REPUBLIC OF SAN MARINO

DECREE LAW NO. 82 of 12 July 2013

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

Having regard to the conditions of need and urgency referred to in Article 2, paragraph 2, letter b) of Constitutional Law no. 183 of 15 December 2005 and Article 12 of Qualified Law no. 184 of 15 December 2005 and more precisely;

- *the need to strengthen the integrity and soundness of San Marino economic and financial system, as well as the Republic's international cooperation in the fight against money laundering and terrorist financing and in the protection of national and international security;*
- *the urgency to immediately enforce the provisions useful to this end and to align national legislation, also in the light of the need to rapidly comply with the most recent international standards;*

Having regard to Congress of State Decision no. 16, adopted during its sitting of 9 July 2013;
Promulgate and order the publication of the following Decree Law:

URGENT PROVISIONS AMENDING THE LEGISLATION ON THE PREVENTION AND COMBATING OF MONEY LAUNDERING AND TERRORIST FINANCING

TITLE I

AMENDMENTS TO LAW NO. 92 OF 17 JUNE 2008

Art. 1

1. Article 1 of Law no. 92 of 17 June 2008, as amended by Article 1 of Decree Law no. 181 of 11 November 2010, and subsequently by Article 1 of Decree Law no. 134 of 26 July 2010, is amended as follows:

a) letter d) of paragraph 1 is reworded as follows: "d) "shell bank": an entity engaged in activities equivalent to those envisaged in Annex 1 to Law no. 165 of 17 November 2005, licensed or incorporated in a jurisdiction in which it has no physical presence, and which is unaffiliated with a regulated financial group that is subject to effective consolidated supervision. An entity is physically present only when its direction and management are effectively exercised in the country. The existence simply of a local agent or low level staff in the country does not constitute physical presence;"

b) letter n) of paragraph 1 is reworded as follows: "n) "politically exposed persons": individuals, identified on the basis of the criteria referred to in the technical annex to this Law, who are or have been entrusted, in San Marino or abroad, with prominent public functions";

Art. 2

1. Article 4 of Law no. 92 of 17 June 2008, as amended by Article 2 of Decree Law no. 187 of 26 November 2010 (Ratification of Decree Law no. 181 of 11 November 2010) is replaced by the following:

"Article 4
(Functions of the Financial Intelligence Agency)

1. The following functions are assigned to the Agency:
   a) a) receiving suspicious transaction reports and other communications provided for by law;
   b) b) carrying out financial investigations on received reports or, also on its own initiative, on the data and information available to it and relating to money laundering, associated predicate offences and terrorist financing;
   c) reporting to the criminal judicial Authority any facts that might constitute money laundering or terrorist financing;
   d) issuing Instructions regarding the prevention and combating of money laundering and terrorist financing;
   e) e) supervising compliance with the obligations under this Law and the relevant Instructions issued by the Agency, by adopting a risk-based approach;
   f) taking part in the works of national and international bodies involved in the prevention and combating of money laundering and terrorist financing;
   g) g) cooperating, also by exchanging information, with national competent authorities and foreign counterparts, through dedicated and protected communication channels.

2. The Agency shall analyse and study financial flows for the purposes of identifying and preventing money laundering and terrorist financing.

3. The Agency shall monitor that the obliged parties referred to in Article 17 properly fulfil the requirements laid down in this Law, in the form and manner established by the Agency, including through periodic information notices and questionnaires.".

Art. 3

1. Article 5 of Law no. 92 of 17 June 2008 is amended as follows:

"Art. 5
(Powers of the Financial Intelligence Agency)

1. In order to fulfil the functions assigned by this Law, the Agency, by means of a written reasoned act for the purposes of preventing and combating money laundering and terrorist financing, has the following powers:
   a) to order the obliged parties to exhibit or hand over documents, also in original copy, or to communicate data and information, according to the procedures and time limits laid down by the Agency, also following inspections;
   b) to ask the Central Bank, Public Administrations and police authorities to communicate data or information, or to exhibit or hand over any formal acts or documents according to the procedures and time limits laid down by the Agency;
   c) to carry out on-site inspections at obliged parties' premises. If the obliged party relies on third parties to satisfy the obligations provided for by this Law, inspections may also be carried out at such third parties' premises;
   d) to order the block of assets, funds or other economic resources when there are reasonable grounds for suspecting that these assets, funds or economic resources are derived from money laundering or terrorist financing or may be used to commit such offences;
   e) to suspend, also upon request by the criminal judicial Authority or a foreign financial intelligence unit, transactions suspected of money laundering or terrorist financing for a

maximum of five working days;

f) to collect summary information from persons who may report circumstances useful to investigations regarding offences of money laundering, associated predicate offences and terrorist financing, as well as crimes and administrative violations set forth in this Law;

g) to order financial parties, also upon request by a foreign financial intelligence unit and for a fixed period, to monitor one or more business relationships established, according to the procedures and time limits laid down by the Agency;

h) to inform, for preventive purposes, the parties referred to in Article 18 of this Law, of transactions, including attempted transactions, persons or other facts deemed relevant, which may pose money laundering or terrorist financing risks.

2. In the exercise of the powers set forth in the previous paragraph, the Agency may rely on police officers.

3. The Agency shall take note of all activities conducted, also in summary form, in the way considered most suitable. Except as specifically provided for in this Law, the Agency shall draw up a report on the information acquired in accordance with paragraph 1, letter f).

4. The Judicial Authority may delegate the Agency to carry out investigations in the context of proceedings relating to money laundering and terrorist financing as well as crimes and administrative violations set forth in this Law. In this case, the Agency shall operate as judicial police. The acts carried out on behalf of the Judicial Authority shall be documented in a report."

Art. 4

1. Article 16 of Law no. 92 of 17 June 2008, as amended by Article 6 of Law no. 73 of 19 June 2009, is replaced by the following:

"Art. 16
"(Cooperation with foreign authorities)

1. The Agency shall cooperate with foreign authorities performing, wholly or in part, equivalent or similar functions, on the basis of reciprocity and also by exchanging information. Information may be exchanged upon request or on a voluntary basis.

2. The foreign counterparts shall guarantee the same conditions of confidentiality of information, as ensured by the Agency, in order not to undermine the outcome of financial investigations or of information requests.

3. The Agency, with the aim of regulating the cooperation activity referred to in paragraph 1, may draw up appropriate memoranda of understanding which, once signed, shall be notified to the Credit and Savings Committee.

4. The information exchanged may be used by foreign authorities only for the purposes of prevention and combating of money laundering, associated predicate offences and terrorist financing. Information shall not be sent to third parties without the prior written consent of the Agency and shall be covered by official secrecy.

5. Information exchanged shall not be used to initiate or continue administrative, police or judicial investigations without the prior written consent of the Agency.

6. The Agency shall exchange with foreign counterparts all information it is able to obtain at national level.".

Art. 5

1. Letter c) of Article 18 of Law no. 92 of 17 June 2008 is amended as follows:

"c) Ente Poste (San Marino post corporation), whenever it offers the postal financial services referred to in Annex A) of Law no. 54 of 21 May 2012;".

Art. 6

1. Letter f) of Article 18 of Law no. 92 of 17 June 2008 is deleted.

Art. 7

1. Letters l) and m) of Article 19, paragraph 1, of Law no. 92 of 17 June 2008, as amended by Article 6 of Decree Law no. 134 of 26 July 2010, and subsequently replaced by Article 8 of Decree Law no. 187 of 26 November 2010 (Ratification of Decree Law no. 181 of 11 November 2010) are replaced by the following letters:

"l) dealing in precious stones or precious metals;

m) rental of registered movable assets;".

2. The following letter is added to Article 19, paragraph 1, of Law no. 92 of 17 June 2008, as amended by Article 6 of Decree Law no. 134 of 26 July 2010, and subsequently replaced by Article 8 of Decree Law no. 187 of 26 November 2010 (Ratification of Decree Law no. 181 of 11 November 2010):

"n) professional credit recovery on behalf of third parties.".

Art. 8

1. Paragraph 4 of Article 23 of Law no. 92 of 17 June 2008, as amended by Article 9 of Decree Law no. 134 of 26 July 2010, is amended as follows:

"4. The verification of the identity of the customer and beneficial owner may be completed in the shortest time possible, and in any case within 10 working days, following the establishment of a business relationship if there is a low risk of money laundering or terrorist financing and if this is necessary not to interrupt the normal conduct of the business. A customer may be allowed to use the business relationship prior to verification only when the conditions envisaged by the internal risk management procedures of the obliged party are satisfied. Such procedures shall include limitations also in relation to the number, type or amount of the transactions that a customer may conduct.".

Art. 9

1. Article 26 of Law no. 92 of 17 June 2008, as amended by Article 11 of Decree Law no. 134 of 26 July 2010, is amended as follows:

"Art. 26
(Simplified customer due diligence)

1. The obliged parties may apply, on their own responsibility and on the basis of an adequate risk assessment, simplified customer due diligence measures, where the customer is:

a) a) a financial party referred to in Article 18, letters a), b) and c);

b) b) a foreign party that mainly carries out an activity which refers to the reserved activities mentioned in letters A), B), C), D) and E) of Annex 1 to Law no. 165 of 17 November 2005, located in a State which imposes requirements equivalent to those laid down in this Law and provides for control on compliance with the requirements for the prevention and combating of money laundering and terrorist financing;

1, c) a foreign party that carries out an activity equivalent to that referred to in Article 18, paragraph 1, letter c), located in a State which imposes requirements equivalent to those laid down in this Law and provides for supervision and control over compliance with the requirements for the prevention and combating of money laundering and terrorist financing;

c) d) a company listed on a regulated market in a State, provided that this market is subject to regulations consistent with or equivalent to Community legislation;

d) e) a public Administration.

2. The obliged parties may apply simplified customer due diligence measures in the following cases:

a) life insurance policies where the annual premium does not exceed 1,000 euro or the single premium is not higher than 2,500 euro;

b) supplementary pension schemes provided that they do not envisage redemption clauses and cannot be used as collateral for a loan except in the circumstances provided for by the legislation in force;

c) compulsory and supplementary pension regimes or similar systems that provide retirement benefits, where contributions are made by way of deduction from income payments and the regime rules do not permit beneficiaries to transfer their own rights, unless after the holder's death.

3. The Agency may specify, by means of instructions, categories of parties, products or services characterised by a low risk of money laundering or terrorist financing, to which simplified customer due diligence measures shall apply.

4. In the cases described in the previous paragraphs, the obliged parties shall collect sufficient data and information to establish if the customer falls under such categories.

5. The obliged parties shall not apply simplified customer due diligence measures when there are suspicions of money laundering or terrorist financing, or in the situations that, by their nature, pose a higher risk of money laundering or terrorist financing.

6. In any case, the obliged parties shall not be allowed to apply simplified customer due diligence measures where the customer is established or is resident in countries subject to the monitoring of the FATF or any other international body engaged in the prevention and combating of money laundering and terrorist financing.".

Art. 10

1. Article 26 bis of Law no. 92 of 17 June 2008, introduced by Article 10 of Decree Law no. 187 of 26 November 2010 (Ratification of Decree Law no. 181 of 11 November 2010) is repealed.

Art. 11

1. Article 28 of Law no. 92 of 17 June 2008 is amended as follows:

"Art. 28
(Prohibition to operate with shell banks)

1. Financial parties shall not be permitted to enter into or maintain business relationships with shell banks or with foreign financial parties that are known to permit their accounts to be used by shell banks.

2. Financial parties shall satisfy themselves that the foreign financial institution does not permit the use of its accounts by shell banks.

3. The existing relationships shall be terminated immediately, without prejudice to the abstention and reporting requirements referred to, respectively, in Articles 24 and 36 of this Law.".

Art. 12

1. Article 29 of Law no. 92 of 17 June 2008, as amended by Article 13 of Decree Law no. 134 of 26 July 2010, is amended as follows:

"Art. 29
(Customer due diligence performed by third parties)

1. In order to meet the requirements laid down in Article 22, paragraph 1, letters a), b) and c), the obliged parties may rely on third parties with whom the customers have business relationships or whom have been tasked by the customers with carrying out an occasional transaction. For this purpose, third

parties shall issue, if requested by the customer, a document attesting that they have met customer due diligence requirements. Also in this case, the ultimate responsibility for meeting customer due diligence requirements shall remain with the obliged parties.
2. The obliged parties shall satisfy themselves that, for the purposes of this Article, third parties mean the financial parties referred to in Article 18, paragraph 1, letters a), b) and c) and in Article 26, paragraph 1, letter b).
3. The obliged parties shall satisfy themselves that third parties are able to fulfil customer due diligence requirements and that they immediately make available to the obliged parties, without delay and upon simple request, the information acquired while performing customer due diligence in accordance with the activities envisaged by Article 22, paragraph 1, letters a), b) and c).
4. The Agency may identify, by issuing relevant instructions, other categories of third parties on which the obliged parties may rely in order to avoid the repetition of the requirements envisaged by Article 22, paragraph 1, letters a), b) and c).

Art. 13

1. After Article 33 of Law no. 92 of 17 June 2008 the following shall be added:

"Article 33 bis
(Cooperation of the obliged parties with foreign counterparts)

1. When an obliged party - while carrying out its typical activity and with a view to establishing or maintaining a business relationship or conducting an occasional transaction or providing a professional service - establishes relationships with a foreign party subject to requirements equivalent to those laid down in Title III of this Law, it shall be obliged to supply, upon request by the foreign party containing an explicit reference to the need to fulfil the customer due diligence requirements imposed by its national legislation, all information requested and required to satisfy such obligations.".

Art. 14

1. In Article 42, paragraph 1, of Law no. 92 of 17 June 2008, as amended by Article 17 of Decree Law no. 134 of 26 July 2010, the following words are deleted: "are incorporated businesses".

Art. 15

1. Article 43 of Law no. 92 of 17 June 2008, as amended by Article 16 of Decree Law no. 187 of 26 November 2010 (Ratification of Decree Law no. 181 of 11 November 2010) is amended as follows:

"Art. 43
(Compliance officer at non-financial parties)

1. Non-financial parties shall appoint an AML Officer. The provisions referred to in Article 42 shall apply as far as applicable."

Art. 16

1. Paragraph 3 of Article 44 of Law no. 92 of 17 June 2008, as amended by Decree Law no. 134 of 26 July 2010, is replaced by the following:

> “3. The obliged parties shall promote ongoing employee training also through participation in specific training programmes concerning the prevention and combating of money laundering and terrorist financing. Such training shall guarantee that employees are informed of the new developments in money laundering and terrorist financing, including information on

techniques, methods and trends. Furthermore, employees shall have an adequate understanding of the legislation in force and of the instructions issued by the Agency, with particular reference to customer due diligence and suspicious transaction reporting requirements.".

Art. 17

1. Paragraph 7 of Article 44 of Law no. 92 of 17 June 2008, as amended by Decree Law no. 134 of 26 July 2010, is replaced by the following:

"7. Obliged parties shall adopt rigorous screening procedures when hiring employees and collaborators, taking into account their role, functions or tasks. Obliged parties shall also adopt procedures providing for controls subsequent to hiring, which shall be repeated during the employment relationship.".

2. After paragraph 7 of Article 44 of Law no. 92 of 17 June 2008, as amended by Decree Law no. 134 of 26 July 2010, the following paragraph shall be added :

"8. The internal procedures, policies and controls referred to in the preceding paragraphs shall concern, among others, customer due diligence requirements, suspicious transaction recording and reporting requirements, as well as the identification of any transaction that, due to its complexity or unusually large amount or to its unusual pattern of execution or the absence of an apparent economic or lawful purpose, requires an assessment of its compatibility with respect to the customer's profile.".

Art. 18

1. After the words: "TITLE IV
MEASURES FOR PREVENTING, COMBATING AND SUPPRESSING TERRORIST FINANCING AND THE ACTIVITY OF STATES THAT THREATEN INTERNATIONAL PEACE AND SECURITY" of Law no. 92 of 17 June 2008, the following Article is added:

"Art. 45 bis (Scope)

1. The provisions of this Title shall apply to the freezing without delay of the funds or other assets so as to ensure that no funds or other assets are made available, directly or indirectly, to or for the benefit of:

a) any person or entity either designated by, or under the authority of the United Nations Security Council or a Committee thereof, pursuant to Chapter VII of the Charter of the United Nations, including in accordance with Resolutions 1267 (1999), 1988 (2011), 1989 (2011) and subsequent resolutions;

b) any person or entity designated pursuant to UN Resolution 1373 (2001);

c) any person or entity designated by, or under the authority of the United Nations Security Council or a Committee thereof, pursuant to Chapter VII of the Charter of the United Nations, including in accordance with resolutions relating to the prevention, suppression and disruption of proliferation of weapons of mass destruction and its financing.".

Art. 19

1. Article 46 , paragraph 1 a) of Law no. 92 of 17 June 2008 shall be amended as follows:

"a) the freezing of the funds or other assets that are owned or controlled, directly or indirectly, by persons, entities or groups included in the lists drawn up by the ad hoc UN Committees or by persons, entities or groups designated pursuant to UN Security Council Resolution 1373 (2001), as well as the funds or other assets derived or generated from funds or other assets owned or controlled, directly or indirectly, by persons included in the lists, terrorists, those financing terrorism or by terrorist organisations, as well as by persons acting on behalf of, or at the direction of, designated persons or entities;".

Art. 20

1. The following paragraph shall be added to Article 46 of Law no. 92 of 17 June 2008:

"7. The Congress of State may also impose other restrictive measures in addition to those provided for in the resolutions of the UN Security Council or a Committee thereof.".

Art. 21

1. After Article 47 of Law no. 92 of 17 June 2008, the following articles shall be added:

"Article 47 bis
(Procedures for the removal from a UN list)

1. One of the following procedures may be applied for the removal of a name from a list of the UN Security Council or a Committee thereof, pursuant to Article 45 bis, paragraph 1, letter b):

a) through the *focal point* established within the UN Secretariat,

b) through diplomatic channels.

2. With reference to paragraph 1 (a) above, persons, groups and entities included in the lists of the UN Sanctions Committees can submit a request directly to the *focal point* established within the UN Secretariat for the adoption of the necessary de-listing measures.

3. With reference to paragraph 1 (b) above, without prejudice to the procedure in the preceding paragraph, persons, groups and entities included in the list, who are San Marino nationals or have their residence or seat in the Republic of San Marino, can submit a written and motivated request to the Credit and Savings Committee, by addressing it to the Secretariat of State for Foreign Affairs or its mission or representation, so that it forwards a specific petition to the *focal point* for the adoption of the necessary de-listing measures.

Art. *47 ter*
(Annulment and review *of freezing orders)*

1. With regard to Art. 45 bis, paragraph 1, letter b):

a) The freezing order under Article 46, paragraph 1, letter a) can be annulled at any time by the Congress of State, by means of a specific decision, upon request of at least one of the members of the Credit and Savings Committee or by any interested party, when reasonable grounds no longer exist to believe that the persons, groups and entities affected by the measure may commit or attempt to commit or participate or facilitate the commission of the acts referred to in Article 1, paragraph 1, letters k) and p).

b) The freezing order under Article 46, paragraph 1, letter a) shall be automatically reviewed every 60 days and annulled when reasonable grounds no longer exist to believe that the persons, groups and entities affected by the measure may commit or attempt to commit or participate or facilitate the commission of the acts referred to in Article 1, paragraph 1, letters k) and p).

2. Upon request by any person or entity affected by the freezing order under Article 46, paragraph 1, letter a), the Credit and Savings Committee may:

a) a) provide the applicant with the funds necessary to cover basic expenses, including payments for foodstuffs, rent or mortgage, medicines and medical treatment, taxes, insurance premiums and public utility bills;

b) b) provide the applicant with the funds necessary exclusively for the payment of reasonable fees and reimbursement of incurred expenses associated with the provision of legal services;

c) c) provide the applicant with the funds necessary exclusively for the payment of charges for the maintenance of frozen assets."

3. For the purposes of Article 45 bis, paragraph 1, letters a) and c), the provisions established by the UN Security Council or a Committee thereof shall apply instead of the rules envisaged by the preceding paragraphs.".

Art. 22

1. Article 49, paragraph 1 of Law no. 92 of 17 June 2008, as amended by Article 20 of Decree Law no. 181 of 11 November 2010, shall be amended as follows:

"1. The Credit and Savings Committee referred to in Law no. 96 of 29 June 2005 and subsequent amendments shall be the designated as the authority responsible for the designation and subsequent actions such as de-listing and annulment of freezing orders. The Credit and Savings Committee shall examine all requests to be exempted from the freezing of funds and economic resources submitted by the interested parties. The decision shall be adopted without delay.".

Art. 23

1. Article 52 of Law no. 92 of 17 June 2008 is amended as follows:

"Art. 52
(Training of Police officers)

1. Police forces shall ensure the training of its officers on financial investigations and, to this end, promote courses and stages".

Art. 24

1. After Article 65 of Law no. 92 of 17 June 2008 the following shall be added:

"Art. *65 bis*
(Violation of monitor*ing requirements)*

1. Unless the fact constitutes a crime, anyone who, without justified reason, does not comply with, delays or hinders the execution of a monitoring order under Article 5, paragraph 1, letter g) shall be punished by terms of a pecuniary administrative sanction from 1,000.00 to 50,000.00 euro.".

Art. 25

1. After Article 95 of Law no. 92 of 17 June 2008 the following shall be added:

"Art.95 bis
(Extinction of the right to reimbursement relative to relationships for which customer due diligence requirements have not been fulfilled and to bearer passbooks)

1. Relationships with respect to which customer due diligence requirements have not been fulfilled as of 31 December 2013 shall be closed *ex lege* from 1 January 2014.
2. By and not later than 15 January 2014 obliged parties shall inform the Financial Intelligence Agency of all existing business relationships with respect to which customer due diligence requirements could not be fulfilled as of 31 December 2013.
3. The right to reimbursement of sums deriving from the closure *ex lege* of the relationships referred to in the first paragraph and of bearer passbooks not closed or converted into nominative accounts within the time-limits set by Decree Law no. 136 of 22 September 2009, partially derogating from the provisions thereof and from those envisaged in Article 6 of Delegated Decree no. 136 of 31 October 2008, shall extinguish on 1 January 2014.
4. A specific regulation shall set the criteria, procedures and timing of the transfer to the Guarantee Fund for Depositors of the sums present in the accounts and passbooks indicated in paragraphs 1 and 3. The same regulation shall also govern further effects deriving from the extinction of the relationships and rights specified in the preceding paragraphs.".

Art. 26

1. Article 1 of the Technical Annex to Law no. 92 of 17 June 2008, as amended by Article 29 of Decree Law no. 134 of 26 July 2010, shall be replaced by the following:

"Art. 1
(Politically exposed persons referred to in Article 1, paragraph 1, letter n)

1. "Politically exposed persons" shall mean any individual who is or has been entrusted, in San Marino or abroad, with prominent public functions, including those mentioned hereunder, even if differently named:
1) Heads of State, Heads of Government, ministers, deputy ministers, assistant ministers, members of parliaments, important political party officials or senior politicians.
2) members of judicial bodies whose decisions are not generally subject to further appeal,
3) members of the board of directors of central banks or supervisory authorities,
4) ambassadors, chargés d'affaires, high-ranking officers in the armed forces,
5) members of the administrative, management or supervisory bodies of State-owned enterprises;
6) members of the administrative, management or supervisory bodies, or equivalent leading position, of international organisations;
2. The following persons shall be treated as "politically exposed persons":
a) the immediate family members or persons known to be close associates of the persons referred to in the preceding paragraph, including the following persons:
1) the spouse or any partner considered as equivalent to the spouse,
2) the children and their spouses,
3) the parents;
b) any natural person who is known to have beneficial ownership of companies or legal entities with a person referred to in the preceding paragraph 1;
c) any natural person who has sole beneficial ownership of a company, legal entity or legal arrangement which is known to have been set up for the benefit de facto of one of the persons referred to in the preceding paragraph 1.
3. Obliged parties shall continue to meet, on a risk-sensitive basis, enhanced customer due diligence requirements even if they have ceased to be entrusted with a prominent public function.
4. The definition in paragraph 1 of this Article shall not cover middle ranking individuals in the foregoing positions."

TITLE II

AMENDMENTS TO DELEGATED DECREE NO 146 OF 28 NOVEMBER 2008 (RATIFICATION OF DELEGATED DECREE NO 135 OF 31 OCTOBER 2008)

Art. 27

1. The following paragraph shall be added to Article 8 of Delegated Decree no. 146 of 28 November 2008 (Ratification of Delegated Decree no. 135 of 31 October 2008):

"7. The Agency shall adopt internal policies and procedures to verify compliance by its staff with the requirements of professional competence, integrity and good repute.

TITLE III

AMENDMENTS TO LAW No. 42 OF 1 MARCH 2010 on trusts

Art. 28

1. Article 7 of Law no. 42 of 1 March 2010 shall be replaced by the following:

"2. The person keeping the Trust Register shall apply a pecuniary administrative sanction from a minimum of 3,000.00 to a maximum of 15,000.00 euro to the resident trustee or to the resident agent who has failed to draw up the trust certificate within the time-limits established by paragraph 1.".

Art. 29

1. Article 8, last paragraph of Law no. 42 of 1 March 2010 shall be replaced by the following:

"8. The person keeping the Trust Register shall apply a pecuniary administrative sanction from a minimum of 2,000.00 to a maximum of 10,000.00 euro to the notary public, the resident trustee and the resident agent who have failed to register the trust within the time limits established by paragraphs 3 and 5 respectively. A resident trustee or resident agent omitting to request the cancellation of the trust from the Register when the conditions referred to in paragraph 6 apply shall be subject to the same administrative sanction.".

Art. 30

1. Article 13 of Law no. 42 of 1 March 2010 shall be replaced by the following:

"Art. 13
(Amendment to the trust instrument)

1. The trust instrument may provide that the provisions contained therein and the choice of the governing law may be amended in the interest of the beneficiaries or to promote the purpose of the trust
2. Any amendment to the trust instrument shall be subject to the requirements envisaged by Article 6, paragraph 1 of the Law.
3. Anyone making or receiving amendments to the elements indicated in certificate referred to in Article 8, shall inform the trustee thereof within thirty days from the date on which such amendment is made or received. If the trustee is not resident, he shall inform the resident agent within fifteen days from the date on which he has made or received such amendment.
4. The person keeping the Trust Register shall apply an administrative sanction from a minimum of 2,000.00 to a maximum of 10,000.00 euro to anyone failing to fulfil the reporting requirements referred to in the preceding paragraph.
5. The resident trustee or the resident agent shall inform the Office of the Trust Register of any amendment relating to the elements specified in the certificate referred to in Article 8 by means of a certificate, within fifteen days from the date on which he has made or received such amendment. The Office shall make the relevant notes in the margin of the original certificate.
6. The certificate shall be signed by the resident trustee or the resident agent, with the signature being authenticated by a notary public, who shall confirm that the contents are true.
7. A resident trustee or a resident agent who fails to make the communications envisaged by paragraph 5 within the relevant time-limits shall be subject to an administrative sanction from a minimum of 2,000.00 to a maximum of 10,000.00 euro.
8. At least every six months the resident agent shall ask the non-resident trustee to inform him of any amendment to the elements contained in the certificate referred to in Article 8 by registered mail, which

shall also be transmitted, for his information, to the person keeping the Trust Register in March and September of each year.
9. The person keeping the Trust Register shall apply an administrative sanction from a minimum of 2,000.00 to a maximum of 10,000.00 euro to a resident agent who fails to duly fulfil the obligation envisaged in the preceding paragraph.
10. Any amendment to a trust instrument shall not be detrimental to the effects of the actions effectively carried out by the trustee prior to such amendment.".

TITLE IV

TRANSITIONAL AND FINAL PROVISIONS

Art. 31

1. Within two months from the entry into force of this Decree Law, all financial parties shall conduct a monitoring of all existing relationships in order to comply with the requirements envisaged in Article 11 of this Decree Law. The outcome of this monitoring shall be transmitted to the Agency within three months from the entry into force of this Decree Law.

Done at Our Residence, this 12 July 2013/1712 since the Foundation of the Republic

THE CAPTAINS REGENT
Antonella Mularoni - Denis Amici

THE SECRETARY OF STATE
FOR INTERNAL AFFAIRS
Gian Carlo Venturini