



DECREE no. 66 of 28 May 1991 (published on 11 June 1991)

Ratification of the Convention concerning financial and currency relations between the Republic of San Marino and the Italian Republic, and of the Additional Act.

**We the Captains Regent
of the Most Serene Republic of San Marino**

In view of the Resolution of the Great and General Council of 27 May 1991,

By exercising Our Rights,

Are decreeing, promulgating and ordering the publication of:

Sole Article

Full and complete implementation is given to the Convention and Additional Act concerning financial and currency relations between the Republic of San Marino and the Italian Republic, signed in Rome on 2 May 1991.

Done at our Residence, on 3 June 1991/1690 s.F.R.

THE CAPTAINS REGENT

Domenico Bernardini - Claudio Podeschi

THE SECRETARY OF STATE

FOR INTERNAL AFFAIRS

Alvaro Selva

Convention concerning financial and currency relations between the Republic of San Marino and the Italian Republic.

The Republic of San Marino and the Italian Republic,

In view of the Convention of Friendship and Good Neighbourhood between Italy and San Marino of 31 March 1939 and subsequent Additional Agreements;

Given the peculiarity of the existing relations between them, as well as the particular geographical position of the Republic of San Marino;

Having the Parties acknowledged the advisability, in their mutual interest, to further enhance the current relations - in order to allow the Republic of San Marino to autonomously regulate the free exchange of goods, services and capital between the two countries in terms of currencies;

have agreed as follows:

1. The Republic of San Marino and the Italian Republic undertake not to impede the free exchange of goods, services and capital between the two countries in terms of currencies, without prejudice to what reported in point 4 below.

2. The Italian Republic undertakes to recognise to the natural and legal persons residing in San Marino the same currency status recognised to natural and legal persons residing in Italy.

3. In its own legislation, the Republic of San Marino undertakes to substantially implement Italian law on currency, including negative pledge clauses, adjusting it, as timely as required by circumstances, to changes in the Italian legislation on currency, as promptly notified to the other party.

4. The San Marino authorities undertake to prevent, in one of the forms deemed as most appropriate, in the relations between credit and financial institutions with a registered office or branches in San Marino, unfair competitive conditions, compared to those in Italy, from being created in dealing with Italian residents on various grounds.

Verification of the constant maintenance of a regulatory framework that can achieve the aforementioned objected is entrusted to a contact Committee consisting, on one hand, of the competent Currency Authorities of the Republic of San Marino and, on the other, of representatives appointed by the Ministry of the Treasury and the Bank of Italy; the Committee shall normally meet once a year and in any case at the request of either Party. Where necessary, any Administrations concerned can be part of the aforesaid Committee.

5. In order to ensure the proper and orderly functioning of credit and financial institutions, the San Marino authorities undertake to maintain an adequate supervisory system.

6. For the purposes of exercising the control activities required of them, the Supervisory Authority of San Marino and the Bank of Italy can exchange data and information on the structure and operations of supervised institutions. Data and information thus acquired are protected, within the limits laid down by each individual legal system, by the obligation of professional secrecy.

7. In the common interest of the two countries, the San Marino authorities undertake to adopt, in the forms deemed as most appropriate, suitable instruments to pursue the specific objectives of the regulations issued by Italy on fiscal monitoring, money-laundering and containment of the use of cash in transactions. To this end, a Joint Committee will be established, which will be joined by the Administrations concerned from time to time.

8. This Convention is accompanied, for the part on currency, by a specific Additional Act, deemed as an integral part thereof.

9. This Convention shall have unlimited duration, unless six months' notice is given by either Parties. It shall enter into force on the first day of the month following the month of the last communication of completion of internal procedures.

Done in Rome on 2 May 1991

FOR

THE REPUBLIC OF SAN MARINO THE ITALIAN REPUBLIC

Gabriele Gatti Gianni De Michelis

ADDITIONAL ACT SUPPLEMENTING THE "CONVENTION CONCERNING FINANCIAL AND CURRENCY RELATIONS BETWEEN THE REPUBLIC OF SAN MARINO AND THE ITALIAN REPUBLIC"

In relation to the "Convention on financial and currency relations between the Republic of San Marino and the Italian Republic" of the same date, the Parties hereby agree as follows:

1. The Central Bank of the Republic of San Marino may carry out activities in foreign currencies that are identical to those carried out in Italy by credit institutions qualified as fully authorised banks in dealing with currency.

2. The credit institutions of the Republic of San Marino, in the context of current currency regulations, may carry out currency activities subject to the prior authorisation of the Central Bank of the Republic of San Marino.

The Central Bank of San Marino may also recognise the qualification concerning currency as a fully authorised bank, in agreement with the competent Italian Authorities concerning the criteria to be applied to each individual credit institution, without prejudice to the consistency of the operating contexts with those in force in Italy.

3. The Currency Authority of the Republic of San Marino will provide the Italian Foreign Exchange Office, in aggregate form according to the requests of the latter, with data and information the Office considers necessary to acquire, even on a regular basis, in relation to the transactions carried out in the currency sector by the Central Bank of the Republic of San Marino, by San Marino credit institutions, or by other parties residing in San Marino.

The Italian Foreign Exchange Office will provide, in aggregate form, the Currency Authority of the Republic of San Marino, according to the requests of the latter, with data and information concerning currency sector transactions carried out on the territory of the Italian Republic by parties residing in San Marino. Operational problems that may from time to time arise may be resolved on the basis of contracts between the Republic of San Marino's competent Currency Authority and the Italian Foreign Exchange Office. To this end, the Currency Authority of the Republic of San Marino will implement, in the forms deemed as most appropriate, an adequate control and information system on currency transactions carried out in San Marino, substantially similar to the one in force in Italy.

4. Sanctioning currency proceedings against natural and legal persons residing in San Marino, for breaches committed therein, shall remain under the jurisdiction of the San Marino authorities.

Done in Rome on 2 May 1991

FOR

THE REPUBLIC OF SAN MARINO THE ITALIAN REPUBLIC

Gabriele Gatti Gianni De Michelis