



STATUTE

2006

TITLE I

CONSTITUTION AND CAPITAL

ARTICLE 1

The Bank of Italy is an institution incorporated under public law.

In performing their functions, 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.

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 105(1) of the Treaty establishing the European Community (Treaty).

The Bank of Italy shall issue banknotes in accordance with Article 4(1) of Legislative Decree no. 43 of 10 March 1998. It shall perform the other tasks assigned to it by law and engage in banking activities instrumental to its functions.

ARTICLE 2

The Bank of Italy shall have its registered office in Rome.

It may have branches, which shall be divided into main branches and local branches.

The geographical distribution and powers of main branches and local branches shall be established in a resolution of the Board of Directors.

ARTICLE 3

The capital of the Bank of Italy shall be €156,000 and shall be divided into registered shares of €0.52 each, the ownership of which is governed by law.

The shares may be transferred, acting on a proposal from the Directorate, only with the prior consent of the Board of Directors, preserving at all times the autonomy and independence of the Bank and a balanced distribution of the shares.

ARTICLE 4

The shares shall be represented by registered certificates.

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. The transferee may exercise the related shareholder rights only from the time the transferred certificate is presented.

TITLE II

ADMINISTRATION OF THE BANK

ARTICLE 5

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 Directorate;
- e) the Governor;
- f) the Director General and the Deputy Directors General.

SHAREHOLDERS' MEETING

ARTICLE 6

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.

Shareholders' meetings shall be convened by the Board of Directors, including upon a motivated request from the Board of Auditors or shareholders who have held 20,000 or more shares 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.

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

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 profits, the distribution of the income earned on the reserves 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.

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 held 5,000 or more shares 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

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

If a quorum is not duly formed 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

Shareholders who have held 100 or more shares for at least three months shall have the right to attend shareholders' meetings.

Shareholders entitled to attend shall have one vote for every 100 shares held up to 500 shares and one vote for every 500 shares held over and above the first 500, provided they have held the shares for not less than three months.

In no circumstances may any shareholder cast more than 50 votes.

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 with the signature certified by the manager of a main or local branch of the Bank.

A participant may not represent more than two shareholders.

ARTICLE 10

The ordinary shareholders' meeting shall be duly constituted when at least one third of the shareholders, holding one fifth or more of the Bank's capital, are present.

If a quorum of shareholders or shares is not reached, 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 number of shareholders present and the number of shares represented.

The postponement of the meeting shall be announced in the Gazzetta Ufficiale in the interval between the first meeting and the second, with the information that the convocation is a second call.

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

The extraordinary shareholders' meeting shall be duly constituted when at least one half of the shareholders, holding one third or more of the Bank's capital, are present. If these conditions are not met, the meeting shall be reconvened in the manner specified in Article 10.

ARTICLE 12

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

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.

The meeting shall be duly constituted when at least one fifth of the shareholders, holding one tenth or more of the capital, are present. If a quorum of shareholders or shares is not reached, the meeting shall be postponed in accordance with the procedure laid down in Article 10.

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.

Where the number of directors to be elected is equal to half the Board membership or more, 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. At such meetings, a separate vote shall be taken for each main branch.

ARTICLE 14

Resolutions obtaining a majority of the votes of the shareholders present shall be valid.

Elections shall be by secret ballot. Only persons who receive an absolute majority of votes shall be considered elected.

BOARD OF DIRECTORS

ARTICLE 15

The Board of Directors shall consist of the Governor and thirteen directors elected by shareholders' meetings held at the main branches of the Bank.

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

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

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

Acting on a proposal from the Governor, the Board of Directors may establish one or more ad hoc advisory committees amongst its members.

ARTICLE 16

The Board of Directors shall hold its meetings at the Head Office and shall be convened and chaired by the Governor.

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.

The Board shall be duly constituted when at least seven of the members are present, not counting the Governor or his substitute.

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.

The minutes and excerpts from the resolutions of the Board of Directors shall be authenticated by the Governor or his substitute and by the secretary.

ARTICLE 17

Pursuant to Articles 19(7) and 19(8) of Law no. 262 of 28 December 2005, 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.

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.

The Board of Directors, acting on a proposal from the Governor, shall appoint the Director General and the Deputy Directors General, 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.

Without prejudice to the second paragraph, 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 the second paragraph, and with the affirmative vote of at least two thirds of those present.

The appointment, reappointment and removal from office of the Director General and the Deputy Directors General 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 18

The Board of Directors shall be charged with the general administration, management supervision and internal control of the Bank.

In conformity with legislative and regulatory provisions and, in the case of resolutions referred to in points 9) and 10), in compliance with the statute of the ESCB and the provisions adopted by the European Central Bank (ECB), the Board shall:

- 1) examine and approve, acting on a proposal from the Directorate, the draft annual accounts and resolve to submit them to the Board of Auditors and the shareholders' meeting for final approval. After consulting the Board of Auditors, it shall decide on the dividend to be paid to shareholders;
- 2) approve the annual expenditure budget;
- 3) 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;
- 4) approve the Bank's internal regulations;
- 5) determine the staffing levels, recruit and dismiss employees;
- 6) approve agreements negotiated with trade unions;

- 7) adopt resolutions regarding the geographical configuration and general organizational structure of the Bank;
- 8) 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;
- 9) appoint the Bank's foreign correspondents;
- 10) determine the rules and terms and conditions for the Bank's operations;
- 11) set the annual limit on donations to charity and contributions to initiatives of public interest;
- 12) 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.

The Board shall be informed by the Governor of the material facts regarding the administration of the Bank, and in particular:

- of the content of the Bank's multi-year plan;
- 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 19

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.

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. It shall carry out accounting checks, without prejudice to the activity of the external auditors referred to in Article 38, examine the annual accounts and express its opinion on the distribution of the annual dividend.

The members of the Board of Auditors shall attend the meetings of the Board of Directors.

Where necessary the Board of Auditors shall report its own observations and any received from the examiners to the Governor.

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 20

There may not be more than four examiners at each main or local branch.

Examiners shall monitor the activity of the main or local branch at which they are appointed.

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.

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.

DIRECTORATE

ARTICLE 21

The Directorate shall consist of the Governor, the Director General and three Deputy Directors General.

The Directorate 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, other than decisions falling under the authority of the ESCB.

Within the scope of its authority, the Directorate 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 22

The Governor or, in the event of his absence or inability to act, the Director General, shall convene the Directorate and set the agenda whenever he considers this necessary or upon a motivated request from one of the other members of the Directorate indicating the matters to be dealt with.

The meetings of the Directorate shall be chaired by the Governor or, in the event of his absence or inability to act, the person who stands in for him as provided for in Articles 25 and 26; the quorum shall be three members.

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.

Every other rule of procedure for meetings shall be decided by the Directorate in an ad hoc resolution.

Measures adopted by the Directorate shall be issued in an act signed by the Governor or by one of the other members as provided for in Articles 25 and 26, with a reference to the collegial decision containing the reasons for the measure.

In cases of necessity and as a matter of urgency, measures referred to in Article 21 may be adopted by the Governor or by one of the other members as provided for in Articles 25 and 26. Such measures shall be ratified by the Directorate at the first possible meeting.

ARTICLE 23

The Directorate may determine, in an ad hoc resolution, the measures or categories of measures, among those referred to in the second paragraph of Article 21, to be adopted by means of the approval of written proposals submitted by departments in the manner specified in the following paragraphs.

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 Directorate.

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 Directorate on the day of the last approval.

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 Directorate.

The adoption of measures using the procedure referred to above must be mentioned in the minutes of the first possible meeting.

GOVERNOR

ARTICLE 24

The Governor shall represent the Bank of Italy vis-à-vis third parties in all acts and contracts and in legal actions.

He shall have the duties and powers reserved to the position by the Treaty, the statute of the ESCB and the related Community and Italian implementing provisions.

He shall decide, after consulting the Directorate, appointments, promotions, assignments, transfers and tasks of senior staff and appoint the managers of the main branches and local branches.

He shall submit proposals for decisions to the Board of Directors and provide it with the information specified in Article 18.

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

The Governor's term of office shall be six years; it may be renewed only once.

DIRECTOR GENERAL AND DEPUTY DIRECTORS GENERAL

ARTICLE 25

The Director General shall have authority for acts of ordinary administration and carry out the decisions of the Board of Directors.

He shall decide, after consulting the Directorate, promotions, assignments, transfers and tasks of members of the staff when this does not fall under the Governor's authority.

Within the scope of his duties the Director General shall represent the Bank, with the right to delegate his authority with the prior consent of the Governor; he may delegate the conclusion of contracts to members of the Bank's staff by means of a simple letter.

The Director General shall assist the Governor in the performance of his duties and shall stand in for the Governor in the event of the latter's absence or inability to act; the signature of the Director General shall be full proof thereof vis-à-vis third parties.

The term of office of the Director General shall be six years; it may be renewed only once.

ARTICLE 26

The Deputy Directors General shall assist the Director General in the performance of his duties and shall stand in for him in the event of his absence or inability to act. Each of them may stand in for the Governor and the Director General in the event of their simultaneous absence or inability to act.

The signature of one of the Deputy Directors General shall be full proof vis-à-vis third parties of the absence or inability to act of the Governor and the Director General.

The term of office of the Deputy Directors General shall be six years; it may be renewed only once.

TITLE III

THE BANK'S BRANCHES

MAIN BRANCHES

ARTICLE 27

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

The regents shall be chosen from among persons who have a thorough knowledge of the local economy. 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.

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.

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.

Once a year each board of regents shall elect a chairman and a secretary from among its members; they may be re-elected.

ARTICLE 28

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.

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

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.

Votes concerning persons shall be cast by secret ballot.

ARTICLE 29

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.

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.

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 30

Each local branch shall have between four and ten councillors, depending on the activity of the branch. Councillors 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.

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

The councillors who act as examiners shall open and close the vaults in the manner specified in the second paragraph of Article 29.

BRANCH MANAGERS

ARTICLE 31

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 rules and instructions issued by the Head Office.

Branch managers shall submit proposals to the Head Office for settlements and compositions with creditors involving debtors of the Bank.

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.

They may sign correspondence and all the transactions of their branch. With the consent of the Director General and on their own responsibility, they may delegate the above-mentioned signing powers to employees of their main or local branch.

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 32

In the case of the sudden absence or inability to act 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.

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 33

The Governor, after consulting the Directorate, 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.

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 34

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 35

Without prejudice to Article 34, the Bank of Italy may take all the actions and carry out all the operations that allow it to perform in full the other 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 36

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 under conditions established by the Board of Directors.

ARTICLE 37

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.

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.

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 38

A set of annual accounts and an inventory of the Bank's assets and liabilities must be prepared each year.

The annual accounts must be submitted to the Board of Auditors not later than 15 April of each year. The Board of Directors, after consulting the Board of Auditors, shall approve the allocation of the profits and the dividend to be distributed to shareholders and paid after approval of the annual accounts by the shareholders' meeting.

The annual accounts of the Bank shall be audited by external auditors in accordance with Article 27 of the statute of the ESCB.

ARTICLE 39

The Board of Directors shall determine the allocation to be made to the ordinary reserve, in an amount up to 20% of the net profit for the year. Shareholders shall be paid a dividend not exceeding 6% of the capital.

The balance, on a proposal from the Board of Directors, may be used to establish special provisions and extraordinary reserves by setting aside up to 20% of the total net profit and to pay an additional amount not exceeding 4% of the capital to the shareholders as a supplement to the dividend. The remaining sum shall be transferred to the State.

The ordinary reserve, if reduced to offset losses or for any other reason, must, except as provided for in Article 40, be reconstituted entirely as soon as possible.

ARTICLE 40

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

The income arising from the investment of the reserves shall be used to increase the same.

On a proposal from the Board of Directors and with the approval of the ordinary shareholders' meeting, a sum not exceeding 4% of the amount of the reserves as shown in the annual accounts for the preceding year may be set aside from the annual income from the investment of the reserves and distributed to shareholders in addition to the amount provided for in Article 39.

ARTICLE 41

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 42

Neither the members of the Directorate 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.

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.

On the same grounds it may also allow employees having a grade not higher than that of head of department or a comparable grade to be members of boards of auditors.

ARTICLE 43

Senators and Deputies and other persons holding political office may not be members of the boards of the Bank.

In addition, employees of banks and other entities operating in the field of financial intermediation and persons performing administrative, managerial or control functions therein, managers and employees of the public administration and all persons having a conflict of interest with the Bank in view of their personal situation or professional positions shall be excluded from membership of the Board of Directors of the Bank.

The provisions of the preceding paragraphs shall also be observed for the appointments entrusted to the Board of Directors under point 8 of Article 18 of this statute.

ARTICLE 44

The regents of main branches and the councillors of local branches must be domiciled in the region in which they are called upon to perform their office.

They shall receive attendance fees, the amount of which shall be established by the shareholders' meeting.

The members of the Board of Directors shall receive an annual allowance for this office established by the shareholders' meeting, in addition to the reimbursement of their expenses.

Regents of main branches, councillors of local branches, members of the Board of Directors and members of the Board of Auditors who come to be in one of the situations referred to in Article 2382 of the Civil Code currently in force shall immediately cease to hold office.

ARTICLE 45

Persons referred to in Articles 42 and 44 shall observe the utmost secrecy in every matter pertaining to the Bank and its dealings with third parties.

TITLE VII

TRANSITIONAL PROVISIONS

ARTICLE 46

The members of the Board of Directors and the Board of Auditors who, at the date of entry into force of this statute, have already exceeded the limits for re-election laid down in Articles 15 and 19 respectively shall remain in office until the completion of their current terms of office.

As of the date of entry into force of this statute and until the expiry of the terms of office of the members of the Board of Auditors, the functions of chairman thereof shall be performed by the senior member in terms of appointment or, if this is the same, of age.

ARTICLE 47

Councillors of the local branches holding office at the date of entry into force of this statute shall complete the two-year terms of office provided for by Article 34 of the previous statute.

In order to bring the expiry dates of their terms of office into line with those of the regents of the main branches, Article 30 of this statute shall be applied gradually, as follows:

- councillors appointed in 2007 shall remain in office for four years;
- councillors appointed in 2008 shall remain in office for six years.

ARTICLE 48

In implementation of Article 19(7) of Law no. 262 of 28 December 2005, the appointments of the members of the Directorate, other than the Governor, in office on 12 January 2006 shall expire upon their completing twelve years as members of the Directorate.

ARTICLE 49

Until the entry into force of the regulation referred to in Article 19(10) of Law no. 262 of 28 December 2005, the Board of Directors, without prejudice to the second paragraph of Article 3 of this statute, shall verify that the purchaser can be related to one of the categories referred to in the second paragraph of Article 3 of the statute of the Bank of Italy in force at 12 January 2006 or in Article 27 of Legislative Decree no. 153 of 17 May 1999.