

**PROVISIONS FOR THE IDENTIFICATION OF THE
BENEFICIAL OWNERSHIP STRUCTURE OF
COMPANIES UNDER SAN MARINO LAW**

LAW NO. 98 OF 7 JUNE 2010

UNOFFICIAL TEXT

NOTICE

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Art. 1

(Amendments to Law no. 47 of 23 February 2006 “Company Law”)

1. Article 2, paragraph 4, letter b) of Law no. 47 of 23 February 2006 (“Company Law”) and subsequent amendments shall be amended as follows:

“b) Companies with share capital:

- joint stock companies
- limited liability companies”.

2. All regulatory provisions referring to Anonymous Companies, contained in Law no. 47 of 23 February 2006 and subsequent amendments and in special laws, shall be repealed.

3. Anonymous Companies that are already entered in the Register of Companies at the date of entry into force of this Law shall:

a) convert their shares into registered shares by 30 September 2010;

b) deposit a certified abstract of the Register of Shareholders with the Commercial Registry of the Single Court by 30 November 2010.

4. By depositing the document referred to in preceding paragraph 3, point b) with the Commercial Registry of the Single Court, Anonymous Companies shall become Joint Stock Companies in every respect and, at the earliest possible general meeting after the entry into force of this Law, they shall amend their articles of association and the indication of the company type in the corporate name so as to eliminate any reference to the Anonymous Company.

5. The Commercial Registry shall forward the deeds and documents of the companies that have not fulfilled the obligations referred to in paragraph 3 above to the Law Commissioner. The Law Commissioner shall establish a mandatory time-limit of 30 days within which non-compliant companies shall conform to the new provisions or file the missing documentation and warn that if such obligations are not met, the company will be subject to winding-up measures.

6. If upon expiry of the time-limit established in paragraph 3 point a) no action has been taken, the Notaries Public who are still depositaries of bearer shares representing participations in San Marino anonymous companies shall inform in writing the Office for Control and Supervision of Economic Activities and the Financial Intelligence Agency by 30 November 2010, under and by virtue of Law no. 100 of 22 July 2009.

Art. 2

(Provisions on participations in companies through fiduciary mandates)

1. In accordance with the conditions, principles and prohibitions set forth in this Law and in Law no. 47 of 23 February 2006 (Company Law) and subsequent amendments, foreign fiduciary companies may execute mandates involving the management of participations in San Marino companies registered in their name, provided that:

- a) contractual and pre-contractual relations with customers do not take place in San Marino territory;
- b) they comply with the same obligations imposed on fiduciary companies authorised in San Marino by Article 17 of Law no. 47 of 23 February 2006 (Company Law) and

- subsequent amendments, and the relevant enforcement provisions issued by the Central Bank of the Republic of San Marino and the Financial Intelligence Agency;
- c) they produce, upon establishment or purchase of the participation in a San Marino company, detailed information about their foreign administrative authorization to carry out fiduciary activities .

2. If the mandate concerns participation in San Marino companies, fiduciary companies, whether San Marino or foreign, shall be required to forward to the Supervision Department of the Central Bank of the Republic of San Marino, within 30 days following the entry into force of this Law or the registration of the participated company in the Register of Shareholders if later, a written communication containing the identification data of the settlors, the shareholdings of each of them as well as, in case they are not natural persons, the identification data of their beneficial owners. In addition thereto, any subsequent change relating to their settlors and/or beneficial owners shall be notified.

Art. 3

(Obligations and rights of unilateral withdrawal for Fiduciary Companies)

1. When the fiduciary companies referred to in the preceding Article:
- a) ascertain that the settlors or the beneficial owners no longer meet the relevant suitability requirements;
- b) are not in the position to verify whether the aforesaid requirements are maintained within the time-limits set out by the Central Bank of the Republic of San Marino due to settlors' or beneficial owners' non-compliance;
- they shall unilaterally withdraw from the agreement.
2. The fiduciary companies referred to in the preceding Article may unilaterally withdraw from agreements if they ascertain serious breaches of the agreement on the part of the settlors.
3. The withdrawal effected pursuant to paragraphs 1 and 2 above shall be notified to the settlor, the legal representative of the company for requirements relating to the Register of Shareholders, and to the Commercial Registry of the Single Court.
4. Once the Commercial Registry of the Single Court is notified, corporate rights shall be exercised by settlors.

Art. 4

(Other reporting obligations)

1. By 31 July 2010 all companies with share capital, other than those with anonymous bearer shares, having their registered office in the Republic of San Marino shall provide the Commercial Registry of the Single Court, also through a Notary Public belonging to the relevant San Marino Professional Association, with a certified abstract of their Register of Shareholders, which shall clearly outline their ownership structure.

Art. 5

(Sanctions)

1. If the reporting and filing obligations envisaged by this Law and by Law no. 47 of 23 February 2006 (Company Law) and subsequent amendments are not fulfilled, the Office of Industry, Handicraft and Trade shall apply an administrative sanction of € 5,000.00 for any single violation, following a report by the competent supervisory offices/bodies to which communications are to be addressed or with which documents have to be deposited.

Art. 6

(Transitional provision)

1. By 31 July 2010 foreign fiduciary companies holding participations in San Marino companies at the date of entry into force of this Law shall comply with the provisions referred to in Article 2, paragraph 1, point c), by directly filing the statement with the Commercial Registry of the Single Court.

Art. 7

(Final provisions)

1. This Law shall apply to all companies under San Marino law, including those mentioned by Article 2, paragraph 2 of Law no. 47 of 23 February 2006 (Company Law).
2. One or more delegated decrees shall regulate:
 - prohibitions to hold and transfer participations in companies;
 - procedures for the re-registration of participations following the withdrawal referred to in Article 3 above;
 - rules for and derogations to the application of the provisions of this Law relating to winding-up procedures;
 - provisions derogating from Article 1, paragraph 5, aimed at converting bearer shares into registered shares so as to protect the shareholders who have complied with the provisions of this Law.
3. A Circular issued by the Secretariat of State for Industry, Handicraft and Trade may establish implementation rules for this Law.
4. The Office for Control and Supervision of Economic Activities and the Central Liaison Office shall have access to the information collected and kept by the Central Bank under this Law, and they shall be entitled to use such information to perform their functions of control and supervision of companies and to exchange information in accordance with the Law and the international agreements in force. The access to and the use of said information shall not constitute a violation of the confidentiality obligations referred to in Article 36 of Law no. 165 of 17 November 2005 and subsequent amendments.

Art. 8

(Entry into force)

1. This Law shall enter into force on the 15th day following that of its legal publication.

Done at Our Residence, on 7 June 2010

THE CAPTAINS REGENT
Marco Conti – Glauco Sansovini

THE SECRETARY OF STATE
FOR INTERNAL AFFAIRS
Valeria Ciavatta