

Unofficial Translation

DECREE-LAW

THE PRESIDENT OF THE REPUBLIC

Having regard to Articles 77 and 87 of the Italian Constitution;

Having regard to Article 47 of the Italian Constitution;

Having regard to Article 117, paragraph 2, letter e) of the Italian Constitution;

Having regard to Legislative Decree 385 of 1 September 1993;

Having regard to Legislative Decree 58 of 24 February 1998;

Having regard to the Decree of the President of the Republic 398 of 30 December 2003, and in particular article 3;

Having considered the conclusions of the Ecofin Council of 7 October 2008 on the common principles of the European Union for the adoption of immediate responses to financial turmoil;

Having considered the agreement achieved by the Heads of State and Government of the Euro area countries on 12 October 2008 on a concerted action plan to face the financial crisis;

Having assessed the exceptional necessity and urgency to guarantee the stability of the banking system and the continuity of credit flows to enterprises and consumers, in the context of the current situation of crisis of international financial markets;

Having considered the exceptional necessity and urgency of integrating the programme for protecting public savings and for preserving financial stability, established with the decree-law 155 of 9 October 2008;

Having regard to the decision adopted by the Council of Ministers in the meeting of 13 October 2008;

On the proposal of the President of the Council of Ministers and of the Minister for the Economy and Finance;

Adopts the following Decree Law:

Art. 1

1. The Ministry for the Economy and Finance is authorized up to 31 December 2009 to provide a State guarantee, at market conditions, on Italian banks' liabilities with maturity up to five years issued after the entry into force of this decree-law.
2. The Ministry for the Economy and Finance is authorized up to 31 December 2009 to enter into temporary swap arrangements between Treasury bills and financial instruments held by Italian banks or liabilities of Italian banks with maturity up to five years and issued after the entry into force of this decree-law. The issues of Treasury bills related to these operations and those undertaken according to art. 1, paragraph 7, letter d), of the decree-law 155 of 9 October 2008, may be undertaken in derogation to the limits envisaged in this respect by the current legislation. The cost of these operations for the counterparty banks is defined taking into account market conditions.
3. The Ministry for the Economy and Finance is authorized up to 31 December 2009 to provide a State guarantee, at market conditions, on the operations stipulated by Italian banks in order to obtain the temporary availability of securities eligible for refinancing operations with the Eurosystem.
4. The advances of the Ministry for the Economy and Finance deriving from the operations referred to in paragraphs 1, 2 and 3 are supported by a general privilege on movable and immovable goods, which prevails on any other privilege.
5. The operations referred to in paragraphs 1, 2 and 3 are undertaken on the basis of the evaluation by the Bank of Italy of the capital adequacy of the applicant bank and of its capacity to meet the undertaken obligations.
6. The Ministry for the Economy and Finance may undertake the operations referred to in paragraphs 1, 2 and 3 also vis-à-vis the banks with regard to which it has underwritten capital increases according to article 1 of the decree-law 155 of 9 October 2008.

Art. 2

1. With general administrative acts of the Minister for the Economy and Finance, after consulting the Bank of Italy, the criteria, the conditions, and the modalities for the operations referred to in article 1, paragraph 2, for the State guarantee referred to in article 1, paragraphs 1 and 3, and for the implementation of this decree-law are established.
2. The State guarantee referred to in article 1, paragraphs 1 and 3, will be listed in the annex to the expenditure forecast of the Ministry for the Economy and Finance referred to in art. 13 of the Law 468 of 5 August 1978. The related financial burden, if any, will be covered, according to art. 7, paragraph 2, number 2), of the Law 468 of 5 August 1978, through charges allocated to the basic forecast unit 8.1.7.
3. Exceeding revenues deriving from this decree-law are reallocated to the specific entry of the expenditure forecast of the Ministry for the Economy and Finance referred to in art. 1, paragraph 7, of the decree-law 155 of 9 October 2008.