

DECREE no. 37 of 11 March 2001

REPUBLIC OF SAN MARINO

Ratification of Decree no. 34 of 5 March 2001 "Provisions relating to the introduction of the EURO in the national legal framework"

On 11 March 2001, the Great and General Council ratified the Decree of the Republic of San Marino no. 34 of 5 March 2001, thus amending the final text of the Decree as follows:

We the Captains Regent

of the Most Serene Republic of San Marino

In view of Article 2 of Law no. 124 of 16 December 1998 (Framework Law on the introduction of the EURO);

In view of Decree no. 43 of 19 April 1999 (Financial and accounting principles and general provisions for the introduction of the EURO);

In view of Decree no. 44 of 19 April 1999 (Provisions for the introduction of the EURO concerning public administrations and financial operators);

Having heard the opinion of the Euro Committee;

In view of Resolution n. 30 of the State Congress of 5 March 2001;

By exercising Our Rights,

Are decreeing, promulgating and ordering the publication of:

Art. 1

1. With effect as of 1 January 2002:

a) Article 3 of Law no. 27 of 26 February 1986, substituting Article 6 of Law no. 42 of 22 June 1977, is replaced by the following:

"Consortia's share capital is constituted by shareholders' units.

The nominal value of the individual units may not be less than 750 (seven-hundred and fifty) EURO each.

The Shareholders' Meeting shall determine the values of the contributions, with the possibility of periodic updates, that will be paid by the shareholders based on the performance that the consortium offers to individual investors.

The meeting shall determine values that are higher than the minimum unit amount with the possibility of periodic updates.

In the event of a withdrawal, duly updated paid-up units must be repaid within one year from withdrawal.

The sale of shares and the admission of new shareholders must be authorised by the board of directors. A shareholder who does make total or partial payment of the subscribed shareholding, prior to a notice served by the board of directors, may be excluded from the consortium".

b) Article 1, fourth paragraph, point b1), of Law no. 33 of 8 March 1988, amending Article 5 of Law no. 21 of 12 February 1986 is replaced by the following:

"the existence of a minimum share capital of EURO 7,745,000 (seven million seven hundred and forty-five thousand). This rule does not apply to banks established as cooperative companies. The amount of minimum share capital may be amended by decree of the Republic of San Marino".

c) Article 1, fifth paragraph, point c), of Law no. 33 of 8 March 1988, amending Article 5 of Law no. 21 of 12 February 1986, is replaced by the following:

"The nominal value of each share shall not be less than EURO 50 (fifty)".

d) Article 25 of Law no. 68 of 13 June 1990 is replaced by the following:

"1. The amount of share capital may not be less than the following amounts:

a) EURO 25,500 (twenty-five thousand and five hundred) in a limited liability company and in a single-member limited liability company;

b) EURO 77,000 (seventy-seven thousand) in a limited liability company;

c) EURO 258,000 (two hundred and fifty-eight thousand) in a bearer share owned company.

2. The share capital of the companies referred to in paragraph 2 of Article 7 above must be adequately proportional to the company's operational programme, with full power given to the State Congress to evaluate its consistency at the time of granting of preventive authorisation.

3. The nominal value of company or single-member company units or shares is one EURO or its multiples".

e) The last paragraph of Article 7 of Law no. 149 of 29 November 1991 is replaced by the following:

" In all cases, share capital is divided into units whose nominal value may not be less than EURO 10 (ten) or more than EURO 600 (six-hundred) each".

f) for associations, foundations and other corporate bodies, the capital as well as the units are expressed in EURO.

Art. 2

1. The fifth paragraph of Article 4 of Decree no. 44 of 19 April 1999 is replaced as follows:

"Transactions indicated in paragraphs 1 to 4 are provided for by directors in derogation of Articles 27 and 52 of Law no. 68 of 12 June 1990. The minutes of the meetings of the board of directors or the sole director's reports relating to the conversion process can be drawn up even without the assistance of a notary public, and are filed and registered with the Court Registry. Directors shall report on their work at the first regularly convened meeting".

2. In Article 4 of Decree no. 44 of 19 April 1999, the following paragraphs are added:

" 8. Converted share capital may not be less than EURO 25,500 (twenty-five thousand and five hundred) in a limited liability company and in a single-member limited liability company, EURO 77,000 (seventy-seven thousand) in the joint-stock company, EURO 258,000 (two-hundred and fifty-eight thousand) in a bearer share owned company".

9. In a cooperative company, the nominal value of share capital units may not be less than EURO 10 (ten) or more than EURO 600 (six-hundred) each.

10. Share capital converted by consortia, consisting of the nominal value of the individual shareholders' units, may not be less than EURO 750 (seven hundred and fifty) for each unit."

3. In so far as they are compatible, the provisions of Article 4 of Decree no. 44 of 19 April 1999 shall apply to single-member company units.

4. Companies that have already been formed must still convert their share capital into EURO by the deadline of 31 December 2001.

5. Any rounding-down, as long as it is contained within the 2% limit and is in any case in compliance with the minimum requirements provided for in Article 2, shall not be subject to the procedures laid down in Article 27 of Law no. 68 of 13 June 1990; in this case, however, the sum derived from the capital for the next two years is to be set aside on a special reserve fund, and during this period it cannot be distributed among the shareholders.

6. Transactions on share capital that do not fall within the conversion assumptions referred to in Article 4 of Decree no. 44 of 19 April 1999 remain subject to registration fee.

Art. 3

1. By 31 December 2003, the documents and correspondence of legal persons must indicate the share capital in EURO, as resulting from its conversion.

Art. 4

1. If corporate bodies did not convert the share capital as provided for by the decree of the Republic of San Marino within the above-mentioned deadline, the Commissioner's Civil and Criminal Court, ex-officio or upon request by any party concerned, if the directors of the corporate bodies are not already proceeding, shall convene the shareholders' meeting, which must ensure the conversion of their share capital.

TRANSITIONAL MEASURES

Art. 5

1. Up to 31 December 2001, in application of Article 1 of Law no. 124 of 16 December 1998 and subsequent implementing decrees:

a) the companies and the limited liability single-member company can be established by expressing the amount of share capital in EURO. Share capital expressed in this manner may not be less than the following amounts: EURO 25,500 (twenty-five thousand and five hundred) in a limited liability company and in single-member limited liability company, EURO 77,000 (seventy-seven thousand) in a joint-stock company, EURO 258,000 (two-hundred and fifty-eight thousand) in a bearer share owned company. The nominal value of units or shares of a newly established company or single-member company is 1 (one) EURO or its multiples;

b) a cooperative company may be established by expressing its share capital in EURO. Share capital expressed in this manner is divided into units whose nominal value may not be less than EURO 10 (ten) or more than EURO 600 (six-hundred) each;

d) share capital of consortia, consisting of the shareholders' units, can be established in EURO. The nominal value of individual units may not be less than 750 (seven-hundred and fifty) EURO each;

d) the capital of associations, foundations and other corporate bodies can be established in EURO, as well as its shares.

Done at our Residence, on 13 March 2001/1700 s.F.R.

THE CAPTAINS REGENT

Gian Franco Terenzi - Enzo Colombini

T
H
E
S
E
C
R
E
T
A
R
Y
O
F
S
T
A
T
E

F
O
R
I
N
T
E
R
N
A
L
A
F
F
A
I
R
S

*Fr
an
ces
ca
Mi
ch
elo
tti*