



REPUBLIC OF SAN MARINO

DECREE – LAW no. 68 of 28 April 2022

(Ratifying Decree -Law no. 60 of 8 April 2022)

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

Having regard to Decree -Law no. 60 of 8 April 2022 – Financial restrictive measures implementing EU Decision 2014/512/CFSP of the Council of the European Union and subsequent amendments and Council Regulation (EU) no.833/2014 of 31 July 2014 and subsequent amendments enacted:

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 apply the restrictive Measures established by the European Union for the purpose of implementing the EU Decision 2014/512/CFSP of the Council of the European Union and subsequent amendments and the EU Regulation no. 833/2014 of the Council of 31 July 2014 and subsequent amendments, in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine in order to avoid potential financial transactions contrary to these restrictive measures and in compliance with the commitments undertaken by the Republic of San Marino with Decree - Law no. 41 of 22 March 2022 "Actions to ensure international peace and security and extraordinary and temporary introduction of the provisional stay permit for the Ukrainian emergency";*
- *the urgency of ensuring the timely imposition of the above-mentioned restrictive measures and, therefore, their prompt effectiveness in view of the current Russian-Ukrainian conflict scenario and the threat to international peace and security;*

*Having regard to Congress of State Decision no. 6, adopted during its sitting of 4 April 2022;
Having regard to the amendment to the above-mentioned Decree, which was introduced at the time of its ratification by the Great and General Council in its sitting of 25 April 2022;*

Having regard to Decision no. 21 of 25 April 2022 of the Great and General Council;

Having regard to Article 5, paragraph 2 of Constitutional Law no. 185/2005 and to Article 9, paragraph 5, and Article 10, paragraph 2 of Qualified Law no. 186/2005, as well as to Article 33, paragraph 6 of Qualified Law no. 3/2018;

Hereby promulgate and order the publication of the final text of Decree-Law no. 35 of 8 April 2022, as amended following the approval of the Great and General Council when ratifying it:

**FINANCIAL RESTRICTIVE MEASURES IMPLEMENTING EU DECISION
2014/512/CFSP OF THE COUNCIL OF THE EUROPEAN UNION AND
SUBSEQUENT AMENDMENTS AND COUNCIL REGULATION (EU) NO.
833/2014 OF 31 JULY 2014 AND SUBSEQUENT AMENDMENTS**

TITLE I GENERAL PROVISIONS

Art. 1 (Definitions)

1. For the purpose of this decree - law the following definitions shall apply:
 - a) “*CBSM*” shall mean: the Central Bank of the Republic of San Marino referred to in Law n. 96 of 29 June 2005 and subsequent amendments;
 - b) “*CRM*” shall mean: the Committee for Restrictive Measures referred to in Law no. 57 of 29 March 2019, and subsequent amendments;
 - c) “*Decision*” shall mean: Decision 2014/512/CFSP of 31 July 2014 of the Council of the European Union concerning restrictive measures in view of Russia ' s actions destabilising the situation in Ukraine;
 - d) “*LISF*” shall mean: Law no .165 of 17 November 2005 and subsequent amendments;
 - e) “*Regulation*” shall mean: Regulation (EU) no. 833/2014 of the Council of the European Union of 31 July 2014 and subsequent amendments concerning restrictive measures in view of Russia ' s actions destabilising the situation in Ukraine;
 - f) “*Associating State*” shall mean: a Member State of the European Union or of the European Economic Area, the Principalities of Andorra and Monaco as States participating with the Republic of San Marino in the process of association to the European Union.
2. For all terms not defined under paragraph 1, reference shall be made to the definitions and concepts contained in the LISF and in the regulatory measures adopted by CBSM.
3. For the purposes of this Decree-Law, the securities referred to in letter B of Annex 2 to the LISF shall be considered to be included in the sub-category of transferable securities, and therefore also in the category of financial instruments, also when they are in the form of virtual assets referred to in Article 1, paragraph 1, letter b bis) of Law no. 92 of 17 June 2008 and subsequent amendments.

Art. 2 (Purpose and scope of application)

1. In compliance with the commitments undertaken by the Republic of San Marino with Decree-Law no. 41 of 22 March 2022, aimed at countering activities that threaten international peace and security, the provisions of this Decree-Law shall be applied in order to implement the restrictive measures of the European Union established by the aforementioned Decision and Regulation.
2. For the purposes referred to in paragraph 1, considering the extent, technical nature and continuous evolution over time of the documents annexed to the aforementioned legal acts of the European Union, this Decree-Law shall expressly refer to them, thus ensuring the immediate and full alignment of the Republic of San Marino.
3. Without prejudice to paragraph 2, the provisions of this Decree-Law may be integrated by an appropriate regulation adopted by the Congress of State.
4. This Decree-Law shall apply:
 - a) within the territory of the Republic of San Marino, including its airspace;
 - b) on board any aircraft or any vessel under the San Marino jurisdiction;
 - c) to any San Marino citizen who is inside or outside the territory of the Republic of San Marino;
 - d) to any legal person, entity or body, inside or outside the territory of the Republic of San Marino, which is incorporated or constituted under San Marino law;

- e) to any legal person, entity or body in respect of any business done, in whole or in part, within the Republic of San Marino.

Art. 3

(Committee for Restrictive Measures)

1. In order to provide support to CBSM and to ensure compliance with this Decree-Law, the CRM shall have the power to cooperate, nationally and internationally, also through other San Marino Authorities and Police Forces.
2. The CRM may invite any competent authority or administration to participate in the meetings and may avail itself of the meetings for the purpose of implementing the provisions of this Decree-Law.
3. Requests for derogations and their authorisation or non-authorisation shall be reported to the CRM.

TITLE II

FINANCIAL SANCTIONS

Art. 4

(Financial restrictive measures towards major credit institutions)

1. It shall be prohibited for anyone to carry out, directly or indirectly, including in the exercise of the reserved activities referred to in letters D, E and F of Annex 1 to the LISF by authorised parties, any transaction (purchase, sale, exchange, giving/taking of collateral, assistance in the issuance, etc.) concerning financial instruments, referred to in Annex 2 to the LISF, issued:
 - between 1 August 2014 and 12 September 2014, if they have a residual maturity of more than 90 days;
 - between 12 September 2014 and 12 April 2022, if they have residual maturity, if already issued or, if not already issued, a maturity of more than 30 days;
 - after 12 April 2022, whatever the maturity;if the issuer falls into at least one of the following categories:
 - a) persons included among those listed in Annex I to the Decision;
 - b) legal persons, or any entities other than natural persons, established outside the Republic of San Marino or an Associating State, which are owned for more than 50% by one of the persons referred to in letter a);
 - c) legal persons, or any entities other than natural persons, acting on behalf or at the direction of a person falling within one of the categories referred to in letters a) and b) of this paragraph, pursuant to Article 2 of the LISF.

Art. 5

(Financial restrictive measures towards state owned or state controlled entities)

1. It shall be prohibited for anyone to carry out, directly or indirectly, including in the exercise of the reserved activities referred to in letters D, E and F of Annex 1 to the LISF by authorised parties, any transaction (purchase, sale, exchange, giving/taking of collateral, assistance in the issuance, etc.) concerning financial instruments, referred to in Annex 2 to the LISF, issued after 12 April 2022, if the issuer falls into at least one of the following categories:
 - a) persons included among those listed in Annex V to the Decision;

- b) legal persons, or any entities other than natural persons, established outside the Republic of San Marino or an Associating State, which are owned for more than 50% by one of the persons referred to in letter a);
- c) legal persons, or any entities other than natural persons, acting on behalf or at the direction of a person falling within one of the categories referred to in letters a) and b) of this paragraph, pursuant to Article 2 of the LISF.

Art. 6

(Financial restrictive measures towards companies operating in the arms or oil industry)

1. It shall be prohibited for anyone to carry out, directly or indirectly, including in the exercise of the reserved activities referred to in letters D, E and F of Annex 1 to the LISF by authorised parties, any transaction (purchase, sale, exchange, giving/taking of collateral, assistance in the issuance, etc.) concerning financial instruments, referred to in Annex 2 to the LISF, issued:
 - between 12 September 2014 and 12 April 2022, if they have a residual maturity, if already issued or, if not already issued, a maturity of more than 30 days;
 - after 12 April 2022, whatever the maturity;if the issuer falls into at least one of the following categories:
 - a) persons included among those listed in Annex II to the Decision;
 - b) persons included among those listed in Annex III to the Decision;
 - c) legal persons, or any entities other than natural persons, established outside the Republic of San Marino or an Associating State, which are owned for more than 50% by an person referred to in letters a) or b);
 - d) legal persons, or any entities other than natural persons, acting on behalf or at the direction of a person falling within one of the categories referred to in letters a), b) and c) of this paragraph, pursuant to Article 2 of the LISF.

Art. 7

(Financial restrictive measures towards companies and entities under the control of or in which Russia, its government or its central bank participate)

1. It shall be prohibited for anyone to carry out, directly or indirectly, including in the exercise of the reserved activities referred to in letters D, E and F of Annex 1 to the LISF by authorised parties, any transaction (purchase, sale, exchange, giving/taking of collateral, assistance in the issuance, etc.) concerning financial instruments, referred to in Annex 2 to the LISF, issued after 12 April 2022, if the issuer falls into at least one of the following categories:
 - a) legal persons, or other entities other than natural persons, established in Russia that:
 - are publicly owned for more than 50%, or which are:
 - at the direction of Russia, its Government or its Central Bank, pursuant to Article 2 of the LISF, or which in any case
 - have Russia, its Government or its Central Bank as among its shareholders;
 - b) legal persons, or any entities other than natural persons, established outside the Republic of San Marino or an Associating State, which are owned for more than 50% by a person referred to in Annex VI to the Decision;
 - c) legal persons, or any entities other than natural persons, acting on behalf or at the direction of a person falling within one of the categories referred to in letters a) and b) of this paragraph, pursuant to Article 2 of the LISF.

Art. 8

(Closure of trading venues to transferable securities with public issuer)

1. It shall be prohibited to list and provide services as of 12 April 2022 on trading venues registered or recognised in the Republic of San Marino for the transferable securities of any legal person, entity or body established in Russia and with over 50% public ownership.

Art. 9

(Blocking of the provision of new funding)

1. It shall be prohibited for anyone to conclude or participate, directly or indirectly, in financing agreements for making new credit to legal persons, or any entities other than natural persons, referred to in Articles 4, 5, 6 and 7, except in cases where the new credit has the specific and documented objective to provide:
 - a) financing for non-prohibited imports or exports of goods and non-financial services between the Republic of San Marino and any other State, including the expenditure for goods and services from another State that is necessary for executing the export or import contracts; or
 - b) emergency funding to meet solvency and liquidity criteria for legal persons established in the Republic of San Marino, whose proprietary rights are owned for more than 50% by a person referred to Annex I to the Decision.

Art. 10

(Financial restrictive measures for newly issued government securities)

1. It shall be prohibited for anyone to carry out, directly or indirectly, including in the exercise of the reserved activities referred to in letters D, E and F of Annex 1 to the LISF by authorised parties, any transaction (purchase, sale, exchange, giving/taking of collateral, assistance in the issuance, etc.) concerning financial instruments, referred to in Annex 2 to the LISF, issued after the entry into force of this Decree-Law:
 - a) by Russia and its government;
 - b) by the Central Bank of Russia or a legal person or other entity or body acting on its behalf or at its direction pursuant to Article 2 of the LISF.

Art. 11

(Blocking of new funding)

1. The persons referred to in Article 10 shall be prohibited from concluding or participating, directly or indirectly, in financing agreements for making new credit, except for cases in which the new credit has the specific and documented objective of providing financing for imports or exports of goods and non-financial services which are not subject to prohibitions between the Republic of San Marino and any other State, including expenditure on goods and services coming from the other State that is necessary for executing export or import contracts.

Art. 12

(Blocking of transactions related to the management of reserves and assets of the central bank)

1. Transactions related to the management of reserves as well as of assets of the Central Bank of Russia, including transactions with any legal person, entity or body acting on behalf of, or at the direction of, the Central Bank of Russia, pursuant to Article 2 of the LISF, such as the Russian National Wealth Fund, shall be prohibited.

2. CBSM may authorise a transaction provided that it is strictly necessary to ensure the financial stability of the Republic of San Marino.

Art. 13

(Blocking of deposits above the threshold)

1. It shall be prohibited to accept new deposits, whether sight deposits or fixed term deposits, regardless of the type of account (savings deposit, certificate of deposit, current account deposit or payment account deposit, etc.), from:

- a) natural persons with Russian citizenship or residing in the Russian territory;
- b) legal persons, entities or bodies established on the Russian territory;

if the total amount of deposits attributable to the same person at the same bank already exceeds € 100,000.00 or if it would exceed this amount as a result of the aforementioned new deposit.

2. The prohibition referred to in paragraph 1 shall not apply:

- a) to residents in Russia who are citizens of San Marino or of an Associating State, as well as to Russian citizens who are residents or holders of a stay permit in the territory of San Marino or of an Associating State;
- b) to deposits which are necessary for non-prohibited cross-border trade in goods and services between the Republic of San Marino and Russia.

3. CBSM may authorise the acceptance of new deposits by way of derogation of paragraph 1 in cases where it ascertains that such deposits are:

- a) necessary to satisfy the basic needs persons referred to in paragraph 1 and their dependent family members, including payments for food, rent or mortgage, medicines and medical treatment, taxes, insurance premiums, and public utility charges;
- b) necessary for civil society activities that directly promote democracy, human rights or the rule of law in Russia;
- c) necessary for humanitarian purposes, such as delivering or facilitating the delivery of assistance, including medical supplies, food, or the transfer of humanitarian workers and related assistance or for evacuations;
- d) necessary for the official purposes of diplomatic missions, consular posts or international organisations;
- e) intended exclusively for the payment of reasonable professional fees or the reimbursement of incurred expenses associated with the provision of legal services;

4. Banks established in the Republic of San Marino shall submit to CBSM, by 27 May 2022, a list of deposits with a total value exceeding € 100,000.00 held by the persons referred to in paragraph 1, and shall provide updates on the amounts of such deposits every 12 months, in the manner and forms established by CBSM pursuant to Article 41 of the LISF.

Art. 14

(Blocking of the centralisation of transferable securities)

1. Persons authorised to perform the reserved activity referred to in letter D-quater of Annex 1 to the LISF shall be prohibited from providing any services for transferable securities, referred to in letter B of Annex 2 to the LISF, issued after 12 April 2022 to any Russian citizen or natural person resident in Russia, or to any legal person, entity or body established in Russia.

2. The prohibition referred to in paragraph 1 shall not apply to residents in Russia who are citizens of San Marino or of an Associating State and to Russian citizens who are residents or holders of a stay permit in the territory of San Marino or of an Associating State.

Art. 15

(Blocking of the sale of financial instruments in euro)

1. It shall be prohibited for anyone, including in the exercise of the reserved activities referred to in letters D, E and F of Annex 1 to the LISF by authorised parties, to sell euro-denominated transferable securities or units in collective investment undertakings offering exposure to such securities, to any Russian citizen or natural person residing in Russia, or to any legal person, entity or body established in Russia.

2. The prohibition referred to in paragraph 1 shall not apply to residents in Russia who are citizens of San Marino or of an Associating State and to Russian citizens who are residents or holders of a stay permit in the territory of San Marino or of an Associating State.

Art. 16

(Blocking of specialised financial messaging services)

1. It shall be prohibited to provide specialised financial messaging services, which are used to exchange financial data, to the legal persons, entities or bodies listed in Annex VIII to the Decision or to any legal person, entity or body established in Russia whose proprietary rights are directly or indirectly owned for more than 50% by an entity listed in Annex VIII.

Art. 17

(Blocking of transfer of euro banknotes)

1. It shall be prohibited for anyone, including in the exercise of the activities of professional cash handlers referred to in Law no. 101 of 29 July 2013 and subsequent amendments, to sell, supply, transfer or export euro-denominated banknotes to Russia or to any natural or legal person, entity or body residing or established in Russia, including the Government and the Central Bank of Russia, or for use in Russia.

2. The prohibition in paragraph 1 shall not apply to the sale, supply, transfer or export of euro-denominated banknotes provided that such sale, supply, transfer or export is necessary for:

- a) the personal use of natural persons travelling to Russia or members of their immediate families travelling with them; or
- b) the official purposes of diplomatic missions, consular posts or international organisations in Russia enjoying immunities in accordance with international law.

Art. 18

(Blocking of banking, financial and insurance services instrumental in strategic sectors)

1. It shall be prohibited for anyone to provide, directly or indirectly, including in the exercise of the reserved activities referred to in Annex 1 to the LISF by authorised parties:

- financing or financial assistance, including in particular grants, loans and export credit insurance or guarantee;

- insurance and reinsurance for any sale, supply, transfer or export or for the provision of related technical assistance;
 - brokering services or other services,
- to any natural or legal person, entity or body residing or established in Russia or for use in Russia in one of the following sectors or product categories:
- a) military activities, arms and related materiel of all types, including weapons and ammunition, military vehicles and equipment, paramilitary equipment, and spare parts therefor, according to the Common Military List of the European Union adopted by the Council on 17 March 2014 (CFSP 2014/C 107/01);
 - b) dual-use goods and technologies listed in Annex I to the EU Regulation 2021/821;
 - c) goods and technology which might contribute to Russia's military and technological enhancement of its defence and security sector, as defined in Annex VII to the Regulation;
 - d) goods and technology or use in oil refining, as defined in Annex X to the Regulation;
 - e) goods and technology for use in aviation or the space industry, as defined in Annex XI to the Regulation;
 - f) goods and technology for maritime navigation or to be placed on board a ship flying the Russian flag, as described in Annex XVI to the Regulation.
2. With regard to letters b), c) and f) of paragraph 1, exceptions shall be made in cases where the goods or technologies have one of the following non-military destinations, users or uses:
- a) humanitarian purposes, health emergencies, urgent prevention or mitigation of an event likely to have a serious and significant impact on human health and safety or the environment or as a response to natural disasters;
 - b) medical or pharmaceutical use;
 - c) temporary export of products used by the media;
 - d) software updates;
 - e) use as consumer communication devices;
 - f) ensuring cyber-security and information security for natural and legal persons, entities and bodies in Russia except for its government and undertakings directly or indirectly controlled by that government;
 - g) personal use of natural persons travelling to Russia or members of their immediate families travelling with them, and limited to personal effects, household effects, vehicles or tools of trade owned by those individuals and not intended for sale.

Art. 19

(Blocking of public funding)

1. Except when aimed at trading food products and in the case of agricultural, medical or humanitarian purposes, the Ecc.ma Camera della Repubblica di San Marino and CBSM shall not provide funding or financial assistance, including the provision of guarantees and any form of facilitation, for trade with Russia or for investments in that country.

Art. 20

(Financial restrictive measures towards the Russian Direct Investment Fund)

1. It shall be prohibited to invest, participate or otherwise contribute to projects co-financed by the Russian Direct Investment Fund.

Art. 21*(Exclusion of liability)*

1. Refusal to perform the operations and services described in the articles above, if carried out in good faith and on the basis that such action is in accordance with this Decree-Law, shall not give rise to liability of any kind on the part of the natural or legal person, entity or body implementing it, or its directors or employees, unless it is proved that the non-performance is due to negligence.
2. Actions by natural or legal persons, entities or bodies shall not give rise to liability of any kind on their part, if they did not know, had no reasonable ground to suspect, or did not suspect that their actions would infringe the measures set out in this Decree-Law.

Art. 22*(Effects of restrictive measures on contracts and transactions)*

1. No claims in connection with any contract or transaction the performance of which has been affected, directly or indirectly, in whole or in part, by the measures imposed under this Decree-Law, including claims for indemnity or any other claim of this type, such as a claim for compensation or a claim under a guarantee, in particular a claim for extension or payment of a bond, guarantee or indemnity, particularly a financial guarantee or financial indemnity, of whatever form, shall be satisfied, if they are made by:
 - a) legal persons, entities or bodies identified in the EU Regulation in the lists in Annexes III, IV, V, VI, XII, XIII, XIV or XV or in the following provisions of the Regulation:
 - Article 5, letters b) and c) of paragraphs 1,2 and 4 and letters c) and d) of paragraph 4;
 - Article 5b, letters a), b) and c);
 - Article 5h,
 - b) any other Russian natural or legal person, entity or body;
 - c) any natural or legal person, entity or body acting through or on behalf of one of the parties referred to in letters a) or b) of this paragraph.
2. In any proceedings for the enforcement of a claim, the onus of proving that satisfying the claim is not prohibited by paragraph 1 shall be on the person seeking the enforcement of that claim.
3. This Article shall be without prejudice to the right of the parties referred to in paragraph 1 to judicial assessment of the legality of the non-performance of contractual obligations in accordance with this Decree-Law.

Art. 23*(Prohibition of circumvention)*

1. It shall be prohibited to participate, knowingly and intentionally, in activities the object or effect of which is to circumvent the prohibitions referred to in this Decree-Law, including by acting as a substitute for the persons subject to the sanction measures introduced herein or otherwise acting to their advantage by using the exceptions or derogations provided for herein.

TITLE III**COORDINATION PROVISIONS****Art. 24***(Coordination with Law no. 96 of 29 June 2005 and subsequent amendments)*

1. For the purposes of this Decree-Law, CBSM may participate in the meetings of the CRM to which it is summoned, in the person of the Director General or his delegate, who shall take part in the execution of the decisions of the Supervision Committee referred to in Article 15 of Law no. 96 of 29 June 2005, and subsequent amendments.

2. For information provided to CBSM and CRM for the purposes of this Decree-Law, professional secrecy as defined in Article 29 of Law no. 96 of 29 June 2005 and subsequent amendments shall not apply.

Art. 25

(Coordination with Law no. 165 of 17 November 2005 and subsequent amendments)

1. For the purposes of this Decree-Law, the CBSM has the same supervisory powers of reporting and inspection as referred to Articles no. 41, 42 and 43a of the LISF.
2. For information provided to CBSM and CRM for the purposes of this Decree-Law, banking secrecy as defined in Article 36 of the LISF shall not apply.

Art. 26

(Coordination with Decree no. 76 of 30 May 2006 and subsequent amendments)

1. In the event of violations of the provisions of this decree-law attributable to the persons referred to in Article 22 of Decree no. 76 of 30 May 2006 and subsequent amendments, the sanctioning procedure shall be governed by Article 23 of the same Decree and the criteria for the application, determination and publication of sanctions shall be the same, insofar as applicable, as those listed in Articles 31 and 32 of Law no. 96 of 29 June 2005 and subsequent amendments.
 - 1 bis. Without prejudice to the provisions of Article 21, paragraph 2 above, and in accordance with the provisions of Article 1, paragraph 5 of Decree-Law no. 27 of 4 March 2022, violations of the provisions of this Decree-Law shall be punished with a pecuniary administrative sanction between a minimum of EUR 5,000.00 to a maximum of EUR 1,000,000.00.
 - 1 ter. Except for the cases referred to in paragraph 1, the assessment procedure shall be carried out by the Police Forces, which shall be obliged to notify to CBSM for the alleged violation and application of the administrative sanction.

Done at Our Residence, on 28 April 2022/1721 since the Foundation of the Republic.

THE CAPTAINS REGENT
Oscar Mina – Paolo Rondelli

THE MINISTER OF
INTERNAL AFFAIRS
Elena Tonnini

