

**THE DIRECTOR GENERAL
OF THE CENTRAL BANK OF THE REPUBLIC OF SAN MARINO**

IN VIEW of Regulation no. 2014-02 (*Measurement of anti-usury threshold rate pursuant to Article 207 of the criminal code*) issued by the Central Bank, and in particular Article 8 - *Publication of threshold rates*, it must be supported with appropriate Circular, that shall also be published in the Official Bulletin, to provide quarterly anti-usury threshold rate;

IN VIEW of Regulation no. 2015-03 (*Miscellany of measures aimed at reviewing the supervisory provisions currently in force*) and especially the transitional measure of art. 14 paragraph 4;

IN VIEW of the Supervision Committee and the Governing Council resolutions;

IN VIEW of the Statutes of the Central Bank of the Republic of San Marino approved by Law no. 96 of 29 June 2005 and in particular Article 30, paragraph 3 of the Statutes, based on which the Central Bank's acts on supervision, passed by the Supervision Committee, are issued by the Director General, and Article 14, paragraph 5 of the Statutes, that governs the case in the absence or indisposition of the Director General.

ISSUES

the enclosed Circular no. 2016-TS1, which enters into force on January 1, 2016.

San Marino, 29 December 2015

Signed: DEPUTY DIRECTOR
Daniele Bernardi

Circular no. 2016-TS1

PUBLICATION OF ANTI-USURY THRESHOLD RATE INTO FORCE IN THE APPLICATION PERIOD JANUARY 1, 2016 – MARCH 31, 2016

1 DEFINITIONS AND REFERENCES

- a. For the purposes of this Circular, the following definitions shall apply:
- "**Central Bank**": the Central Bank of the Republic of San Marino, also defined as "**CBSM**" or Supervisory Authority;
 - "**application period**": period when the threshold rates are into force, communicated with the current circular;
 - "**reference period**": reference quarter for the send reports of reporting parties;
 - "**regulation**": Regulation no. 2014-02 issued by the Central Bank as subsequently amended and supplemented;
 - "**report/s**": periodic survey of information on average rates by reporting parties, sent to CBSM in the manner and terms to be defined for the purposes of determining of threshold rate;
 - "**threshold rate table**": table containing the threshold rate for the application period concerned application loans from banks and financial companies, processed by the Central Bank based on the received REPORTS from reporting parties related to reference period (second quarter before to period application);
 - "**threshold rates**": rates set quarterly by the Central Bank pursuant to Article 207 of the Criminal Code;
 - "**EAPR**": effective average percentage rate/s.
- b. In the rest of the text, the use of the terms described above is highlighted by SMALL CAPS CHARACTERS.
- c. For all terms not defined in paragraph a., reference should be made to the definitions provided for in Law no. 165 of 17 November 2005 as further amended, in REGULATION and in Regulations 2007-07 and 2011-03.

2 PUBLICATION OF THRESHOLD RATE

- a. For the APPLICATION PERIOD January 1, 2016 – March 31, 2016 the THRESHOLD RATES are indicated in the below THRESHOLD RATE TABLE, processed on EFFECTIVE RATES charged by banks and financial companies under the described criteria in the following articles.

BANCA CENTRALE DELLA REPUBBLICA DI SAN MARINO					
THRESHOLD RATES PURSUANT TO REGULATION 2014-02 (ART. 207 OF THE CRIMINAL CODE)					
Period: 01/01/2016 - 03/31/2016					
Loans granted by BANKS and FINANCIAL COMPANIES					
CATEGORIES OF FINANCING	Threshold rate %		Threshold rate for default interest %		
	Amount classes		Amount classes		
1	0 - 5.000		> 5.000		
1	Opening of credit facilities on current bank accounts				
1.a	Opening of credit facilities on current accounts that is fully or partially supported by collateral or guarantees provided by an AUTHORISED PARTY pursuant to LISF	17,23	19,86	13,44	16,07
1.b	Opening of credit facilities on current accounts that is authorised, but not supported by collateral or guarantees provided by an AUTHORISED PARTY pursuant to LISF	17,51	20,14	14,76	17,38
1.c	Opening of credit facilities on current accounts without authorisation that have become overdrawn	0 - 1.500		> 1.500	
		26,37	28,47	19,75	22,38
2	0 - 50.000		> 50.000		
2	Funding for advances on credit facilities and documents and discounts on portfolios of receivables				
		12,94	15,57	10,86	13,48
3	0 - 15.000		> 15.000		
3	Personal credit				
		16,93	19,56	12,67	15,29
4	0 - 5.000		> 5.000		
4	Target specific credit				
		22,12	24,60	16,22	18,85
5	0 - 50.000		> 50.000		
5	Factoring				
		10,93	13,55	8,69	11,31
6	0 - 25.000		> 25.000		
6	Leasing				
6.a	Leasing on registered movable properties	0 - 25.000		> 25.000	
		17,54	20,17	19,23	21,85
6.b	Leasing on real estate properties	0 - 200.000		> 200.000	
6.b.1	fixed rate	9,59	12,21	9,59	12,21
6.b.2	floating rate	10,93	13,55	9,66	12,28
6.c	Leasing on other movable properties and on intangible fixed assets	0 - 25.000		> 25.000	
		14,39	17,01	9,89	12,51
7	0 - 200.000		> 200.000		
7	Mortgages				
7.a	to families	0 - 200.000		> 200.000	
7.a.1	fixed rate	8,50	11,13	8,50	11,13
7.a.2	floating rate	9,34	11,96	7,69	10,31
7.b	to production units	0 - 200.000		> 200.000	
7.b.1	fixed rate	8,50	11,13	8,50	11,13
7.b.2	floating rate	7,51	10,16	7,51	10,16
8	0 - 5.000		> 5.000		
8	Loans repaid by one fifth of salary or pension				
8.a	Loans repaid by one fifth of salary	19,25	21,88	17,74	20,36
8.b	Loans repaid by one fifth of pension	19,25	21,88	17,74	20,36
9	0 - 5.000		> 5.000		
9	Revolving credit and with the use of credit cards				
		24,44	26,54	20,96	23,59
10	0 - 25.000		> 25.000		
10	Other funding				
10.a	to families	14,47	17,09	10,76	13,39
10.b	to production units	13,28	15,91	10,68	13,31

3 THRESHOLD RATES CALCULATION

a. The THRESHOLD RATES are processed by CBSM according to the procedures provided for in Article 19 of REGULATION as described below with an indication of the application criteria necessary for that determination in detail:

- pursuant to paragraph 4, first subparagraph, CBSM, pursuant to enlarge the information base to calculate the THRESHOLD RATES, has applied the derogation pursuant paragraph 3 of Article 19, thus abandoning the distinction between THRESHOLD RATE applicable only to banks and THRESHOLD RATE applicable only to financial companies. The published

THRESHOLD RATES are common to both categories of reporting parties (banks and financial companies);

- the reference data base was calculated as average, weighted on the number of operation reported, of EAPR submitted to CBSM banks and financial companies for each forms of financing and amount classes;
- for the transaction categories and amount classes in the following table, it is not reached the minimum quantity of operations provided by paragraph 3 of Article 19, in such cases was therefore used, for the calculation of THRESHOLD RATE, the effective average percentage rate detected within the Italian banking system for similar technical form amount class;

CATEGORIES OF FINANCING		Amount classes	
5	Factoring	0 - 50.000	> 50.000
6.b.1	Leasing on real estate properties for fixed rate	0 - 200.000	> 200.000
6.c	Leasing on other movable properties and on intangible fixed assets	0 - 25.000	> 25.000
7.a.1	Mortgages to families for fixed rate	0 - 200.000	> 200.000
7.b.1	Mortgages to production units for fixed rate	0 - 200.000	> 200.000
7.b.2	Mortgages to production units for floating rate	0 - 200.000	> 200.000
8.a	Loans repaid by one fifth of salary	0 - 5.000	> 5.000
8.b	Loans repaid by one fifth of pension	0 - 5.000	> 5.000
9	Revolving credit and with the use of credit cards	0 - 5.000	> 5.000

- with reference to paragraph 4, second subparagraph, the EAPR detected by sammarinese banks and financial companies haven't been adjusted considering of intervening changes in the main Eurosystem refinancing rates, because they were stable during the period between the REFERENCE PERIOD and the APPLICATION PERIOD;
- the calculation of THRESHOLD RATE is made in accordance with Article 19, paragraph 2 of the REGULATION, with the unification of the two sectors described above.

4 CALCULATION OF THRESHOLD RATES FOR ANTI-USURY PURPOSES IN THE CASE OF DEFAULT INTEREST

a. The threshold rate for the case of default were determined in the manner prescribed in Article 20, paragraph 1 of the regulation and consistently to the transitional period of art. 14 paragraph 4 of Regulation No 2015-03, summarized below in detail:

- sum of the weighted average of EAPR, calculated as indicated above and the increase statistically detected in the Italian banking system¹, given that, in this REFERENCE PERIOD, the data submitted by the reporting parties does not have sufficient guarantees of significance on the statistical terms;
- application of same increases criteria provided in Article 19, paragraph 2 of the REGULATION to the sum described in the first subparagraph.

¹ Equal to 210 basis point, as reported in the document "Guidance on this issue of law enforcement wear", published by the Bank of Italy on 3 July 2013.