds mentioned in paragraph 1 will have a yield equivalent to market values.

3. This net revenue will be entered into the State budget and reassigned to the proper item of the provisional budget of the Ministry of the Treasury in order to be deposited in a transitory account held at the Bank of Italy, with a corresponding interest rate to cover the interest deriving from the issuance mentioned in paragraph 1.

4. The interest rate mentioned in paragraph 3 will be determined by decree of the Ministry of the Treasury.

4. 1. At the end of the placement of the bonds issued as per article 3, the balance of the transitory account mentioned in the same article 3 will be transferred to an account set up at the Bank of Italy and denominated «Treasury availability to provide treasury services» and utilized to guarantee the normal execution of said services.

2. In the account «Treasury availability to provide treasury services» transactions of income and payment connected with treasury services carried out by the treasury section of the Bank of Italy are registered daily.

3. To the same account the Bank of Italy will, at the beginning of every semester, attribute interest equal to the average rate of Treasury bills issued in the previous semester. Any differential sum to be paid by the Bank of Italy that is qualified to guarantee the compensatory costs that arise from the difference between the aforesaid rate of interest and that relative to bonds referred to in paragraph 3 until their repayment, will be established by Ministerial decrees.

4. The Minister has the authority, if deemed necessary, and having consulted the Bank of Italy, to directly assume the management, within the sphere of State treasury, of the funds available in the account mentioned in paragraph 1, or to proceed according to the stipulations of article 2, paragraph 2, of the law 28 March 1991, no. 104 (3).

5. Seizure, distraint, objection or other protective measures regarding the said account are not permitted. Such measures, brought to the attention of the Bank of Italy and to the participants in the placement of Government bonds who turn out to be assignees at auction, and aimed at affecting the revenue of the placement that has not yet been put into the aforementioned account, are similarly not permitted. Acts contrary to the present regulations are null and have to be reported to the judicial office. However, such acts do not bear any charge of cantonment on the sum in the account or on the sums arising from the aforementioned placement.

(3) Shown under the entry Issuing institution and monetary ordinance.

5. 1. If, at the end of the month, the balance of the account «Treasury availability to provide treasury services» held at the Bank of Italy should be less than 30,000 billion, ultimately modified in compliance with article 9, the Treasury has to reconstruct the aforesaid amount within the following three months. The uninvested monies in the said account cannot be utilized at length to cover the borrowing requirements of the Treasury.

2. In any case, the maximum issuance limit provided by the law approving the previsual State budget, and subsequent amendments, cannot be exceeded.

3. If the end of the month balance of the account «Treasury availability to provide treasury services» is less than fifty percent of the amount mentioned in paragraph 1, the Minister of the Treasury has to send a report to Parliament by the fifth day of the following month giving the reasons for the insufficient balance and possible corrective measures.

4. In the event that the balance should be less than the amount mentioned in paragraph 1 for three consecutive months, the Minister of the Treasury has to explain to Parliament, within the following month, the reasons for the insufficient balance, indicating possible corrective measures.

6. 1. The account «Treasury availability to provide treasury services» cannot present a negative debit for the Treasury.

2. In the event that, at the daily accounting closure of the Bank of Italy, there should be a debit for the Treasury, the Bank of Italy will enter it in a temporary account, where it will benefit from the official discount rate, will immediately notify the Minister of the Treasury, and will not carry out further payments for treasury services until the debt has been settled.

7. 1. The amount of the bonds mentioned in articles 2 and 3 will be added to the maximum public bond issuance amount indicated in the law 23 December 1992, no. 501, approving the previsual State budget for financial year 1993, should the

issuance of the bonds take place in the aforementioned year, or to that indicated in law 24 December 1993, no. 539, approving the provisional State budget for financial year 1994, should the issuance take place in the year 1994 (4).

(4) Article thus substituted by art. 5, D.L. 8 January 1996, no. 6, shown under the entry Administration of capital and general accounting of the State.

8. 1. After the transfer from the temporary account to the account «Treasury availability to provide treasury services» of the net revenues of the bonds placed in the amount mentioned in art. 3, the D.Lgs. 7 May 1948, no. 544 (5), ratified by the law 5 January 1953, no. 30 and amended by the L. 13 December 1964, no. 1333, will be considered repealed, as will all other legal dispositions not compatible with the present law.

(5) Shown under the entry Issuing institution and monetary ordinance.

9. 1. In the event that the public sector borrowing requirements turn out, in two consecutive exercises, to be more than 30 percent inferior to that of 1992, the Minister of the Treasury can also, by proper decree, modify the amount as stipulated by article 5, paragraph 1.

2. The Minister of the Treasury can also, by proper decree, modify the amount in relation to an achieved reduction in the intra-month displacements between income and payments of the State Treasury.

10. 1. For the purposes of monetary regulation, the Bank of Italy can demand that credit agencies create, in relation to the revenue collected, cash reserves deposited at the Bank of Italy itself. However, there is no reserves obligation connected with revenue collected through the issuance of bonds and certificates of deposit having an original maturity date of less than eighteen months.

2. The amount of the reserves provided for by paragraph 1 may not exceed 17.5 percent of the revenue collected.

3. As a general rule the Bank of Italy will establish:

a) the aggregates to be considered for the purposes of fulfilling the reserves obligation;

b) the amount required for the reserves, even as differentiated for different types of revenue collected, bearing in mind the overall limit provided for by paragraph 2;

c) modalities for the fulfillment of the obligation and for the movement of sums deposited;

d) penalties to be applied in the event of failure to meet the obligation, within a limit not to exceed the base tax on advances of specific duration plus 10 percentage points.

4. On the sums deposited the Bank of Italy will pay an amount to be determined by the Bank itself, via general provision, taking into account the average rate of compensatory taxes paid on the revenue collected, as well as the quotas determined in accordance with the norms of paragraph 3. The amount to be paid, differentiated for different types of revenue collected, may not however exceed the official discount rate.

5. The Bank of Italy can see to the partial or total constraint of the sums deposited by the credit agencies subjected to the procedure of special administration.

6. For failure to observe the general or particular dispositions set down by the Bank of Italy in compliance with the present article, articles 33 and 34 of the legislative decree 14 December 1992, no. 481 (6) are applied.

7. The dispositions issued by the Bank of Italy regarding the reserves obligation in accordance with article 32, first paragraph, letter f), of the R.D.L. 12 March 1936, no. 375 (7), converted into law, with amendments, by the L. 7 March 1938, no. 141, and subsequent amendments, continue to be applicable until they are modified or substituted on the basis of the provisions of the present article (8).

(6) Shown under entry no. XLIX.

(7) Shown under entry no. IV.

(8) The matter of the obligatory reserves foreseen by the present article was approved by Prov. Bank of Italy 27 May 1994 (Off. Gazz. 20 June 1994, no. 142), amended by the provision 27 June 1997 (Off. Gazz. 30 June 1997, no. 150), by the provision 21 April 1998 (Off. Gazz. 22 April 1998, no. 93), by the provision 3 December 1998 (Off. Gazz. 4 December 1998, no. 284) and by the provision 23 December 1998 (Off. Gazz. 24 December 1998, no. 300). See, also, arts. 3 and 6, D.Lgs. 10 March 1998, no. 43, shown under the entry Issuing institution and monetary ordinance.

11. [1.The Bank of Italy continues to pay the Ministry of the Treasury, on the basis of the relevant convention, a contribution in relation to the earnings referable to the management of the obligatory reserves. The amount of the contribution is determined taking into account the amount due from credit agencies for the obligatory reserves and the difference between the weighted average yield of the activities of the Bank of Italy with the Treasury and the average interest paid on the same reserves] (9).

(9) Article abrogated by art. 8, D.Lgs. 10 March 1998, no. 43, shown under the entry Issuing institution and monetary ordinance effective as of the time indicated in art. 11 of the same decree.

12. 1. The Minister of the Treasury is authorized to make necessary budget alterations, by proper decree.

-- Transcribed below is the text of article 2, paragraph 2, of the law 28 March 1991, no. 104 (Proxy for the management of State provincial treasury services - Published in the Off. Gazz. 4 April 1991, no. 79):

“2. In relation to particular needs the Ministry of the Treasury, in agreement with the Bank of Italy, may entrust the Postal and Telecommunications Administration or credit institutes with certain services, transactions or tasks included in the sphere of treasury services as determined by article 1.”

-- Transcribed below is paragraph 8 of the “Previsional state of the Ministry of the Treasury and relative dispositions”, law 23 December 1992, no. 501 (Previsional budget of the State for financial year 1993 and multi-year budget for the three-year period 1993-1995 – Published in the Off. Gazz. 29 December 1992, no. 304, S.O.):

“3. Previsional state of the Ministry of the Treasury and relative dispositions.
8. The maximum amount of issuance of public bonds, in Italy and abroad, minus those to be reimbursed, is established in lire as 154,500 billion (8/a).

(8/a) Paragraph thus substituted by art. 2, L. 9 November 1993, no. 445, shown under the entry no. A/CXXXI.

Notes to art.:24

-- Transcribed below is the text of articles 80, 81, 82, 85, paragraph 1, 86, 87, 88, 89 of the legislative decree 24 December 1998, no. 58 (Consolidated Act of dispositions on matters of financial intermediation, in accordance with articles 8 and 21 of L. 6 February 1996, no. 52 – Published in the Off. Gazz. 26 March 1998, no. 71, S.O.):

“Article 80. Activity of centralized management of financial instruments.

1. The activity of centralized management of financial instruments is a business in nature and is exercised in the form of a corporation, even on a non-profit basis.
2. The centralized management companies have the sole purpose of providing the service of central management of financial instruments, including those dematerialized in compliance with the provisions of article 10 of the law 17 December 1997, no. 433 (7/b). Centralized management companies can carry out related and instrumental activities.
3. The CONSOB, in agreement with the Bank of Italy, determines by proper regulation the minimum capital of the companies and the related and instrumental activities (7/c).
4. The Minister of the Treasury, Budget and Economic Planning, having consulted the Bank of Italy and the CONSOB, determines by proper regulation the requirements of integrity and professionalism of those parties conducting administrative, managerial, and supervisory functions within the company. Article 13, paragraphs 2 and 3 apply.
5. The regulation provided for in paragraph 4 establishes the causes for temporary suspension of service and its duration. Article 13, paragraphs 2 and 3 apply.
6. The Minister of the Treasury, Budget and Economic Planning, by regulation adopted after consulting the CONSOB and Bank of Italy, determines the requirements of integrity of the capital participants, determining the level of capital holdings relevant to this end.
7. The purchase and sale of relevant capital shares, in accordance with paragraph 6, carried out either directly or indirectly, even through controlled companies, fiduciary companies, or an intermediary, must be communicated, by the purchasing party, within twenty-four hours to the CONSOB, the Bank of Italy and the centralized management company together with the documentation attesting to the possession by the acquiring parties of the requirements stipulated in paragraph 6.
8. In the absence of the requirements or in the case of failed communication the right to vote inherent in the shares exceeding the limit stipulated in paragraph 6 cannot be exercised. If this prohibition to vote is not observed, article 14, paragraphs 5 and 6 apply.

9. The CONSOB, in agreement with the Bank of Italy, authorizes the company to carry out the service of centralized management of financial instruments when the requirements set down in paragraphs 3, 4, 5 and 6 are met, and the centralized management system is in compliance with the regulation stipulated in article 81, paragraph 1.

10. To the centralized management companies the dispositions of part IV, heading III, sub-heading II, section VI apply, with the exception of articles 157, 158 and 165.

(7/b) Shown under the entry Issuing institution and monetary ordinance.

(7/c) In compliance with what is stated in the present paragraph the Del.Consob 1 December 1998 and the Del.Consob 23 December 1998 were issued.”

“Article 81. Regulation of compliance and services.

1. The CONSOB, in agreement with the Bank of Italy, establishes by regulation:

- a) the category of parties and the financial instruments admitted to the centralized management;
- b) the forms and modalities for issuing the certifications required by article 85;
- c) the forms and modalities to be observed for the registration and the accounting relative to the centralized management, respecting the principle of full separation of company accounts and accounts relative to the service of centralized management;
- d) the technical characteristics and the content of the registrations and the accounts relative to the centralized management;
- e) the other dispositions designed to assure transparency of the system and the orderly performing of the service (8).

2. The centralized management company adopts the regulation of services in which it indicates the services performed, the methods employed and the relative fees.

3. The CONSOB, in agreement with the Bank of Italy, can require that the fees be subject to approval by these same authorities.

(8) In compliance with the present paragraph the Del.Consob 23 December 1998 was issued.”

“Article 82. Surveillance.

1. The CONSOB and the Bank of Italy monitor the centralized management companies in order to assure transparency, the orderly performing of the service, and the best interest of the investors. They may ask the companies to share, even on a regular basis, data, news, records, and documents, and they may perform inspections and request the presentation of documents and the completion of records deemed necessary, indicating the relative modalities and deadlines for these same.

2. The CONSOB and the Bank of Italy monitor that the regulating of the company's services is suitable and such that it assures the effective achievement of the objectives indicated in paragraph 1 and they may ask the company to make changes designed to eliminate malfunctions encountered.

“Article 85. Centralized depository.

1. In the event that the financial instruments put into the centralized management system are represented by bonds, the performing of and the effects of the centralized management are governed by the present article as well as by articles 86 to 89.

2. The clause of the depository contract stipulated with the parties outlined in the regulation provided by article 81, paragraph 1, having as subject the financial instruments outlined in the same regulation, which attributes to the depository the faculty to sub-deposit these same financial instruments with the centralized management company must be approved in writing. In the exercise of said faculty the depository has all the powers necessary, including that of endorsement in favor of the centralized management company, in the case of nominative financial instruments.

3. Financial instruments are put into the system as regular deposits. The centralized management company is authorized to carry out all the transactions inherent to management of the financial instruments, in compliance with the regulation provided by article 81, paragraph 2, as well as the

actions consequent to the destruction, loss, or theft of financial instruments. Bearers of the financial instruments put into the system reserve the right in any case to exercise the rights incorporated therein.

4. The authorization to exercise the rights indicated in paragraph 3 is granted upon display of certifications attesting to participation in the system, issued in conformity with the proper accounts, by the depositaries and indicating the social right to be exercised. The certifications do not confer other rights than the authorization indicated above. The acts with dispositions having as subject the above-mentioned certifications are null.

5. The deposit of the certification takes the place of the deposit stipulated in article 2378 of the civil code.

6. There may not be, for the same financial instruments, more than one certification for the purpose of authorization to exercise the same rights.

7. To centralized management companies the prohibition of representation applies, in keeping with article 2372, fourth paragraph, of the civil code.

8. The financial instruments belonging to the centralized management company must be distinguished specifically and noted in the proper register kept by the management company.

9. The company is responsible for the losses and damages deriving from malice or fault; the intermediary is jointly responsible, except for the right of recourse in internal relationships. The regulation provided by article 81, paragraph 1, determines the guarantees that the intermediary and the company must furnish for the repayment to clients, as well as the modalities and conditions of the guarantees, even those not of an insurance nature, to cover the damages derived from events non chargeable to the centralized management company.

“Article 86. Transferal of the rights inherent to the deposited financial instruments.

1. The depositor of financial instruments put into the system can, through the depositary and according to the modalities indicated in the regulation provided by article 81, paragraph 2, have in all or in part the rights inherent to the quantities of financial instruments due him or her in favor of other depositors or ask for the consignment of a corresponding quantity of financial instruments of the same type on deposit at the centralized management company. Anyone who, having obtained the certification stipulated in article 89, intends to transfer his or her rights or asks for the consignment of corresponding financial instruments must give back to the depositary the certification previously issued, unless the certification is no longer valid.

2. The transferal stipulated in paragraph 1 produces the proper effects of the transferal according to the legislative provisions on the circulation of financial instruments. For nominative financial instruments, the obligation remains to note them in the register of the issuer in accordance with and for the purposes of the legislation in effect.

3. The owner of the financial instruments put into the system assumes all the rights and obligations consequent to the deposit when he or she proves that the depositor did not have the right to make the deposit. “

“Article 87. Constraints on centralized financial instruments.

1. The constraints on financial instruments put into the system are transferred, without substitutive effects, on the rights of the depositor upon endorsement to the centralized management company; the notation of the constraints on the certificates is incidental; this is mentioned on the bond itself. Said constraints and those constituted subsequently are made clear by the relevant registry kept by the depositary in compliance with articles 2215, 2216 and 2219 of the civil code.

2. Inclusion of the constraint in the register, in accordance with paragraph 1, produces the proper effects of the constitution of the constraint on the bond. For nominative financial instruments, the obligation remains to note them in the register of the issuer.

3. In the event of withdrawal of financial instruments from the system, the depositary makes note of the constraints on the relative certificates with the indication of the date of their constitution.

4. The registrations and the annotations stipulated by the present article are to be communicated, within three days, to the issuer for consequent annotations.

5. In the event of distraint of financial instruments put into the system the fulfillment with respect to the co-owners stipulated by articles 599 and 600 of the code of civil procedure are carried out with respect to the depositaries.”

“Article 88. Withdrawal of centralized financial instruments.

1. The centralized management company makes available to the depositary the financial instruments for which withdrawal is requested. Nominative financial instruments are endorsed in the name of the depositary who completes the endorsement with the name of the endorser. The completion of the endorsement is validated with the stamp, date and signature of the depositary.

2. Article 15 of the royal decree-law 29 March 1942, no. 239 (10), as amended by article 20 of the law 29 December 1962, no. 1745.3 applies. The centralized management company can authenticate the undersigning of the endorser even when the endorsement is made in favor of the company itself. The undersigning by the company on the bond, as endorser, does not need to be authenticated. The endorsement and the registration in favor of the centralized management company of financial instruments to be put into the system make explicit reference to the present decree.

(10) Shown under the entry Trading companies. “

“Article 89. Annotation in the partners book.

1. The centralized management company communicates to the issuers the nominative stocks endorsed in the company's favor for the purposes of the consequent annotations in the partners book. The depositaries inform the issuer of the names of the parties who have requested the certification provided for in article 85 as well as of the names of those to whom dividends were paid and those who exercised the stock option, specifying the quantities of the stocks themselves. The information must be communicated within three days from completion of the procedures indicated above. The issuers note the communication of said information in the partners book.

2. The centralized management company is authorized to conduct, even by way of the depositaries, the activities permitted to those parties indicated in article 6 of the law 29 December 1962, no. 1745.”

Notes to art.31:

-- Transcribed below is the text of articles 61 and 62, paragraph 3 of the legislative decree 24 December 1998, no.58 (Consolidated Act on dispositions in matters of financial intermediation, in accordance with articles 8 and 21 of L. 6 February 1996, no. 52 – Published in the Off. Gazz. 26 March 1998, no. 71, S.O.):

“Article 61. Regulated markets of financial instruments.

1. The activity of organization and management of regulated markets of financial instruments is a business in nature and is exercised in the form of a corporation, even on a non-profit basis (management company).

2. The CONSOB establishes by regulation:

a) The minimum capital of the management companies;

b) the activities related to and instrumental to those of organization and management of the markets that can be exercised by the management companies (6/d).

3. The Minister of the Treasury, Budget and Economic Planning, having consulted the CONSOB, establishes by regulation the requirements of integrity and professionalism of the parties carrying out the administrative, managerial, and supervisory functions in the management companies. Article 13, paragraph 2 applies. In the case of inactivity, the CONSOB rules on the forfeiture (6/e).

4. The regulation provided for in paragraph 3 establishes the causes for temporary suspension of service and its duration. The suspension is declared according to the modalities of paragraph 3.

5. The Minister of the Treasury, Budget and Economic Planning, having consulted the CONSOB, establishes by regulation the requirements of integrity of the capital participants, determining the level of capital holdings relevant to this end (6/e).

6. The purchase and sale of capital shares in the management companies, carried out either directly or indirectly, even through controlled companies, fiduciary companies, or an intermediary, must be communicated, by the purchasing party, within twenty-four hours to the CONSOB and to the centralized management company together with the documentation attesting to the possession by the acquiring parties of the requirements stipulated in paragraph 5.

7. In the absence of the requirements or in the case of failed communication the right to vote inherent in the shares exceeding the limit stipulated in paragraph 6 cannot be exercised.

8. If this prohibition to vote stipulated in paragraph 7 is not observed, article 14, paragraph 5 applies. The CONSOB can also contest, within the timeframe stipulated in article 14, paragraph 6.

9. To the management companies the dispositions of part IV, heading III, sub-heading II, section VI apply, with the exception of articles 157, 158 and 165.

10. The Minister of the Treasury, Budget and Economic Planning, having consulted the Bank of Italy and the CONSOB, determines the characteristics of the wholesale negotiations of financial instruments for the purposes of applying the dispositions of the present decree (6/f).

(6/d) In compliance with the present paragraph, see D.M. 18 December 1998, shown under entry no. A/CX.

(6/e) In compliance with the present paragraph, see D.M. 11 November 1998, no. 471, shown under entry no. A/CVI.

(6/f) The Del.Consob 16 September 1998 (Off. Gazz. 26 September 1998, no. 225) established as follows: «The Italian market of futures on Government bonds S.p.a. is authorized for the activity of market of uniform contracts with deadline on Government bonds. The Italian market of futures on Government bonds S.p.a. makes it known, through notices to be published in at least one daily newspaper with national distribution, that a copy of the regulation of the markets it organizes and manages is available at its legal headquarters. Copy of the regulation must be made available to whoever so requests it. The present deliberation goes into effect on 17 September 1998». The Del.Consob 22 December 1999 (Off. Gazz. 7 January 2000, no. 4) established as follows: « The Italian stock market S.p.a. is authorized for the activity of market of uniform contracts with deadline on Government bonds. The Italian stock market S.p.a. makes it known, through notices to be published in at least one daily newspaper with national distribution, that a copy of the regulation of the markets it organizes and manages is available at its legal headquarters. Copy of the regulation must be made available to whoever so requests it. The present deliberation goes into effect on the date of completion of the above-indicated merger for incorporation in accordance with art. 2504-bis of the civil code».

In compliance with the present paragraph, see D.M. 18 December 1998, shown under entry no. A/CX.

“Article 62. Market regulation.

3. The CONSOB sets forth dispositions to ensure the publicity of market regulation.

Notes to art.32:

-- Transcribed below are articles 14, paragraphs 5 and 6, and 63 of the legislative decree 24 December 1998, no.58 (Consolidated Act on dispositions in matters of financial intermediation, in accordance with articles 8 and 21 of L. 6 February 1996, no. 52 – Published in the Off. Gazz. 26 March 1998, no. 71, S.O.). For the text of art.61 of the cited legislative decree 58/1998 see the note to article 31 of the present consolidated act:

“Article 14. Requirements of integrity for capital participants.

1. The Minister of the Treasury, Budget, and Economic Planning, by regulation established after consultation with the Bank of Italy and the CONSOB, establishes the requirements of integrity of capital participants in SIMs, savings management companies, and SICAVs (5/c).

2. With the regulation provided for in paragraph 1 the Minister of the Treasury, Budget and Economic Planning establishes the percentage quota that must be held in order that paragraph 1 should apply. For the SICAVs this refers only to nominative stocks and the regulation establishes the hypotheses in which, for the purposes of attributing voting rights, these stocks are considered bearer stocks, with respect to the date of purchase.

3. For the purposes of paragraph 2 the stocks held through controlled companies, fiduciary companies, or intermediators are also taken into account, as are the cases in which the voting right belongs to or is attributed to a party different from the partner, or agreements exist concerning the exercise of voting rights.

4. In absence of the requirements, the right to vote inherent in the shares exceeding the limit stipulated in paragraph 2 cannot be exercised.

5. In the failure to observe paragraph 4, the assembly deliberation can be contested in accordance with article 2377 of the civil code if, without the vote of those who would have had to abstain, the necessary majority would not be reached. Stocks for which no voting right can be exercised are estimated for the purposes of the regular constitution of the assembly.

6. The Bank of Italy or the CONSOB may also contest within six months from the date of deliberation or, if the latter is subject to inclusion in the registry of firms, within six months from inclusion.

(5/c) In compliance with the present paragraph see D.M. 11 November 1998, no. 469, shown under entry no. A/CIV.

“Article 63. Authorization of regulated markets.

1. The CONSOB authorizes the activity of regulated markets when:

- a) the requirements stipulated in article 61, paragraphs 2, 3, 4 and 5 are met;
- b) the regulation of the market is in conformity with EU rulings and is suitable to ensure market transparency, the orderly performing of the negotiations, and the best interest of the investors.

2. The CONSOB registers the regulated markets in a list, handling the fulfillment of relevant EU requirements, and approves the modifications of market regulation.

3. The provisions set down in paragraphs 1 and 2 are adopted, having consulted the Bank of Italy, for the markets in which private and public bonds, different from Government bonds, are negotiated wholesale, as well as for markets in which the instruments stipulated in article 1, paragraph 2, letter d) and the derivatives instruments on public bonds, interest rates, and foreign currency are negotiated.

4. The Bank of Italy is admitted to negotiations in the markets of uniform contracts with deadline on Government bonds.”

Notes to art. 33:

-- Transcribed below is the text of article 23 of legislative decree 1 September 1993, no. 385 (Consolidated act of the laws on banking and credit matters - Published in the Off. Gazz. 30 September 1993, no. 230, S.O.):

“Art.23. Controls.

1. For the purposes of the present heading controls exist, also in reference to parties different from firms, in the cases stipulated by art. 2359, first and second paragraphs, of the civil code.

2. Controls are considered existent in the form most influential, unless proved otherwise, when one of the following situations presents itself:

1) existence of a party who, on the basis of agreements with other partners, has the right to nominate or revoke the majority of the administrators or has at his or her disposal alone the majority of exercisable votes in the ordinary assembly;

2) possession of holdings suitable to allow the nomination or revocation of the majority of the members of the board of directors;

3) existence of relationships, even among partners, of an organizational and financial nature such as to bring about one of the following effects:

a) transmission of earnings or losses;

b) coordination of the firm's management with that of other firms in order to pursue a common goal;

c) attribution of greater powers with respect to those deriving from stocks or quotas held;

- d) attribution to parties different from those made legitimate by the ownership hierarchy in the choosing of administrators and managers of the firms;
4) subjection to common management, on the basis of the composition of the administrative bodies or for other concordant elements. “

Notes to art.34:

-- Transcribed below is the text of article 65 of legislative decree 24 December 1998, no.58 (Consolidated Act on dispositions in matters of financial intermediation, in accordance with articles 8 and 21 of L. 6 February 1996, no. 52 – Published in the Off. Gazz. 26 March 1998, no. 71, S.O.) :

“Article 65. Registration of transactions on financial instruments at the management company.

1. The CONSOB establishes by regulation:

- a) the modalities for the registration of all the transactions carried out on financial instruments;
- b) the terms and modalities according to which the parties who perform investment services concerning financial instruments admitted for negotiation in a regulated market must communicate the transactions conducted outside said market (6/g).

(6/g) In compliance with the present paragraph the Del.Consob 23 December 1998 was issued.

Notes to art.37:

-- See the note to art. 31.

Notes to art. 39:

-- Transcribed below is the text of articles 70, paragraphs 2, 3, 4, 5, 6; 72 (with the exception of paragraphs 2 and 8) and 75 of legislative decree 1 September 1993, no. 385 (Consolidated act of the laws on banking and credit matters - Published in the Off. Gazz. 30 September 1993, no. 230, S.O.):

“Article 70. Provision.

2. The functions of the assemblies and the other bodies different from those indicated in paragraph 1 are suspended in compliance with the provision of special administration, except for the stipulations of art. 72, paragraph 6.
3. The decree of the Minister of the Treasury and the proposal of the Bank of Italy are communicated by special commissioners to interested parties, who so request, not before the installation in accordance with art. 73 (14/b).
4. The decree of the Minister of the Treasury is published in abstract in the Official Gazette of the Italian Republic.
5. The special administration lasts for one year from the date of issue of the decree stipulated in paragraph 1, unless the decree itself provides for a shorter period or the Bank of Italy authorizes an earlier end date. In exceptional cases the procedure can be extended, for a period not longer than six months, by the same procedure indicated in paragraph 1; paragraphs 3 and 4 apply accordingly.
6. The Bank of Italy can dispose extensions not longer than two months from the end of the procedure, even if extended in accordance with paragraph 5, for the fulfillment of requirements related to the closing of the procedure when the relative modalities of the same have already been approved by the Bank of Italy.

(14/b) Paragraph thus amended by art. 64, D.Lgs. 23 July 1996, no. 415, shown under entry no. LXXII. “

“Article 72. Powers and functioning of the special administrative bodies.

1. The commissioners exercise the functions and the powers of the dissolved organizational bodies of the bank. They are responsible for the ascertainment of the corporate situation, removal of irregularities, and promotion of useful solutions in the interest of the depositors. The commissioners, in their exercise of these functions, are public officials.
- 2.
3. The functions of the special administrative bodies begin with installation in accordance with article 73, paragraphs 1 and 2, and end with the passage of the consignment to the sub-entering bodies (14/d).
4. The Bank of Italy, with instructions imparted to the commissioners and to the members of the surveillance committee, can establish special precautions and limitations in the management of the bank. The components of the special administrative bodies are personally responsible for the failure to observe the prescriptions of the Bank of Italy; these are not disputable by third parties not having knowledge of them.
5. Exercise of responsibility against the members of the dissolved administrative and controlling bodies, in accordance with art. 2393 of the civil code, is the right of the special commissioners, having consulted the surveillance committee, subject to

authorization of the Bank of Italy. The administrative bodies succeeding the commissioners take up the exercise of responsibility begun by the latter and refer to the Bank of Italy as far as the exercise is concerned.

6. The commissioners, upon authorization of the Bank of Italy, may convene assemblies and the other bodies listed in art. 70, paragraph 2. The order of the day is established exclusively by the commissioners and is not alterable by the body convened.

7. When there is more than one commissioner, they decide by majority on the components in charge and their representative powers are made valid by the signature of two of them. The possibility to confer proxies to one or more commissioners is safeguarded, even for categories of transactions.

8.

9. Civil action against the commissioners and the members of the surveillance committee for acts carried out in fulfillment of their charge are promoted upon authorization of the Bank of Italy.

(14/d) Paragraph thus amended by art. 64, D.Lgs. 23 July 1996, no. 415, “
shown under the entry no. LXXII. “

“Article 75. Final procedures.

1. The special commissioners and the surveillance committee, at the end of their functions, prepare separate reports on the activity carried out and they transmit them to the Bank of Italy. The Bank of Italy sees to it that the termination of the special administration period is made known through a notice to be published in the Official Gazette of the Italian Republic.

2. Termination of the activity in course at the start of the special administration period is protracted to all effects until the end of the procedure. The commissioners prepare the budget that is presented for approval by the Bank of Italy within four months of the termination of the special administration period and published according to law. The activity referred to in the budget prepared by the commissioners constitutes a sole tax period. Within one month from approval by the Bank of Italy, the sub-entering bodies following the commissioners present the tax return relative to said period according to the tax laws in effect.

3. The commissioners, before ceasing their functions, make certain that the ordinary administrative bodies are reconstituted. The sub-entering bodies take on consignment the corporation of the commissioners according to the modalities stipulated in art. 73, paragraph 1.”

-- Transcribed below is the text of heading II, sub-heading VI, of the royal decree 16 March 1942, no. 267 (Regulation on bankruptcy, arrangement with creditors, receivership and administrative compulsory liquidation – Published in the Off. Gazz. 6 April 1942, no. 81).

“HEADING II

On bankruptcy

Sub-heading VI – On liquidation of assets

Section I – General dispositions

104. Start of liquidation.

The official receiver must proceed, under the direction of the delegated judge and having consulted the committee of creditors, if one has been nominated, with the sale of goods according to the decree provided for in art. 97, exception being for the needs of the firm's provisional activity, when this has been authorized. The official receiver may be authorized by decree of the delegated judge, upon consultation of the committee of creditors, to proceed with the sale even before the time indicated in the first paragraph.

105. Applicable norms.

The dispositions of the code of civil procedure relative to the process of execution apply to the sale of moveable property and real estate relative to the bankruptcy, to the extent compatible with the dispositions of the following sections.

Section II – On the sale of moveable property

106. Modalities for the sale of moveable property.

For moveable property, including the natural fruits of real estate, the delegated judge, having consulted the official receiver and the committee of creditors, establishes the time of the sale, ruling as to whether the sale must be done by private offer or by auction, and determining the relative modalities, having informed himself or herself as to the need for an estimator. In case of necessity of evident usefulness, he or she can authorize the sale en masse of the moveable holdings, in whole or in part, prescribing special publicity measures.

Section III – On the sale of real estate

107. Expropriation in course.

If before the declaration of bankruptcy the expropriation of one or more pieces of real estate belonging to the bankrupt party was begun by a creditor, the official receiver takes over the procedure from the creditor in question. In the case of unjustifiable tardiness on the part of the official receiver, the aforementioned creditor, the bankrupt party, and any other interested party can file a complaint, in accordance with art. 36, to the delegated judge. If the procedure of price distribution was in course, the procedure must be integrated with the intervention of the official receiver. The official receiver must keep a special account of the sales of single real estate properties and of the fruits earned on the same from the date of declaration of bankruptcy. The sum earned from the sale of the fruits is distributed with the price of the relative real estate properties.

108. Modalities for the sale of real estate.

The sale of real estate must take place by auction. The delegated judge, however, at the proposal of the official receiver, having consulted the committee of creditors and with the consent of the creditors admitted to liabilities, having a right of pre-emption on real estate, can order the sale without auction, should he or she consider it more advantageous. The sales are disposed by ordinance of the delegated judge, upon petition of the official receiver, and take place before the judge himself or herself, with the exception of the dispositions of article 578 of the code of civil procedure. The judge in question can suspend the sale, when he or she maintains that the price offered is notably lower than the fair price. An abstract of the ordinance disposing the sale is communicated by the official receiver to each of the creditors admitted to liabilities with the right of pre-emption on real estate, as well as to the registered secured creditors.

109. Distribution procedure for the amount recovered.

The delegated judge oversees the distribution of the amount recovered from the sale according to the dispositions of the following heading. The delegated judge establishes by decree the sum to attribute, if any, to the official receiver as final compensation to be liquidated in accordance with art. 39. This sum is withdrawn from the price together with the procedural and administrative costs.

Notes to art. 44:

-- Transcribed below is the text of law 25 November 1971, no. 1041 (Off-budget management pertaining to the Administrations of the State – Published in the Off. Gazz. 15 December 1971, no. 316):

L. 25 November 1971, no. 1041 (1). Off-budget management pertaining to the Administrations of the State (1/a) (1/circ).

(1) Published in the Off. Gazz. 15 December 1971, no. 316.

(1/a) See, also, the L. 15 November 1973, no. 765, shown under the heading no. A/XXIV. See, furthermore, the regulation approved by D.P.R. 11 July 1977, no. 689, shown under the heading no. A/XXVI-bis.

(1/circ) With reference to the present provision the following circulars were issued:

- Ministry of Finance: Circ. 21 July 1999, no. 158/T;

- Ministry of Education: Circ. 29 October 1998, no. 435.

HEADING I

Off-budget management pertaining to the Administrations of the State not authorized by special laws

1. All the sums – including those that pour into special accounts or pertain to particular management – that independently or separately from the management of the State budget are received under any denomination or for whatever reason by the central and peripheral Administrations of the State for the performance of direct or indirect institutional duties, as well as by the employees of the same Administrations for the fulfillment of duties or in any case in relation to services performed even outside normal office hours – should the receipt of these sums give way to off-budget management – must be deposited in the treasury within the absolute time frame of thirty days, with allocation to the provisional budget income item to which they refer or to a new item to be established for this purpose, should the nature of the income not permit its allocation to items already in existence. For the autonomous state Administrations and companies and their employees, the deposits of the amounts indicated in the preceding paragraph must be made in the treasury according to the modalities and the time frames mentioned above.

2. The provisions of article 1 are applicable to State accounting officers and in general to those who in any capacity collect the sums indicated in the same article.

3. The income mentioned in the preceding article 1 for which there should be no appropriate legislative disposition within a year from the date in which the present law goes into effect, may not be purchased further or used for distributions of any kind.

4. In correspondence to and within the limits of the deposit mentioned in the preceding article 1, the Minister of the Treasury will determine by decree the appropriate attributions of funds in the provisional expense budgets of the Ministries or the interested autonomous companies and Administrations, for the amount necessary to pursue the objectives to which the receiving of the relative sums is designed.

5. Within thirty days from the date in which the present law goes into effect, all the sums available for the purposes mentioned in the preceding article 1 collected prior to the date itself, will be deposited according to the modalities indicated in the same article 1.

6. The executives and the accounting officers of the State and in any case all those who, being obligated, fail to make the deposit stipulated in article 1 are responsible for the damages suffered by the State as a result of the failure to receive the income in question; if, however, the sums not deposited, according to the modalities and timeframe of the same article 1, are recovered or were spent for legitimate purposes, those responsible for the failure to deposit are held jointly and severally to the payment, in the State's favor, of the legal interest on the amount of the sums received and not deposited, calculated for the entire period for which the same sums will remain unavailable to the Treasury, that is to say, calculated for the period of time from the moment the sums were received to that in which they were spent.

7. The director generals, heads of department, and the accounting directors, including those of the autonomous Administrations of the State, who, in the exercise of their duties, come to learn of pre-meditated infractions of the preceding articles, must immediately report them to the Attorney General of the Audit Court, giving notice at the same time to the Minister of the Treasury. Those who do not fulfill the reporting obligation of the preceding paragraph incur the same sanctions stipulated for those responsible for the infractions and make jointly and severally with them the payment of due interest as stipulated in the preceding article. The same reporting obligation, with the related sanctions and responsibilities for failure to comply stipulated in the preceding paragraph, apply to Ministers and to Undersecretaries of State who have specific and direct knowledge of the infractions mentioned above.

8. Ascertainment of responsibility, application of the sanctions, and the liquidation of interest, in compliance with the preceding articles, is the responsibility of the Audit Court, upon petition of the Attorney General representing the public ministry at the Court itself. For the procedure, the norms established for judgments of responsibility by procedural regulation 18 August 1933, no. 1038 are observed to the extent applicable.

HEADING II

Off-budget management pertaining to the Administrations of the State authorized by special laws

9. All the off-budget management, however designated and organized, including rotating funds, regulated by special laws is conducted according to the modalities established by the particular dispositions that govern them, except for what is stipulated in matters of controls and financial reporting by the following paragraphs. For the off-budget management mentioned in the preceding paragraph the balance sheet or the yearly financial statement is subject to the controls of the competent central accounting and the Audit Court. For the committees, the commissions, and the other bodies within the State Administrations, including those autonomous in nature, that, on the basis of particular legal dispositions, manage funds in part not allocated in the State budget, the balance sheet or the yearly financial statement of the management is subject to the controls of the preceding paragraph. The central accounting and the Audit Court have the right to demand direct verifications that they deem necessary. [The yearly financial statements will be attached to the general financial statement of the State] (2). For the management of the sums due by law to personnel of the state Administrations for institutional activities carried out on behalf of and in the interest of third parties or other administrations even outside normal office hours and outside ordinary locations for the performance of duties, statements must be presented every trimester, subject to the controls of the second paragraph. The statements or balance sheets of the present article must be made even if not provided for by special laws (3). The Ministry of the Treasury has the right to request verifications deemed necessary, even during the course of the management.

(2) Period suppressed by art. 33, L. 5 August 1978, no. 468, shown under the heading no. A/XXX.

(3) Paragraph thus substituted by art. 33, L. 5 August 1978, no. 468, shown under the heading no. A/XXX.

HEADING III

General dispositions

10. The Ministry of the Treasury is authorized to make the changes to the balance sheet resulting from the application of the present law, by proper decree.

11. All the regulatory and legislative dispositions, even special ones, in contrast to or incompatible with the present law are abrogated.

Notes to art. 45:

-- Transcribed below is the text of article 3, paragraphs 86 to 119, of the law 23 December 1996, no. 662 (Measures of public finance rationalization – Published in the Off. Gazz. 28 December 1996, no. 303, S.O. in the Off. Gazz. 3 May 1996, no. 102):

“Article 3. Dispositions on matters of income.

86. The Minister of the Treasury, for the purposes of activating the process of divestiture of the real estate of the State, is authorized to subscribe quotas of real estate investment trusts established in accordance with article 14-bis of the law 25 January 1994, no. 86 (379), as substituted by paragraph 111, by contribution of real estate and real rights on real estate belonging to the State as well as by money contributions in the measure established by the cited law no. 86 of 1994. The Minister of the Treasury, Budget and Economic Planning to that end makes use of one or more real estate or financial consultants, charged also with the appraisal of the property, chosen, notwithstanding the accounting regulations of the State, by competitive procedures among primary domestic and foreign companies (379/a).

(379) Shown under the entry Commercial Exchanges.

(379/a) Paragraph thus modified by art. 4, paragraph 1, L. 23 December 1999, no. 488. On the limits of applicability of the dispositions of the present paragraph see, too, paragraph 9 of the same art. 4.

87. [Considered to be of significant value are: real estate, real rights on real estate, the whole of property and real rights on real estate of total cadastral value not less than two billion lire. In the event of the inexistence of cadastral value reference is made to the values attributed by the competent office of the financial administration] (379/b).

(379/b) Paragraph abrogated by art. 4, paragraph 2, L. 23 December 1999, no. 488.

88. Real estate and the real rights on real estate belonging to the State, susceptible to appraisal and profitable economic management, included on a list provided by the Ministry of Finance, by 31 December 1997, transmitted to the Minister of the Treasury for the tasks mentioned in paragraphs 91 to 96 and published in the Official Gazette (379/c) are contributed to the real estate trusts.

(379/c) Deadline deferred to 30 June 1998 by art. 14, L. 27 December 1997, no. 449, shown under the entry no. A/CLXVI. Successively, the deadline was suppressed by art. 19, L. 23 December 1998, no. 448, shown under the entry no. A/CLXXVIII.

89. The list mentioned in paragraph 88 includes, among other things, the description of the property and the rights with all the data necessary for their determination and classification, including the nature, consistency, urbanistic destination, title of provenance with relative cadastral certification and brief report of the current relevant legal and de facto condition.

90. All the administrations of the State that, on the date in which the present law goes into effect, utilize or hold, for any reason, even for government usage, real estate of the State or are entitled to real rights on said real estate must communicate to the Ministry of Finance the data indicated in paragraph 89 within the following two months. Failure to do so bears in any case the presumed cessation of public-interest needs for use of the property. The Minister of Finance is authorized to take the place of the aforementioned administrations (who failed to communicate data) for the determination

of property necessary for the purposes of the application of the dispositions of paragraphs 86 to 95, as well as to declare the cessation of government usage for property that, on the basis of surveys of the towns in the territories in which the properties are located, results buoyant with respect to its relative potentialities (379/d).

(379/d) Paragraph thus modified by art. 14, L. 27 December 1997, no. 449, shown under no. A/CLXVI.

91. With six months (379/e) from the date in which the present law goes into effect, the Minister of the Treasury promotes the constitution of one of more management companies for trusts established with the contribution of property and rights as stipulated in paragraph 86 and has the right to assume, directly or indirectly, holdings in the relevant capital. Holdings in the management company can be divested, even gradually, in relation to the transferal of holdings quotas to the trusts subscribed by the Minister of the Treasury through contribution in kind. The remaining quota of capital of the management company can be subscribed by banks, by intermediaries for moveable goods, and by insurance companies, as well as by real estate companies owned predominantly by the aforementioned parties or by real estate companies quoted on the stock exchange.

(379/e) Deadline suppressed by art. 19, L. 23 December 1998, no. 448, shown under the entry no. A/CLXXVIII.

92. At the request of the management company and with advance notice of at least thirty days, the Ministry of the Treasury convenes a service conference in accordance with paragraphs 1 and 2 of article 14 of the law 7 August 1990, no. 241 (380), in order to proceed with the examination of the projects presented in accordance with paragraph 12 of article 14-bis of the law 25 January 1994, no. 86 (379), as modified by paragraph 111 of the present article. Within the same timeframe the parties called to participate in the conference must receive the projects to be subjected to approval by the conference.

(380) Shown under the entry Ministries: general provisions.

(379) Shown under the entry Commercial Exchanges.

93. The conditions for the sale of the quotas of real estate trusts mentioned in paragraph 86, as well as the modalities and the conditions for the issuance of special bonds, regulated by paragraph 13 of article 14-bis of the law 25 January 1994, no. 86 (381), as modified by paragraph 111, convertible into quotas of the aforementioned trusts, are established by decree of the Minister of the Treasury. The selling price of the quotas or the conversion ratio of special bonds can be fixed on the basis of a value of the quotas parametered to that in paragraph 4 of the cited article 14-bis, diminishable by a maximum of 30 percent.

(381) Shown under the entry Commercial Exchanges.

94. With the same decree as that mentioned in paragraph 93, the Minister of the Treasury, in agreement with the Minister of Finance, can assign a quota of convertible special bonds to companies that boast credits resulting from the liquidation of the declaration of income and the yearly declaration of value-added tax, at partial payment, not greater than 30 percent of the same credits; the right of the creditor companies to not accept the assignation of the same bonds remains intact. The sums that are possibly already listed in the balance sheet for the payment of tax credits mentioned above are designated to cover the service costs of public debt.

95. The earnings rightfully due as State revenue in relation to the quotas of real estate trusts mentioned in paragraph 86, as well as the profits derived from the sale mentioned in paragraph 99, are deposited as income in the State budget to be reassigned by decree of the Minister of the Treasury:

a) to the State administration that held or used the property or was entitled to the rights conferred in the trust, on the measure of not less than 10 percent and not greater than 25 percent of the value of the contribution to the trust itself, estimated in accordance with paragraph 4 of article 14-bis of the law 25 January 1994, no. 86 (381), as substituted by paragraph 111, for the reinforcement of the institutional activity;

b) to the Ministry of the Interior, for the subsequent attribution to towns in whose territory the property and the rights indicated in letter a) fall, on the measure of not less than 5 percent and not greater than 15 percent of the value of the contribution to the trust. The sums received by the towns must be designated for the financing of investments in accordance with legislative decree 25 February 1995, no. 77 (382) (382/a).

(381) Shown under the entry Commercial Exchanges.

(382) Shown under the entry Local Finance.

(382/a) See, also, art. 4, paragraph 13, L. 23 December 1999, no. 488.

96. The Minister of the Treasury presents annually to Parliament a report that illustrates the results obtained as a result of the application of paragraphs 86 to 95.

97. Article 2 of law-decree 5 December 1991, no. 386 (383), converted by law 29 January 1992, no. 35, and paragraph 6 of article 32 of law 23 December 1994, no. 724 (384) are abrogated.

(383) Shown under the entry Ministry of state holdings.

(384) Shown under the entry no. A/CXLI.

98. The Minister of the Treasury is authorized to make the necessary alterations to the budget by proper decree.

99. Real estate and property rights belonging to the State and not conferred in the trusts of paragraph 86, determined by the Ministry of Finance, can be alienated according to the programs, modalities, and time frames defined, in agreement with the Minister of Finance, by the Ministry of the Treasury, Budget, and Economic Planning, which is charged with so doing, though the right of pre-emption, however, remains attributed, relative to real estate not designated for residential use, to licensees and leaseholders, as well as to all the parties who, already licensees, are however still benefiting from the property being alienated and have satisfied all the credits requested by the competent administration, limited to the new sales initiatives begun as of 1 January 2001 that will provide for unbundled sale. In said programs the following are also established: the modalities of exercise of the right of pre-emption stipulated in paragraph 113, the rights attributed to leaseholders and the obligations for which the same are responsible according to the same criteria stipulated by the second paragraph of letter d) of paragraph 1 of article 7 of the law-decree 28 March 1997, no. 79, converted, with amendments, by the law 28 May 1997, no. 140. The Minister of the Treasury, Budget and Economic Planning to that end makes use of one or more real estate or financial consultants, charged also with the appraisal of the property, chosen, notwithstanding the accounting regulations of the State, by competitive procedures among primary domestic and foreign companies. The consultants ultimately selected may not exercise any professional or consultancy activity in conflict of interest with the tasks inherent to the charge entrusted them. The property and property rights of the State, even those not included in the programs, are alienated notwithstanding the accounting regulations of the State. The selling State is exonerated from the consignment of documents relative to ownership or to property rights, as well as to urbanistic and fiscal regularities by producing an appropriate declaration of ownership of rights and of fiscal and urbanistic regularity. Notary fees are reduced by 20 percent. The property and property rights included in the programs can be alienated to one or more intermediaries chosen through competitive procedures and according to the terms that follow. The purchasing intermediaries pay to the Ministry of the Treasury, Budget and Economic Planning the amount agreed upon and they work to re-sell the property within the deadline agreed upon, paying the Ministry of the Treasury, Budget and Economic Planning the difference between the re-sell price and the purchase price, minus a progressive percentage commission calculated on that difference. In the event that the intermediary does not proceed with the re-sale of the property in the time frame agreed upon, all the same he pays the Ministry of the Treasury, Budget and Economic Planning the difference between the market value of the property, determined by the consultant of paragraph 86, and the purchase price, minus the percentage commission of the preceding sentence calculated on that difference. This provision is applied only in the event that the intermediary has tried in vain all the procedures used for re-sale, including public auction. If that is not the case, the difference due from the intermediary is calculated including the commission. By decree of the Prime Minister, at the proposal of the Minister of the Treasury, Budget and Economic Planning, it can be allowed that the alienation of real estate property to intermediaries be without the obligation of subsequent re-sale. The Minister of Finance is responsible for the single alienation of real estate and property rights, even those not included in the programs, to parties different from the intermediaries (384/a).

(384/a) Paragraph thus substituted first by art. 14, L. 27 December 1997, no. 449, shown under the heading no. A/CLXVI, then by art. 4, paragraph 3, L. 23 December 1999, no. 488 and then modified thus by art. 43, paragraph 15, L. 23 December 2000, no. 388.

99-bis. The dispositions of paragraph 99 apply also to real estate holdings of the State not conferred in the trusts mentioned in paragraph 86, subject to agricultural use; the relative alienation program is defined in agreement with the Minister of Agriculture and Forests. The dispositions of the present paragraph apply only to real estate used for cultivation at the date in which the present disposition goes into effect; the following are not included: non-agricultural civic uses, woodlands, State properties, including maritime ones and those designated by State property companies for programs of animal and vegetable biodiversity, areas within cities and those possessed or managed by agricultural universities. Leaseholders of real estate designated for cultivation are conceded the right of pre-emption, the modalities for the exercise of which are defined by decree of the Minister of the Treasury, Budget and Economic Planning, in agreement with the Minister of Agriculture and Forests. The Minister of Agriculture and Forests presents an annual report to Parliament on the compliance with the dispositions of the present paragraph (384/b).

(384/b) Paragraph added by art. 4, paragraph 4, L. 23 December 1999, no. 488 and then modified thus by art. 43, paragraph 2, L. 23 December 2000, no. 388.

100. The selling State is exonerated from the consignment of documents relative to ownership or to property rights, as well as to urbanistic and fiscal regularities by producing an appropriate declaration of ownership of rights and of fiscal and urbanistic regularity. Notary fees are reduced by 20 percent. Historical or artistic appraisals of the real estate to be alienated

are carried out according to the modalities and deadlines established by the regulation adopted in accordance with article 32 of the law 23 December 1998, no. 448. If, on the date in which the present disposition goes into effect, the regulation mentioned in article 32 of the aforementioned law no. 448 of 1998 has not yet been issued, the Ministry of the Treasury, Budget and Economic Planning communicates the list of the real estate to be alienated to the Ministry of Culture which rules, within and no later than ninety days from receipt of the communication, on the possible subsistence of artistic and historical interest, and, should the ruling be positive, distinguishing the single parties subject to the care of the properties themselves. For the properties recognized as being of said interest, the dispositions of the articles 24 and following of the law 1 June 1939, no. 1089 apply. The approvals and the authorizations mentioned by the aforesaid law no. 1089 of 1939 are handed down within ninety days from receipt of the request. If by the ninety-day deadline no evaluation has been made, the responsibility falls, instead, to the Prime Minister (384/c).

(384/c) Paragraph thus substituted by art. 4, paragraph 5, L. 23 December 1999, no. 488. On the limits of the applicability of the dispositions of the present paragraph see, also, paragraph 9 of the same art. 4.

101. The value limits established for the obligatory request of the opinion of the State Council are multiplied by ten relative to the alienations of paragraph 99.

102. The contracts are stipulated respectively, by the director general of the department of territory of the Ministry of Finance for amounts greater than 2,000 million lire, by the central director of State property for amounts between 600 and 2,000 million lire, by the directors of the compartmental offices of the territory for amounts less than 600 million lire (384/d).

(384/d) Paragraph thus modified by art. 4, paragraph 6, L. 23 December 1999, no. 488. On the limits of the applicability of the dispositions of the present paragraph see, also, paragraph 9 of the same art. 4.

103. [The sale price of real estate to propose as the basis of public auction or possible private contract is determined, within and no later than sixty days from the request of the judgment, after documented market investigations at the local level and taking into account the up-to-date surveyed values obtained from the observations of the property values market instituted at the department of territory] (384/e).

(384/e) Paragraph abrogated by art. 4, paragraph 7, L. 23 December 1999, no. 488.

104. [Should reasons of convenience and opportunity so warrant, the purchaser may be granted the possibility to pay the price in installments, for a maximum of ten installments every two months and within twenty months from the date of contract stipulation] (384/f).

(384/f) Paragraph abrogated by art. 4, paragraph 7, L. 23 December 1999, no. 488.

105. Notwithstanding the law 27 December 1975, no. 790, executives that act as notary publics can request the registration of the documents they complete, receive, and authenticate, exhibiting the receipts of payment of the relative tax imposed by the contracting party.

106. Paragraph 82 of article 1 of the law 28 December 1995, no. 549 (385), concerning the cession of real estate belonging to the Administration of the State monopolies. For real estate belonging to the said Administration, not needed for commercial and productive activities, the general dispositions for the management and the cession of State real estate holdings apply.

(385) Shown under the entry no. A/CXLVII.

107. In paragraph 2 of article 6 of the law 25 January 1994, no. 86 (385/a), as modified by article 2 of law-decree 26 September 1995, no. 406 (386), converted, with modifications, by the law 29 November 1995, no. 503, after the words: «by surveyors» the following is inserted «, by industrial building experts».

(385/a) Shown under the entry Commercial Exchanges.

(386) Shown under the entry Commercial Exchanges.

108. The Minister of Finance proceeds with the cession, upon the petition of the town of San Remo, of the areas of the Armea river-bed occupied for the construction of the public work denominated «center for the trade of flower products, flower market», after completion of the works of embankment, rectification and covering of the aforementioned river-bed authorized by the Liguria region by deliberation 9 July 1981, no. 3812, of the regional council. The cession is subordinated

to the maintenance of the current destination a sedime of the public work of the relative infrastructures and pertinences. The treasury Technical Office of Imperia will proceed in conjunction with the town of San Remo with the identification and recognition of the aforementioned areas. The price of the cession described in the present paragraph cannot be greater than 50 percent of the value of just those areas determined by the treasury Technical Office of Imperia and the indemnity for the protracted occupation of the State areas cannot be greater than 20 percent of the rent determined by the same office on the basis of common commercial values.

109. The public administrations that do not respond to the law 24 December 1993, no. 560, the Public insurance services licensee Corp. (CONSAP) and the companies derived form the processes of privatization in which, directly or indirectly, the public holdings are equal to or greater than 30 percent of the capital expressed in ordinary stocks, proceed with the divestment of their real estate holdings according to the following modalities (387):

- a) in the event of either unbundled or block sale, even to residential cooperatives of which the tenants are partners, the right of pre-emption is guaranteed to owners of tenancy agreements in existence or expired but not yet renewed as long as they are in possession of the property, and to their cohabitating relatives, as long as they are up-to-date with payments at the moment the purchase application is filed (387/a);
- b) the renewal of the tenancy agreement, according to the laws in effect, is guaranteed to the owning tenants of total family income less than the limits of decadence established for residence in public housing. For families of leaseholders with members over sixty or bearers of handicaps, this limit is increased by twenty percent;
- c) [the right of pre-emption mentioned in letter a) and the guaranteed renewal of the tenancy agreement mentioned in letter b), as well as the modalities of determination of the selling price mentioned in letter d) are applicable also in the event of divestment of real estate property by privatized companies or companies held by privatized companies.] (387/b);
- d) for the determination of the selling price of the lodgings the market price of available lodgings is considered, minus thirty percent, though the possibility remains, in the case of distorted value, of recourse to an estimate of the treasury Technical Office;
- e) parties alienated as per the present paragraph, having consulted the syndicate organizations representing the tenants, determine the modalities for presentation of an application to purchase the property put up for sale or to attain possible advantageous mortgages;
- f) 10 percent of the earnings from divestment of the real estate belonging to State administrations is deposited under the appropriate item of the state previsionsal budget as income; the Minister of the Treasury is authorized to make necessary alterations to the budget by proper decrees (387/c).
- f-bis) lodgings in buildings of special value are defined by circular of the Minister of Labor and Social Security. Buildings of special value are considered to be those located in zones where the average unit market value is 70 percent greater than the average market value of the communal territory as a whole. These lodgings are offered for sale to owners of tenancy agreements in existence or expired but not yet renewed as long as they are in possession of the property, and to their cohabitating relatives, as long as they are up-to-date with payments at the moment the purchase application is filed, at a selling price equal to the market price of available lodgings, according to the modalities in letters a), b) and c) of the present paragraph. The offer to sell the real estate must be made by registered letter, with return receipt, indicating the selling price of the lodgings, sent by the owning body to the parties in letter a). Within sixty days from the date of receipt of the registered letter the parties file an application to purchase the lodgings offered. If sixty days pass with no results the property is put up for sale at public auction to the highest bidder (387/d).

(387) Section thus modified by art. 43, paragraph 18, L. 23 December 2000, no. 388.

(387/a) Letter thus modified by art. 2, paragraph 5, L. 23 December 1999, no. 488.

(387/b) Letter first modified by art. 2, paragraph 5, L. 23 December 1999, no. 488 and then abrogated by art. 43, paragraph 18, L. 23 December 2000, no. 388.

(387/c) See, also, art. 4, paragraph 14, L. 23 December 1999, no. 488.

(387/d) Letter added by art. 2, paragraph 2, L. 23 December 1999, no. 488.

110. For the CONSAP requirements deriving from the legal cessions, in accordance with article 2 of law-decree 23 May 1994, no. 301 (388), converted, with modifications, by the law 23 June 1994, no. 403, the conceding Ministry of Industry, Commerce, and Craftsmanship, in agreement with the Ministry of the Treasury, fixes annually, as of 1 January 1994, the annual yield rate, to be assigned to the ceding companies, with respect to the requirements deriving from the completed legal cessions, taking into account the average yield of financial investments, minus the ordinary management costs. Every disposition, be it regulatory, enacting, or a convention, that is incompatible with what is stipulated in the present paragraph is to be expressly considered abrogated (388/a).

(388) Shown under the entry Private Insurances.

(388/a) The D.M. 2 October 1998 (Off. Gazz. 8 October 1998, no. 235) has decreed thus: «The annual yield rates that the Public insurance services licensee - CONSAP S.p.a., must assign to the ceding companies with respect to the requirements deriving from completed legal cessions, in accordance with art. 3, paragraph 110, of the law 23 December 1996, no. 662 are thus determined:

year 1994: 7.00% (seven percent);

year 1995: 7.00% (seven percent);

year 1996: 6.00% (six percent);

For the year 1997 the annual yield rate is determined to be on the measure of 6% (six percent) by D.M. 4 June 1999 (Off. Gazz. 15 June 1999, no. 138) and by D.M. 3 October 2000 (Off. Gazz. 18 October 2000, no. 244).

For the year 1998 the annual yield rate is determined to be on the measure of 5.5% (five point five percent) by D.M. 21 December 1999 (Off. Gazz. 30 December 1999, no. 305) and by D.M. 3 October 2000 (Off. Gazz. 18 October 2000, no. 244), art. 1 of which, furthermore, revoked the above-mentioned D.M. 21 December 1999.

For the year 1999 the annual yield rate for requirements deriving from legal cessions is determined to be on the measure of 4% (four percent) by D.M. 7 March 2001 (Off. Gazz. 23 March 2001, no. 69).

111. (389).

(389) Substitutes art. 14-bis, L. 25 January 1994, no. 86, shown under the entry Commercial Exchanges.

112. For the organizational and financial needs connected with the restructuring of the Armed Forces, by decree of the Prime Minister, at the proposal of the Minister of Defense, the Ministers of the Treasury and of Finance having been consulted, the real estate to be inserted in the appropriate program of divestments to be carried out are determined according to the following procedures:

a) the alienations, permutations, valorizations and management of the properties can be carried out, even notwithstanding the law 24 December 1908, no. 783 (390), and subsequent modifications, the regulation issued by royal decree 17 June 1909, no. 454 (391), as well as the regulations on the general accounting of the State, while the general principles of judicial order for accounting remain intact, through conferral of the relative duty to predominantly public companies, having particular professional qualifications and commercial experience in the real estate sector;

b) relative to the activities of utilization and valorization, as well as permutation of property that regards local authorities, even with regard to the definition and realization of works and interventions, they can be carried out through program agreements in accordance with and to the effects of article 27 of the law 8 June 1990, no. 142 (392);

c) the entrusted company sees to the determination of the value of real estate to be alienated or received in permutation, taking into account the impact of the valorizations consequent to the possible modifications of the urbanistic instruments made necessary by the new utilization. The valuation is approved by the Minister of Defense on the basis of the opinion of a commission nominated by decree of the Minister of Defense to evaluate the suitability of the valuation and composed of exponents from the Ministries of Defense, Treasury, Finance, Public Works, and by an expert in possession of proven professionalism in the sector, at the demand of the Minister of Defense, presided over by an administrative magistrate or by a State attorney (392/a);

d) the contracts of transferal of each property are approved by the Minister of Defense; approval may be denied if the contract stipulations, with reference also to the timing and modalities of payment of the selling price and consignment of the property, are deemed inadequate with respect to the demands of the Defense department even if the latter are added subsequently to the adoption of the program;

e) for the purposes of permutations and alienations of real estate to divest, according to the appropriate programs, the Minister of Defense communicates the list of said real estate to the Minister of Cultural and Environmental Assets who makes a ruling within and no later than ninety days from receipt of the communication on the possible subsistence of artistic and historical interest, and, should the ruling be positive, distinguishing the single parties subject to the care of the properties themselves. For the properties recognized as being of said interest, the dispositions of the articles 24 and following, of the law 1 June 1939, no. 1089 apply (393). The approvals and the authorizations mentioned by the aforesaid law are handed down within one-hundred-eighty days from receipt of the request;

f) [the resources deriving from the procedures of alienation and management of the real estate are deposited under the appropriate item of the previsionsal budget of the State to be reassigned to the previsionsal budget of the Ministry of Defense in the maximum amount of 410 billion lire for the year 1997, for the pursuit of the objectives of the present paragraph and for the realization of military structures and infrastructures in the regions of most limited presence of units and troops of the Armed Forces, as well as for the adaptation of existing civil infrastructures in the same regions, designed to meet the operational needs of the Armed Forces. For subsequent exercises the quota to be reassigned is established annually by financial law (393/a)] (393/b).

(390) Shown under the entry no. B/I.

(391) Shown under the entry no. B/II.

(392) Shown under the entry Towns and Provinces.

(392/a) Letter thus modified by art. 43, paragraph 11, L. 23 December 2000, no. 388. Notwithstanding the present letter see art. 44, L. 23 December 1998, no. 448, integrated by art. 43 of the above-mentioned L. no. 388/2000.

(393) Shown under the entry Antiquities, fine arts, and museums.

(393/a) For the authentic interpretation of the present paragraph 112, see art. 17, paragraph 36, L. 27 December 1997, no. 449, shown under the entry no. A/CLXVI. With D.P.C.M. 11 August 1997 (Off. Gazz. 7 October 1997, no. 234) the real estate, available to the Ministry of Defense, to be included in the divestment program provided for by the present paragraph was determined.

(393/b) Letter abrogated by art. 44, L. 23 December 1998, no. 448, shown under the heading no. A/CLXXVIII. See, too, the other dispositions of the same art. 44.

113. In the event of alienation of real estate conferred, in accordance with paragraph 86, to real estate investment trusts instituted in accordance with article 14-bis of the law 25 January 1994, no. 86 (394), as substituted by paragraph 111, of alienation of real estate and real rights belonging to the State and not conferred to said trust, in accordance with paragraph 99, and of alienation for the real estate mentioned in paragraph 112, local authorities can exercise the right of pre-emption.

(394) Shown under the entry Commercial Exchanges.

114. The real estate and real rights on property belonging to the State, situated in territories of regions with a special statute, as well as of the autonomous provinces of Trento and Bolzano, are transferred to the holdings of the aforementioned local authorities within the limits of and according to what is stipulated by the respective statutes. Said properties may not be conferred to the trusts mentioned in paragraph 86, nor may they be alienated or permutated (394/a).

(394/a) Paragraph thus substituted by art. 6, D.L. 31 December 1996, no., 669. For the purpose disposed by paragraph 3-bis of the cited art. 6, the dispositions of the present paragraph 114 are affective as of 1 January 1997. See, also, art. 19, L. 23 December 1998, no. 448, shown under the entry no. A/CLXXVIII.

115. The real estate already held by the Autonomous National Agency for Roads, instrumental for the activities of the National Authority for Roads, are transferred in ownership to the same Authority, according to the following modalities, also to the purposes of article 2657 of the civil code:

- a) for moveable goods, upon the act of inclusion in the inventory of the Authority;
- b) for registered moveable goods, upon the date of presentation to public registers of the proper requests on the part of the general direction of the Authority or the departments competent in territorial matters;
- c) for real estate, upon the date of presentation to the responsible offices and conservatories of the identification document mentioned in paragraph 116.

116. The treasury Technical Offices and the conservatories of real estate registers, as well as the registry offices of the regions Friuli-Venezia Giulia and Trentino-Alto Adige are authorized to carry out the duties of respective responsibility regarding the activities of transcription and transfer on the basis of documents compiled and made available by the Authority containing the identifying elements of each property, indicating also any debt bearing on them and the valuation with reference to current market values on the date of 2 March 1994, bearing in mind subsequent variations as to the date in which the present law becomes effective, or the value that would have been assumed as a tax base for the purposes of city tax on real estate.

117. The documents completed in accordance with paragraph 116 contain the attestation, by the departmental directors of the Authority responsible for territorial matters, that as of the date of 2 March 1994 the property resulted among the available property of the Autonomous National Agency for Roads.

118. The National Authority for Roads transmits to the Minister of Finance in a timely fashion a copy of the documents and transcription notes relative to the real estate. The director general of the department of territory of the Ministry of Finance, within sixty days, having consulted the administrator of the Authority and having verified the condition as per article 4 of the legislative decree 26 February 1994, no. 143 (395), disposes by proper decree the transferal of the property. The decree serves as authorization to proceed with the transcription and transfer.

(395) Shown under the entry Public Roads.

119. All the documentation connected with the acquisition of holdings of the National Authority for Roads are exempt from fees and taxes.

-- Transcribed below is the text of article 3, paragraph 5, of the law 24 December 1993, no. 539 (State previsionsal budget for financial year 1994 and multi-year budget for the period 1994-1996. -- Published in the Off. Gazz. 28 December 1993, no. 303, S.O.):

“Art. 3. Previsionsal status of the Ministry of the Treasury and relevant dispositions.

5. The maximum amount of issuance of public bonds, in Italy and abroad, net of those to be reimbursed, is established at 189,000 billion lire (7/a). “

(7/a) Paragraph thus substituted by art. 3, L. 23 September 1994, no. 554 (Off. Gazz. 29 September 1994, no. 228, S.O.).

Notes to art. 46:

-- Transcribed below is the text of article 1 of the royal decree 30 December 1923, no.3278 (Approval of the law on taxation of stock exchange contracts – Published in the Off. Gazz. 17 May 1924, no. 117):

“HEADING I

Taxable contractual relationships

Article 1. Stock exchange contracts are subject to a special tax applied in the ways and measures determined below. In the denomination of stock exchange contracts, for the purposes of the tax, the following are included:

- a) firm cash contracts or forward contracts, made in or out of the stock exchange, at a premium or carried over, and every other contract in keeping with commercial uses, such as debt bonds of the Government, the provinces, the towns or other indebted bodies; stocks and company shares, including the securities of credit institutes, and in general any bond analogous in type, be it domestic or foreign, quoted in the stock market or not;
- b) the forward sales of values in money or ingots, made in or out of the stock exchange;
- c) the forward sales, of commodities and merchandise, stipulated according to stock exchange practices, conducted in or out of the stock exchange, as long as in this case there exists the intervention of one or more registered mediators. Not included in the present disposition are discount transactions on bills of exchange. The tax is applied also to debt-related contracts, such as the bonds and values mentioned in letters a) and b) of the second paragraph, as well as the quotas of holdings in any kind of company, completed by public document or private accord or in any other way that conforms to stock exchange practices, excluding those subject to proportional registration tax and those regarding transfers made between parties, companies, or bodies, between which a relationship of controls exists, as per article 2359, first paragraph, numbers 1) and 3), of the civil code, or between directly or indirectly controlled companies, in accordance with the aforementioned dispositions, by the same party. The quotas of holdings in bodies whose sole or principal purpose is the exercise of commercial activities are assimilated to those of holdings in companies. [Transactions conducted with non-residents are exempt from the tax. Exempted, too, are the negotiations and transfers of contracts underwritten in the market of uniform forward contracts relative to Government bonds, as per article 23, paragraph 5, of the law 2 January 1991, no. 1] (2/a).

(2/a) Article first modified by art. 9, D.L. 30 December 1992, no. 417, shown under the entry Value Added (Tax on), and then thus substituted by art. 1, D.L. 17 September 1992, no. 378, shown under the entry no. D/XXII. Subsequently the third and the fourth sentences of the third paragraph were abrogated by art. 1, D.Lgs. 21 November 1997, no. 435, shown under the entry no. D/XXIII. See, also, arts. 3 and 7, D.L. 8 January 1996, no. 6, shown under the entry Administration of holdings and general accounting of the State. “

Notes to art. 80:

-- Transcribed below is the text of article 142 of the Royal decree 28 April 1910, no. 2 (Approval of the consolidated act on the laws on institutes of issuance and on the circulation of Bank paper – Published in the Off. Gazz. 27 May 1910, no. 123.)

“Article 142. (Art. 30, law 30 April 1874, no. 1920; law 5 July 1908, no. 388). – The fabrication, issuance, and circulation, for any purpose whatsoever, of any kind of paper or printed material imitating or simulating Bank paper, in all or in part, on either side, under penalty of an administrative sanction from 10,000 lire to 100,000 lire to be paid by those fabricating the imitation or putting it up for sale (43). The relative prints and stamps will always be confiscated, regardless of who they belong to, and will have to be destroyed. The preceding paragraphs do not apply in cases allowed by EU dispositions or by the ECB with reference to banknotes in Euros (43/a).

(43) The original sanction of the fine was substituted with the administrative sanction by art. 32, L. 24 November 1981, no. 689, shown under the entry Judicial Ordinance, and thus elevated by art. 3, L. 12 July 1961, no. 603, shown under the entry Monetary Sanctions in Penal Matters (Increase in), as well

as by art. 114, first paragraph, of the cited L. 24 November 1981, no. 689, in relation to art. 113, first paragraph, of the same law.

(43/a) Paragraph added by art. 4, D.Lgs. 10 March 1998, no. 43, shown under the entry no. A/LXXXIII, effective as of the indications in art. 11 of the same decree.

Notes to art. 81:

-- See the laws 27 December 1997, no.449 and 12 August 1993, no.1343, as well as article 2948 of the civil code.

