



BANCA D'ITALIA  
EUROSISTEMA

# STATUTE

DECEMBER 2013

# **STATUTE OF THE BANK OF ITALY**

## **TITLE I CONSTITUTION AND CAPITAL**

### **ARTICLE 1**

1. The Bank of Italy is an institution incorporated under public law.
2. In performing their functions and in managing the Bank's finances, the Bank of Italy and the members of its decision-making bodies shall act autonomously and independently in observance of the principle of transparency and may not seek or accept instructions from other public or private-sector entities.
3. As the central bank of the Italian Republic, the Bank of Italy is an integral part of the European System of Central Banks (ESCB). It shall perform the tasks and functions entrusted to it in that capacity in compliance with the statute of the ESCB. It shall pursue the objectives assigned to the ESCB under Article 127(1) of the Treaty on the Functioning of the European Union (Treaty).
4. The Bank of Italy shall be the national competent authority within the framework of the single supervisory mechanism pursuant to Article 6 of Council Regulation (EU) No. 1024/2013 of 15 October 2013.
5. Furthermore, the Bank of Italy shall perform the other tasks assigned to it by law and engage in activities instrumental to its functions.

### **ARTICLE 2**

1. The Bank of Italy shall have its registered office in Rome.
2. It may have branches, which shall be divided into main branches and local branches.
3. The organizational structure of the Head Office and the branches, as defined in the regulations, shall be inspired by principles of functionality and efficiency.

### **ARTICLE 3**

1. The capital of the Bank of Italy shall be €7.500.000.000 and shall be divided into registered shares the nominal value of which shall be established by law.
2. Shareholders' ownership rights are limited to the value of the capital and to the provisions of Article 40(2)(b).
3. Shares may only be held by the entities indicated by law.
4. No shareholder may hold, directly or indirectly, a share of the capital greater than the amount specified by law. Any excess shares held shall not bestow voting rights, and the related dividends shall be attributed to the Bank of Italy's statutory reserves; these shares must be disposed of within the time limit established by the Board of Directors.

5. For the purposes of the application of the preceding paragraph, indirect holdings shall correspond to shares held through subsidiaries, trust companies or nominees.

6. The Board of Directors, with the agreement of the Board of Auditors, for the purpose of safeguarding the Bank's capital, shall annually regulate the cases, limits, procedures and conditions on the basis of which, for the purposes of enabling compliance with the limits on shareholdings in its capital as described in paragraph 4, the Bank may temporarily buy its own shares from the entities indicated in paragraph 3, provided that the purchase price does not exceed their nominal value. With the same procedures suitable forms of publicity shall also be established to ensure transparency of the buying and selling transactions effected and equal treatment of potentially interested parties. For the period of time in which the shares are held by the Bank, the related voting rights shall be suspended, but the shares shall count for the due constitution of the shareholders' meeting. The shares shall not count in determining the majorities required to approve motions; the dividends shall be attributed to the Bank of Italy's statutory reserves.

#### **ARTICLE 4**

1. The shares shall be represented by registered certificates.

2. Transfers of shares must be evidenced by endorsement, certified by a notary public, of the original certificate, which must be presented to the Head Office of the Bank, which shall issue a new certificate in the name of the transferee and, in the case of a partial transfer, a new certificate in the name of the transferor.

3. The transferee may exercise the related shareholder rights only after the transfer has been recorded in the shareholders' register held at the Bank's Head Office.

### **TITLE II**

#### **ADMINISTRATION OF THE BANK**

#### **ARTICLE 5**

1. The central decision-making bodies of the Bank are:

- a) the Shareholders' Meeting;
- b) the Board of Directors;
- c) the Board of Auditors;
- d) the Governing Board;
- e) the Governor;
- f) the Senior Deputy Governor and the Deputy Governors.

#### **SHAREHOLDERS' MEETING**

#### **ARTICLE 6**

1. Shareholders' meetings shall be ordinary or extraordinary. Extraordinary shareholders' meetings shall decide on amendments to this statute; ordinary shareholders' meetings shall decide on all the matters specified by the statute.

2. The Shareholders' Meeting shall not interfere in any way in matters pertaining to the exercise of the public functions entrusted by the Treaty, the statute of the ESCB and of the ECB, by European Union law and by law to the Bank of Italy or to the Governor for the pursuit of the Bank's institutional aims.

3. Shareholders' meetings shall be convened by the Board of Directors, including upon a motivated request from the Board of Auditors or shareholders who have had total holdings equal to or greater than 10 per cent of the capital for at least three months. Shareholders' meetings held at the Head Office shall be chaired by the Governor; those held at a main branch shall be chaired by the chairman of the board of regents of that main branch or, in his absence, the senior regent in terms of appointment or, if this is the same, of age.

4. The date and the agenda of shareholders' meetings shall be announced to shareholders in a notice published in the *Gazzetta Ufficiale* of the Italian Republic at least fifteen days before the date fixed for the meeting.

#### **ARTICLE 7**

1. The annual ordinary general meeting of shareholders shall be held at the Head Office not later than 31 May to approve the annual accounts, the allocation of the net profit, and, where necessary, the election of the members and chairman of the Board of Auditors. It shall determine the emoluments of the members of the Board of Directors and the Board of Auditors, the regents of the main offices and the councillors of the local branches.

2. The agenda, set by the Board of Directors, must also include all the proposals presented to it by the end of March, in a request signed by one or more shareholders who have had total holdings of not less than 2 per cent of the capital for at least three months. Proposals not on the agenda may not be discussed, but the meeting may decide that they be put on the agenda of a subsequent meeting.

#### **ARTICLE 8**

1. If it is not possible to complete the agenda on the day set, the chairman may adjourn the meeting to the next day.

2. If the meeting is not duly constituted on the second day, the resolutions adopted on the first day shall continue to be valid. A new meeting must be convened to discuss the remaining items on the agenda in accordance with the procedure specified in Article 10.

#### **ARTICLE 9**

1. Shareholders who have been in the register of shareholders for at least three months shall have the right to attend and vote at shareholders' meetings. Shareholders who hold shares equal to less than 0.1 per cent of the capital may attend and vote only through the representation of another shareholder.

2. Each shareholder entitled to attend may be represented by his legal representative or another person, other than a member of the Board of Directors of the Bank or of the Board of Auditors, bearing a special proxy form.

3. A participant may not represent more than four shareholders.

#### **ARTICLE 10**

1. The ordinary shareholders' meeting shall be duly constituted when at least one fourth of the Bank's capital is represented.

2. If this condition is not met, the meeting shall be postponed for not less than eight nor more than fifteen days from the first call. At the second call the meeting shall be duly constituted regardless of the share of the capital represented.

3. The postponement of the meeting shall be announced in the *Gazzetta Ufficiale*, with the information that the convocation is a second call.

4. In the meeting at the second call resolutions may not be adopted on matters other than those on the agenda of the meeting at the first call.

#### **ARTICLE 11**

1. The extraordinary shareholders' meeting shall be duly constituted when at least one third of the Bank's capital is represented. If this condition is not met, the meeting shall be reconvened in the manner specified in Article 10.

#### **ARTICLE 12**

1. The minutes of shareholders' meetings held at the Head Office shall be drawn up by a notary public and shall be signed by the end of the month following that of the meeting by the chairman thereof and by two shareholders chosen by the meeting.

#### **ARTICLE 13**

1. The Shareholders' Meeting shall be convened, in the manner specified in Articles 6, 7 and 8, at the main branches when the object is the election of members of the Board of Directors.

2. The meeting shall be duly constituted when at least one tenth of the capital is represented. If this condition is not met, the meeting shall be reconvened in accordance with the procedure laid down in Article 10.

3. The role of secretary of the meeting shall be performed by the secretary of the board of regents or, in his absence, by a person present at the meeting appointed by the chairman thereof.

4. Where the number of directors to be elected is equal to or greater than seven, their election shall be entrusted to a single shareholders' meeting to be held at the Bank's Head Office in accordance with the procedures laid down for ordinary shareholders' meetings.

5. At such meetings, a separate vote shall be taken for each main branch.

#### **ARTICLE 14**

1. Resolutions approved by the majority of the capital represented at the meeting shall be valid.

2. Elections shall be by secret ballot.

### **BOARD OF DIRECTORS**

#### **ARTICLE 15**

1. The Board of Directors shall consist of the Governor and thirteen directors. The directors are nominated by the Shareholders' Meeting, convened pursuant to Article 13, among candidates selected by the committee provided for under paragraph 5 who meet the requirements laid down in Article 16.

2. Each director shall serve for a term of five years and may be re-elected not more than twice.

3. The Senior Deputy Governor shall participate in the meetings of the Board but, unless he is standing in for the Governor, only in an advisory capacity.

4. The Deputy Governors shall attend the meetings of the Board and one of them, chosen by the Board, shall act as secretary and draw up the minutes.

5. The Board of Directors shall establish amongst its members a nomination committee composed of three directors and two alternates to rule on the possession, by candidates for nomination or re-election as director, of the requirements specified in Article 16. The Board shall issue a regulation governing the operation of the committee.

6. Acting on a proposal from the Governor, the Board may establish amongst its members other ad hoc committees.

#### **ARTICLE 16**

1. Candidates for the position of director shall be selected among persons with significant experience in business, the professions, university teaching or high-level public management and who also meet the requirements of integrity and independence.

2. The nomination committee shall check the possession of the eligibility requirements of candidates prior to their presentation to the Shareholders' Meeting, based in part on the candidates' own statements, which must show that the person:

- a) is not subject to any of the reasons for ineligibility specified in Article 2382 of the Civil Code for company directors;
- b) has never sustained a conviction, even one still subject to appeal, for crimes not of negligence, nor any prison sentence, and even if applied as a result of a plea bargain;
- c) does not hold public offices or positions at central or local level and does not hold positions of a political nature;
- d) does not hold and has not held within the past two years positions with banks or companies operating in the financial or insurance sector or with other entities that by reason of their nature, activity or other circumstances, even contingent, are subject to the powers of control, supervision or authorization of the Bank of Italy;
- e) does not perform and has not performed within the past two years work on an employee, para-employee or continuous and coordinated self-employed basis for any of the persons specified in letter d);
- f) is not, for any personal or professional reason, in a position of conflict, even only apparent or potential, with the Bank of Italy.

3. Directors shall undertake to inform the Board of any circumstance arising subsequent to the appointment that may result in the possible loss of the eligibility requirements.

#### **ARTICLE 17**

1. The Board of Directors ordinarily holds its meetings at the Head Office, convened and chaired by the Governor.

2. Where special circumstances so require, meetings can also be held via videoconferencing systems located at the Bank's branches, providing that all the participants can be identified and that they can follow the discussion, intervene and vote in real time.

3. The meetings of the Board of Directors shall be ordinary or extraordinary. The former shall be held at least once every two months; the latter whenever the Governor considers it necessary or upon a motivated request from at least three members of the Board.

4. The Board shall be duly constituted when at least seven of the members are present, not counting the Governor or his substitute.
5. Resolutions shall be passed by an absolute majority of those present. The Governor or his substitute shall vote only in the event of a tie. Resolutions shall be passed by a form of open voting or, when they concern persons, including lists, by secret ballot.
6. The minutes and excerpts from the resolutions of the Board of Directors shall be signed by the Governor or his substitute and by the secretary.

#### **ARTICLE 18**

1. The appointment of the Governor, his reappointment and his removal from office in the cases provided for by Article 14(2) of the statute of the ESCB shall be enacted by means of a decree issued by the President of the Republic, acting on a proposal from the President of the Council of Ministers following the adoption of a resolution by the Council of Ministers after hearing the opinion of the Bank of Italy's Board of Directors.
2. In order to express the opinion referred to in the previous paragraph, the Board of Directors shall be convened and chaired by the senior member in terms of appointment or, if this is the same, of age. The opinion, approved by a qualified majority of two thirds of the members of the Board, shall be issued for the purposes of the resolution of the Council of Ministers.
3. The Board of Directors, acting on a proposal from the Governor, shall appoint the Senior Deputy Governor and the Deputy Governors, reappoint them and remove them from office for the reasons given in Article 14(2) of the statute of the ESCB. For the adoption of these measures, the Board shall be convened in extraordinary session. The Board must also be convened for these purposes upon a written request from at least two thirds of the Board members, not counting the Governor. In such cases the meeting must take place not more than twenty days from the request.
4. Without prejudice to paragraph 2, the resolutions referred to in this article must be adopted with at least two thirds of the Board members present, excluding the Governor in the cases referred to in paragraph 2, and with the affirmative vote of at least two thirds of those present.
5. The appointment, reappointment and removal from office of the Senior Deputy Governor and the Deputy Governors must be approved by a decree of the President of the Republic acting on a proposal from the President of the Council of Ministers in agreement with the Minister for the Economy and Finance after consulting the Council of Ministers.

#### **ARTICLE 19**

1. The Board of Directors shall be charged with the general administration, management supervision and internal control of the Bank.
2. The Board of Directors shall not interfere in any way in matters pertaining to the exercise of the public functions entrusted by the Treaty, the statute of the ESCB and of the ECB, by European Union law and by law to the Bank of Italy or to the Governor for the pursuit of the Bank's institutional aims.
3. In conformity with legislative and regulatory provisions, the Board shall:
  - a) examine and approve, acting on a proposal from the Governing Board, the draft annual accounts and the distribution of the net profit according to the procedure laid down in Title V;
  - b) approve the annual expenditure budget;

- c) authorize contracts involving the disposal of real estate for a consideration exceeding €1 million and settlements, compositions with creditors and assignments in respect of claims exceeding €200,000, and express its opinion on all other contracts and legal actions which, because of their importance, the Governor considers should be submitted to it for approval;
  - d) approve the Bank's internal regulations;
  - e) determine the staffing levels, recruit and dismiss employees;
  - f) approve agreements negotiated with trade unions;
  - g) adopt resolutions regarding the geographical configuration and general organizational structure of the Bank;
  - h) appoint and remove from office regents at the main branches and councillors at the local branches and determine their number and which of them are to act as examiners;
  - i) appoint the Bank's foreign correspondents;
  - j) determine the rules and terms and conditions for the Bank's operations;
  - k) set the annual limit on donations to charity and contributions to initiatives of public interest;
  - l) oversee observance of the requirements for holding shares in the Bank's capital laid down in Article 3, possession of the integrity requirements by the purchasers' top executives and shareholders relative to their own regulations;
  - m) decide upon all other matters concerning the general administration of the Bank not specifically entrusted to the Shareholders' Meeting which the Governor considers should be submitted to it.
4. The Board shall be informed by the Governor of the material facts regarding the administration of the Bank, and in particular:
- of the Bank's main strategic objectives;
  - of the annual results of expenditure commitments;
  - of the results of internal audits;
  - of the investment of liquid balances, reserves set up under this statute and provisions for supplementary staff pensions.

## **BOARD OF AUDITORS AND EXAMINERS**

### **ARTICLE 20**

1. The Board of Auditors shall consist of five auditors, including the chairman; there shall be two alternates. The members of the Board of Auditors shall remain in office for three years and may be re-elected not more than three times. This last limitation shall not apply to the alternates.
2. The auditors and alternate auditors must meet the requirements specified in Article 16, paragraph 2.
3. The Board of Auditors shall perform, directly at the Head Office and either directly or through examiners at the main branches and the local branches, checks on the administration of the Bank with regard to observance of the law, this statute and the Bank's general regulations.
4. In the course of the year the Board of Auditors shall check the proper keeping of the accounts and the correct entry of operations in the accounts, examine the annual accounts, without prejudice to the activity of the external auditor referred to in Article 44, and express its opinion on the distribution of the net profit.
5. The members of the Board of Auditors shall attend the meetings of the Board of Directors.



6. Where necessary the Board of Auditors shall report its own observations and any received from the examiners to the Governor.
7. The members of the Board of Auditors shall be paid a fixed fee established by the Shareholders' Meeting, in addition to the reimbursement of expenses.

#### **ARTICLE 21**

1. There may not be more than four examiners at each main or local branch.
2. Examiners shall monitor the activity of the main or local branch at which they are appointed.
3. On instructions from the Board of Auditors, they shall carry out checks on the holdings of cash, which must be audited completely by two of them at least once every three months.
4. They shall transmit to the Board of Auditors, for communication to the Governor where appropriate, proposals and observations which they believe useful for the operation of the Bank, at the same time informing the branch manager and, at the main branches, also the board of regents.

### **GOVERNING BOARD**

#### **ARTICLE 22**

1. The Governing Board shall consist of the Governor, the Senior Deputy Governor and three Deputy Governors.
2. The members of the Governing Board shall have a term of office of six years. They may be reappointed only once.
3. The Governing Board shall have authority to adopt measures of external significance regarding the exercise of the public functions entrusted by law to the Bank or to the Governor in pursuit of the Bank's institutional aims.
4. The Governing Board shall also have the authority deriving from the Bank of Italy's membership of the ESCB, without prejudice to the powers and authority of the Governor specified in Article 25, paragraph 2.
5. Within the scope of its authority, the Governing Board may grant mandates to managers of the Bank, establishing how they are to be performed, for the adoption of measures that do not require discretionary assessments, such as clarifications, fact-findings and others that merely involve the acknowledgement of facts, circumstances and qualifications.

#### **ARTICLE 23**

1. The Governor or, in the event of his absence or incapacity, the Senior Deputy Governor, shall convene the Governing Board and set the agenda whenever he considers this necessary or upon a motivated request from one of the other members of the Governing Board indicating the matters to be dealt with.
2. The meetings of the Governing Board shall be chaired by the Governor or, in the event of his absence or incapacity, the person who stands in for him as provided for in Articles 26 and 27; the quorum shall be three members.

3. Decisions shall be adopted by the majority of the votes of those present; in the event of a tie, the Governor shall have the casting vote. Minutes shall be kept of each meeting.
4. Every other rule of procedure for meetings shall be decided by the Governing Board in an ad hoc resolution.
5. Measures adopted by the Governing Board shall be issued in an act signed by the Governor or by one of the other members under the criteria for substitution provided for in Articles 26 and 27, with a reference to the collegial decision containing the reasons for the measure.
6. In cases of necessity and as a matter of urgency, measures referred to in Article 22 may be adopted by the Governor or by one of the other members under the criteria for substitution provided for in Articles 26 and 27. Such measures shall be ratified by the Governing Board at the first possible meeting.

#### **ARTICLE 24**

1. The Governing Board may determine, in an ad hoc resolution, the measures or categories of measures, among those referred to in Article 22, paragraph 3, to be adopted by means of the approval of written proposals submitted by departments in the manner specified in the following paragraphs.
2. For the adoption of such measures, the competent organizational units of the Bank shall transmit precise and reasoned proposals for decisions simultaneously to each member of the Governing Board.
3. If approved in writing by all the members within five days of the day of their delivery, the measures proposed shall be considered to have been adopted by the Governing Board on the day of the last approval.
4. Failing such approval or at the express request of one of the members, the adoption of such measures shall be discussed and decided in a meeting of the Governing Board.
5. The adoption of measures using the procedure referred to above must be mentioned in the minutes of the first possible meeting.

#### **GOVERNOR**

#### **ARTICLE 25**

1. The Governor shall represent the Bank of Italy vis-à-vis third parties in all acts and contracts and in legal actions.
2. He shall have the duties and powers reserved to members of the decision-making bodies of the ECB envisaged by the Treaty and the statute of the ESCB.
3. He shall decide, after consulting the Governing Board, appointments, promotions, assignments, transfers and tasks of senior staff and appoint the managers of the main branches and local branches.
4. He shall submit proposals for decisions to the Board of Directors and provide it with the information specified in Article 19.

5. All matters not expressly reserved to the Board of Directors or the Governing Board by law or this statute shall be entrusted to the Governor.

## **SENIOR DEPUTY GOVERNOR AND DEPUTY GOVERNORS**

### **ARTICLE 26**

1. The Senior Deputy Governor assists the Governor in the exercise of his powers and substitutes for the Governor in the event of the latter's absence or incapacity, circumstances of which his signature shall give full proof vis-à-vis third parties.

2. The Senior Deputy Governor shall carry out the decisions of the Board of Directors and implement the operating guidelines of the Bank and shall oversee the management and organization of the Bank; in this capacity he shall issue internal regulations and shall decide, after consulting the Governing Board, promotions, assignments, transfers and tasks of members of the staff when this does not fall under the Governor's authority; he shall have general authority for acts of ordinary administration.

3. Within the scope of his duties the Senior Deputy Governor shall represent the Bank; he may delegate the conclusion of contracts and the adoption of single acts or categories of acts to members of the Bank's staff.

### **ARTICLE 27**

1. In the performance of his duties the Senior Deputy Governor shall be assisted by the Deputy Governors, who shall stand in for him in the event of his absence or incapacity. Each of them may stand in for the Governor and the Senior Deputy Governor in the event of their simultaneous absence or incapacity.

2. The signature of one of the Deputy Governors shall be full proof vis-à-vis third parties of the absence or incapacity of the Governor and the Senior Deputy Governor.

## **TITLE III THE BANK'S BRANCHES**

### **MAIN BRANCHES**

### **ARTICLE 28**

1. At each main branch there shall be a board of regents.

2. The regents shall be chosen from among persons who have a thorough knowledge of the local economy and meet the requirements laid down in Article 16, paragraph 2. Depending on the activity of each main branch, the number of regents shall be between seven and fourteen; the branch manager shall be a member of the board.

3. The regents of the main branches must be domiciled in the Region where they are called to perform the duties of their office.

4. Regents shall be appointed for six years by the Board of Directors, acting on a proposal from the Governor, and half shall complete their terms of office every three years. They may be reappointed.

5. The members of the Board of Directors shall be ex officio regents at the main branches where they were elected in addition to the regents referred to in the second paragraph.

6. Each board of regents shall elect, for a three-year period, a chairman and a secretary from among its members; they may be re-elected.

#### **ARTICLE 29**

1. The board of regents shall meet once every two months on a general basis and at such other times as the chairman considers necessary, or when three members so request.

2. The quorum shall be the majority of the members, not counting those acting as examiners, who shall be present in an advisory capacity.

3. Resolutions shall be adopted by an absolute majority of those voting. In the event of a tie, the chairman or his substitute shall have the casting vote.

4. Votes concerning persons shall be cast by secret ballot.

#### **ARTICLE 30**

1. The board of regents shall be charged with the administration of the main branch within the limits established by this statute, the opening and closing of the vaults, and the cash audit. To this end it shall establish a roster.

2. The regent on duty who is responsible for the opening and closing of the cashier's office shall be entrusted with one of the three keys to the vault. In turn he shall deliver the key directly into the hands of the colleague next on duty. Such transfers shall be recorded in minutes signed by the participants.

3. The board of regents shall ensure that the regulations and instructions of the Head Office are observed. It shall examine and approve the budget of the administrative expenses of the main branch.

### **LOCAL BRANCHES**

#### **ARTICLE 31**

1. Each local branch shall have between four and ten councillors, depending on the activity of the branch. Councillors shall be appointed by the Board of Directors, acting on a proposal from the Governor, from amongst persons meeting the requirements laid down in Article 16, paragraph 2; they shall have a term of office of six years and half shall complete their terms of office every three years. They may be reappointed.

2. The councillors shall be domiciled in the Region where they are called to perform the duties of their office.

3. The councillors shall meet at least twice a year under the chairmanship of the branch manager.

4. The councillors who act as examiners shall open and close the vaults in the manner specified in Article 30, paragraph 2.

## **BRANCH MANAGERS**

### **ARTICLE 32**

1. The management of the offices and operations of each main and local branch of the Bank shall be performed by a branch manager on the basis of the internal rules and instructions issued by the Head Office.
2. Branch managers shall represent the Bank vis-à-vis third parties, both in legal actions and in acts and contracts concerning the main or local branch in question.
3. They may sign correspondence and all the transactions of their branch and may delegate this signing power to employees of their main or local branch, pursuant to the internal rules and instructions.
4. Branch managers may be charged with tasks of coordinating the activity of a number of branches within geographical areas and in accordance with procedures and limits established by the Bank's internal regulations.

### **ARTICLE 33**

1. In the case of the sudden absence or incapacity of the manager of a main branch, the chairman of the board of regents or his substitute shall, where there is no deputy manager, arrange a provisional substitution by taking over the management directly or delegating it to another regent and immediately notify the Head Office.
2. Where the events referred to in the preceding paragraph occur in local branches, the senior councillor in terms of appointment or, if this is the same, of age among the councillors present shall provisionally take over the management and immediately notify the Head Office.

### **ARTICLE 34**

1. The Governor, after consulting the Governing Board, may at any time appoint an inspector or another employee of the Bank to temporarily take over the management of a main or local branch.
2. Regents, councillors, employees appointed by the Governor and deputy managers who temporarily stand in for managers at main and local branches shall have all the latter's functions and powers.

## **TITLE IV OPERATIONS OF THE BANK**

### **ARTICLE 35**

1. In order to pursue the objectives and carry out the tasks of the ESCB, the Bank of Italy may take all the actions and carry out all the operations permitted by the statute of the ESCB in accordance with the conditions established in the implementation thereof.

### **ARTICLE 36**

1. Without prejudice to Articles 1 and 35, the Bank of Italy may take all the actions and carry out all operations in connection with or instrumental to the performance of the tasks entrusted to it and, within any limits deriving from the application of Chapter IV of the statute of the ESCB, the management of its assets and personnel, both in service and retired. In particular, it may:
  - issue bearer instruments;

- issue bank drafts and cheques;
- receive deposits for safekeeping, as security, or subject to other restrictions;
- receive funds on current account, with or without interest, repayable on demand or at a future date;
- negotiate and administer financial instruments;
- acquire and dispose of moveable property;
- construct, acquire and dispose of real estate;
- collect securities payable in Italy or abroad on behalf of third parties and in general perform payment and collection services on behalf and at the risk of third parties.

#### **ARTICLE 37**

1. The Bank of Italy shall act as fiscal agent for the State under special agreements. It may perform other services on behalf of the State.

#### **ARTICLE 38**

1. Advances granted by the Bank of Italy against the pledge of collateral shall not be subject to the provisions concerning the revocability of contracts, payments and guarantees in cases of bankruptcy proceedings.

2. The securities, other assets or goods pledged shall serve to guarantee any right or title, including those arising from other operations, which the Bank may have vis-à-vis the persons or companies providing the collateral.

3. Liens established for any reason in favour of the Bank of Italy shall also serve automatically to guarantee up to their full amount any other direct or indirect claim of the Bank, even if it is not liquid and collectible, on the same debtor, whether established before or after the transaction guaranteed.

### **TITLE V**

#### **ANNUAL ACCOUNTS AND REPORT ON ACTIVITY**

#### **ARTICLE 39**

1. A set of annual accounts accompanied by a report on operations must be prepared each year.

2. Capital resources and the distribution of net profit shall be such as to constitute risk safeguards consistent with the independence of the Bank.

3. The Board of Directors, on a proposal from the Governing Board and after consulting the Board of Auditors, shall approve the draft accounts and the report on operations and decide on their presentation for definitive approval to the Shareholders' Meeting, which shall also be presented with the report of the Board of Auditors and the report specified in paragraph 4.

4. The external auditor or auditing firm that audits the annual accounts of the Bank in accordance with Article 27 of the statute of the ESCB shall submit its evaluation in a specific report.

#### **ARTICLE 40**

1. The Board of Directors, acting on a proposal from the Governing Board and after consulting the Board of Auditors, shall determine the plan for the distribution of the net profit and decide on its presentation to the Shareholders' Meeting for definitive approval.

2. The net profit shall be distributed as follows:

- a) to ordinary reserves, up to a maximum of 20 per cent of net profit;
- b) to shareholders, up to a maximum of 6 per cent of capital;
- c) to special reserves and provisions, up to a maximum of 20 per cent of net profit;
- d) to the State, the remaining sum.

3. The ordinary reserve, if reduced to offset losses, must be reconstituted entirely before proceeding to any of the profit distributions envisaged in paragraph 2.

#### **ARTICLE 41**

1. The reserves shall be invested in the manner and forms established by the Board of Directors.

2. The risks deriving from the overall operations of the Bank shall be covered also by the provisions for general risks.

#### **ARTICLE 42**

1. The Bank of Italy shall submit a report to the Parliament and the Government on its activity as provided for by law.

### **TITLE VI**

#### **GENERAL PROVISIONS**

#### **ARTICLE 43**

1. Neither the members of the Governing Board nor any employee of the Bank may perform activities in the interest of banks, financial intermediaries or other entities subject to supervision, engage in commerce, be a director, agent or member of the board of auditors of any company, participate in a general partnership, or, as a general partner, in a limited partnership. They shall comply with a Code of Ethics approved by the Board of Directors.

2. The Board of Directors may nevertheless allow directorships of companies or other entities to be accepted, where this is recognized to be in the interest of the Bank.

3. On the same grounds it may also allow employees to be members of boards of auditors.

4. The members of the boards and the employees of the Bank shall maintain the strictest secrecy concerning all information that they may acquire by reason of their office.

#### **ARTICLE 44**

1. The accounts shall be audited by an external auditor or auditing firm selected in accordance with Article 27, paragraph 1, of the statute of the ESCB.

2. The external auditor or auditing firm, among other things by means exchange of information with the Board of Auditors, shall express its evaluation on the annual accounts in the specific report envisaged in Article 39.

3. The external auditor or auditing firm has full power to examine all the accounts and accounting documents and shall receive and may request all information useful to the audit.

## **TITLE VII**

### **TRANSITIONAL AND FINAL PROVISIONS**

#### **ARTICLE 45**

1. For the purpose of facilitating the balanced distribution of shares among shareholders pursuant to Article 3, paragraph 4, for the period specified by law beginning with the increase in capital resolved by the Shareholders' Meeting on 23 December 2013, shares held in excess of the ceiling specified in Article 3, paragraph 4, shall be eligible for dividend payments, without prejudice to the exclusion of their voting rights.

#### **ARTICLE 46**

1. The requirements laid down in Article 16 shall apply to appointments following the entry into force of this Statute.

#### **ARTICLE 47**

1. The provisions of this Statute shall enter into force on 31 December 2013.