



REPUBLIC OF SAN MARINO

DECREE-LAW no. 212 of 7 December 2020

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

Having regard to the conditions of necessity 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 provide for specific provisions both in tax matters and in the settlement of disputes to be applied to international financing operations carried out by the State pursuant to Article 8 of Law no. 113 of 7 July 2020, given that the present case is not expressly and completely regulated by the legislation in force;*
- *The urgent need to finalise and conclude the related international financing agreements in the short term, by December 2020, in so far as the issuance of the sovereign bonds provided for by Article 8 of Law no. 113/2020 is postponed to the first months of 2021, pending more favourable market conditions, also taking into account the urgency to ensure adequate levels of State financial resources;*

*Having regard to Congress of State Decision no. 1, adopted during its sitting of 4 December 2020;
Having regard to Article 5, paragraph 2 of Constitutional Law no. 185/2005 and to Article 9, paragraph 1, and Article 10, paragraph 2 of Qualified Law no. 186/2005;
Promulgate and order the publication of the following Decree-Law:*

PROVISIONS CONCERNING FINANCING OPERATIONS FOR THE ACQUISITION OF FINANCIAL RESOURCES BY THE STATE THROUGH INTERNATIONAL FINANCING

Art.1

(Tax regime for the acquisition of resources by the State through international financing)

1. This Decree-Law contains special provisions on the tax regime for international financing operations under Article 8 of Law no. 113 of 7 July 2020 and on future international financing in favour of the State.
2. The international financing operations referred to in paragraph 1, the activities, related contracts, deeds, documents, copies of deeds pertaining thereto or arising therefrom, as well as interest or other income of any kind arising from the financing agreements or from international sovereign bonds, shall be exempt from all taxes, including extraordinary taxes, direct, indirect, withholding taxes, duties, government charges of any kind, including but not limited to General Income Tax and all registration and stamp duties.

3. The total exemption referred to in paragraph 2 shall apply in respect of all taxes for the entire duration of the financing agreements or sovereign bonds.

4. The deeds, agreements and documents relating to or arising from the international financing operations referred to in paragraph 1 shall be exempt from the registration obligations provided for by Law no. 85 of 29 October 1981 and subsequent amendments.

Art. 2

(Dispute settlement mechanisms)

1. For the purpose of settling all disputes, including those relating to non-contractual obligations, arising from or relating to the operations referred to in Article 8 of Law no. 113/2020 and/or more in general for the purpose of international financing operations in favour of the State, it shall be possible to provide that the Republic of San Marino be subject to the exclusive jurisdiction of a foreign State and/or to arbitration in a foreign State; in addition, it shall be possible for the lenders to bring action, at their discretion, before the Judicial Authority of one or more different States, provided that they are expressly identified in the relevant financing agreement.

Done at Our Residence, on 7 December 2020/1720 since the Foundation of the Republic.

THE CAPTAINS REGENT

Alessandro Cardelli – Mirko Dolcini

THE MINISTER OF
INTERNAL AFFAIRS

Elena Tonnini