LEGISLATIVE DECREES no 96, 9th April 2003  

(unofficial translation)


THE PRESIDENT OF THE REPUBLIC

Having regard to Articles 76 and 87 of the Constitution;
Having regard to Law no. 241 of 7th August 1990;
Having regard to Legislative Decree no. 89 of 24th February 1997;
Having regard to Legislative Decree no. 300 of 30th July 1999, as subsequently amended, concerning the reform of the Government organisation carried out under Article 11 of Law no. 39 of 15th March 1997, and particularly under Article 27 providing for the establishment of the Ministry of Production Activities;
Having regard to Council Regulation (EC) No. 1334/2000 of 22nd June 2000 setting up a Community regime for the control of exports of dual-use items and technology;
Having regard to the Council Joint Action No.2000/401/CFSP of 22nd June 2000 concerning the control of the technical assistance on some military purposes;
Having regard to the Council decision No. 2000/402/CFSP of 22nd June 2000 concerning the joint action on the control of exports of dual-use items;
Having regard to Article 4 of Law no. 422 of 29th December 2000, Community Law 2000, conferring on the Government the powers of establishing sanctions against the infringements of Community provisions and criminal rules that concern the exports of dual-use items and technology;
Having regard to the President of the Republic Decree no. 175 of 26th March 2001 regulating the organisation of the Ministry of Production Activities and, particularly, Article 8 (2) (g) on the competences of the Directorate General for Trade Policy;
Having regard to Article 4-6bis of Decree-Law no. 353 of 28th September 2001 as amended and turned into Law no. 415 of 27th November 2001;
Having regard to Article 50 of Law no. 39 of 1st March 2002, Community Law 2001, conferring on the Government the powers of adjusting domestic rules to Community provisions and international agreements in the field of dual-use items and technology;
Having considered that Council Regulation (EC) No. 1334/2000 is directly enforceable although not in its integrity because it needs specific national rules of implementation;
Having considered the opportunity of issuing provisions aimed at the full implementation of Council Regulation (EC) No. 1334/2000 and of the Council joint action of 22nd June 2000;
Having heeded the opinions of the relevant Commissions of the Chamber of Deputies and the Senate of the Republic;
Upon proposal of the Minister for Community Policies and the Minister of Production Activities, in agreement with the Minister of Foreign Affairs, the Minister of Justice, the Minister of Defence, the Home Minister, the Minister of Economy and Finance, the Minister of Communications, the Minister of Education, University and Research and the Health Minister;

HAS ISSUED

the following Legislative Decree:
Art. 1

Definitions

1. For the purpose of the this Legislative Decree:
   a) "Regulation" means Council Regulation (EC) No. 1334/2000 of 22nd June 2000, as subsequently amended, setting up a Community regime for the control of exports of dual-use items and technology;
   b) "Joint action" means Council joint action no. 2000/401/CFSP of 22nd June 2000 concerning the controls on the technical assistance for some military purposes;
   c) "Dual-use items" means the products - including software, technology and services listed in Annexes I, II and IV of the Regulation as subsequently amended - that can have both a civil and a military use. The amendments to Annexes I, II and IV introduced at Community level and published in the Official Journal of the European Union are directly and immediately applied on the domestic territory;
   d) "Export" means:
      1) any export of items specified in Article 161 of the Community Customs Code (EC Regulation 2913/92);
      2) any re-export of items specified in Article 182 of the aforesaid Community Customs Code;
      3) the transmission of software or technology to a destination outside the Community territory by fax, telephone or other electronic media; oral transmission of technology by telephone occurs when the technology is contained in a document the relevant part of which is read or described above on the phone in such a way as to achieve the same result;
   e) "exporter" means any natural or legal person on whose behalf an export declaration has been made, that is to say the person who holds the contract with the consignee in the third country and has the power for determining the sending of the item outside the customs territory of the Community at the moment of accepting the declaration. If no contract has been concluded of if the holder of the contract does not act on its own behalf, the power of determining the sending of the item outside the Community customs territory is decisive. "Exporter" also means any natural or legal person who decides to transmit software or technology to a destination outside the Community by fax, telephone or other electronic media. Where, pursuant to the contract on which the export is based, the benefit of the right to dispose of the dual-use item belongs to a person who is not a Community resident, the exporter is considered to be the Contracting Party established in the Community;
   f) "end user" means any natural or legal person who eventually uses the dual-use items that have been exported in pursuance with this Legislative Decree;
   g) "consignee" means any natural or legal person who imports the dual-use items under an export procedure set out in this Legislative Decree and who holds the right to sell the items;
   h) "competent Authority" means the entity indicated in Article 2.

Article 2

Competent Authority

1. The Ministry of Production Activities - Department for Internationalisation is the authority in charge of implementing this Legislative Decree and of granting the export authorisations for dual-use items.
2. The Minister for Production Activities, after hearing the Advisory Committee under Article 11, shall lay down the modalities for granting authorisations as well as the other implementation provisions of this Legislative Decree. The said rules shall be adopted within one hundred eighty days from the coming into force of this Legislative Decree in conformity with Article 17 (3) of Law no. 400 dated 23rd August 1988.
Article 3

Types of export authorisations for dual-use items

1. The types of authorisations provided for in this Legislative Decree are as follows:
   a) Individual Specific Authorisation
   b) Individual Global Authorisation
   c) National General Authorisation
   d) Community General Authorisation

Article 4

Individual Specific Authorisation

1. The exportation of the dual-use items listed in Annexes I and IV of the Regulation may require an individual specific authorisation issued to an individual exporter for types or categories of dual-use items and for a specified end user.
2. The Individual Specific Authorisation is issued pursuant to the opinion of the Advisory Committee referred to in Article 11. It is limited in time and can be extended upon a request submitted within thirty days from the expiry date of the authorisation.
3. The application for an Individual Specific Authorisation shall be filed with the competent Authority utilising the Community form contained in Annex III-bis of the Regulation. The form shall be fully completed according to the accompanying instructions and signed by a legal representative of the exporter. If it results incomplete or erroneously completed, the applicant has the possibility of regularising the application. All the data and information contained in the application and in any attachment to it are under the responsibility of the exporter. Any change occurred after the submission of the application shall be immediately communicated to the competent Authority.
4. The application shall be integrated by a declaration of the end user. This shall necessarily contain the following:
   a) the precise name or corporate name, the exact indication of the registered office and the type of activity;
   b) the description of the imported items, their quantity and value, the details of the reference contract or a copy of it;
   c) the indication of the specific civil use of the items and their precise destination;
   d) the definite commitment not to use such items for military applications or nuclear explosives, for nuclear civil activities in plants that are not safeguarded by the I.A.E.A. (International Atomic Energy Agency) or in applications linked with the development and/or production of weapons of mass destruction and missiles that may be used as carriers of such weapons;
   e) the declared commitment not to re-export, transfer or deviate, during the journey, the imported items.
5. Such a declaration shall be dated, sealed and signed by a legal representative of the end user. If the competent Authority thus requires, the relevant foreign administrative authority and/or the Italian diplomatic authority shall authenticate the declaration.
6. The competent Authority may also ask the exporter for an international import certificate and/or a certificate of end use issued by the relevant administrative authority of the end user’s own Country.
7. Besides the provisions of sub-sections (4), (5) and (6), the competent Authority may ask the exporter for the submission of further specific documentation.
8. The Individual Specific Authorisation may be subject to particular conditions and the exporter may have the duty to fulfil specific obligations required by the competent Authority and identified in the authorisation itself.
9. The documents referring to exports made under the authority of Individual Specific Authorisation shall be kept in the records of the exporter’s registered office for a minimum of three years since the end of the calendar year in which the transactions were made. The
documentation shall be produced upon request of the competent Authority which may conduct or order an appropriate inspection and control in accordance with Article 12.

10. The Individual Specific Authorisation can be refused, annulled, cancelled, suspended or varied, having heard the opinion of the advisory Committee under Article 11 and according to the contents of Article 8.

Article 5

*Individual Global Authorisation*

1. The exportation of the dual-use items listed in the Annex I and IV of the Regulation may require an Individual Global Authorisation issued to an individual exporter for types or categories of dual-use items and to one or more specified Countries of destination.

2. Individual Global Authorisations are granted for a maximum of three years, after hearing the opinion of the advisory Committee under Article 11. They may be extended upon request which shall be submitted within thirty days before the same authorisation expires. The issue of the authorisation is communicated to the Ministry of Economy and Finance - Customs Agency.

3. The application for an Individual Global Authorisation is filed by utilising the proper Community form (Annex III-bis of the Regulation), fully completed according to the accompanying instructions and signed by a legal representative of the exporter. It shall be addressed to the competent Authority. If it results incomplete or erroneously completed, the applicant has the possibility of regularising the application. All the data and information contained in the application and in any attachment are under the responsibility of the exporter. Any change occurred after the submission of the application shall be promptly communicated to the competent Authority.

4. Individual Global Authorisations cannot be issued in favour of occasional operators.

5. A declaration signed by a legal representative of the exporter shall be attached to the application. It formally engages the exporter in respecting, on each export operation, the following conditions:

   a) to use the authorisation issued exclusively for the dual-use items and to the destination Countries there indicated;

   b) to report the following phrase “Individual Global Authorisation (number and date of the measure)” on invoices and transport documents;

   c) to demand, upon concluding a contract or at the moment of affirming the contract proposal, a declaration of commitment by the consignee and/or the end user that the dual-use items referred to in the contract or in the buying order will not be re-exported, transferred or, during the journey, diverted and that they will be exclusively used for civil purposes.

6. Within thirty days from the end of each calendar semester the exporter shall transmit, by mail, e-mail or fax, a summary list of the export transactions made under the Individual Global Authorisation regime to the competent Authority. Such communication shall contain the following elements: the essential data of the invoice and contract, quantity and value of the dispatched items, categories and sub-categories of reference, corresponding customs tariff sections, Country of destination, details of the consignee and of the end user, dispatch date, type of export (final, temporary, transit).

7. The exporter of any items requiring the Individual Global Authorisation shall maintain records in relation to each such export in its registered office for a minimum of three years since the end of the calendar year in which the transactions took place. The documents referred to shall be shown upon request of the competent Authority which can conduct or order appropriate inspection and control in accordance with Article 12.

8. The competent Authority, after hearing the opinion of the advisory Committee under Article 11 and according to the contents of Article 8, may refuse to grant Individual Global Authorisations and may annul, revoke, suspend or vary those already granted.
Article 6

National General Export Authorisation

1. A National General Authorisation may be required for the export of certain dual-use items listed in Annex I and Annex IV, part I, of the Regulation. In relation to those items and to certain Countries of destination, the Minister for Production Activities shall adopt a Decree within sixty days from the coming into force of this Legislative Decree.

2. The application for a National General Authorisation, signed by a legal representative of the exporter, shall be filed with the competent Authority. It shall contain the name or company name, the indication of the registered office and the names of the legal representatives of the exporter.

3. The competent Authority takes a decision on the application within sixty days. The names of the exporters intending to make exports under the National General Authorisation are entered in a special “registry of entities exporting under the authority of the National General Authorisation”. Each exporter is attributed a progressive serial number. The Authorisation issue is communicated to the Ministry of Economy and Finance - Customs Agency. The registered exporter shall promptly give notice of any change in the particulars referred to in subsection (2) to the competent Authority.

4. The shipping papers accompanying the dual-use items exported under the authority of a National General Authorisation shall bear the statement indicated in Annex 1 of this Legislative Decree.

5. Within thirty days from the end of each calendar semester, the exporter shall send the competent Authority, by post, e-mail, or fax, a brief list of the export transactions made under the regime of National General Authorisation. Such a notice shall contain the following information: entries of invoice and contract, quantity and value of the items; categories and subcategories of reference, corresponding customs tariff section, Country of destination, particulars of the consignee and of the end-user, dispatch date, type of export (final, temporary, transit).

6. The papers relative to the export made under the authority of the National General Authorisation shall be kept in the records of the exporter's registered office for a minimum of three years starting from the end of the calendar year in which the transactions were made. This documentation shall be produced upon request of the competent Authority which may conduct or order inspections and controls in conformity with Article 12.

7. The National General Authorisation may be refused, annulled, suspended, revoked or varied in accordance with the provisions of Article 8.

Article 7

Community General Authorisation

1. The exportation of dual-use items may require a Community General Authorisation in the case of the items and destinations listed in Annex II of the Regulation and subject to the export procedure set out in Article 6 (2), (3), (5) and (6). Exports made under the authority of the Community General Authorisation are also subject to certain conditions and shall meet the requirements laid down in the same Annex II of the Regulation. The exporter’s name is entered in a special “registry of entities exporting under the authority of the Community General Authorisation”.

2. The shipping papers accompanying dual-use items exported under the authority of the Community General Authorisation shall bear the statement indicated in Annex 2 of this Legislative Decree.

3. The competent Director General of the Ministry of Production Activities may, by decree, modify Parts 2 and 3 of Annex II of the Regulation in relation with the cases referred to therein, after hearing the opinion of the advisory Committee under Article 11.

4. The Community General Authorisation may be refused, annulled, revoked, suspended or varied as set out in Article 8.
Article 8

Refusal, annulment, revocation, suspension and modification of the Authorisation

1. The Authorisations referred to in Article 3 cannot be granted if the exportation does not comply with the conditions under Article 8 of the Regulation.

2. The Authorisations referred to in Article 3 may be annulled, revoked, suspended or modified in the following cases:
   a) if they do not comply any longer with the conditions set out in Article 8 of the Regulation;
   b) whether the requirements of this Legislative Decree have ceased to exist or the conditions thereof cannot be respected;
   c) whether the exporter violates national and international rules;
   d) if the exporter fails to comply with any obligation attached to the authorisation;
   e) if circumstances have substantially changed since the granting of the authorisation that they impose the adoption of such measures in consideration of the commitments and obligations assumed by Italy as a member of the relevant non-proliferation regimes and export controls arrangements or by ratification of relevant international treaties.

3. In the cases referred to in subsection (2), the competent Authority may revoke the authorisation which it had originally granted. The relevant measure is notified to the Ministry of Economy and Finance - Customs Agency and to the exporter concerned. The revocation is also recorded on the appropriate registry if the authorisation revoked were a National General Authorisation or a Community General Authorisation.

4. The competent Authority, having heard the opinion of the advisory Committee under Article 11, may refuse to grant the authorisation or may suspend the decision on the application if the exporter has not fulfilled the obligations of or has not complied with the conditions attached to previous authorisations.

Article 9

Authorization for dual-use items not included in the list of Annex I of the Regulation

1. In accordance with Article 4 (1), (2) and (3) of the Regulation, the competent Authority may impose an authorisation requirement as set out in Article 4 for the exportation of dual-use items not listed in Annex I of the Regulation. Such measure shall be immediately notified to the Ministry of Foreign Affairs, the Ministry of Defence and the Home Ministry.

2. The export of such items may also be subject to the granting of the authorisation under Article 4 at the specific request of the Ministry of Foreign Affairs or the Ministry of Defence or the Home Ministry. The request is sent to the competent Authority and notified to the two other Ministries.

3. In case one of the Ministries under subsections (1) and (2) raises objection within three days from the receipt of the notice or request, the competent Authority convenes a conference of services for its examination within the following three days. If the conference decides to adopt an authorisation requirement on the export, the competent Authority shall immediately communicate the decision to the exporter concerned and to the Ministry of Economy and Finance - Customs Agency.

4. In case none of the Ministries under subsections (1) and (2) raises objection, the competent Authority, where the export requires an authorisation, immediately informs the exporter concerned and the Ministry of Economy and Finance - Customs Agency that the export is subject to authorisation.

5. Pursuant to Article 4 (4) of the Regulation, the exporter who is aware that the dual-use items he wishes to export are not listed in Annex I of the Regulation but are intended, in their entirety or in part, for any of the uses referred to in Article 4 (1), (2) and (3) of the Regulation, shall inform the competent Authority furnishing all the necessary documents.

6. Pursuant to Article 4 (5) of the Regulation, the exporter who has ground for suspecting that the dual-use items which are not included in the list of Annex I of the Regulation and which he wishes to export, are or may be intended, in their entirety or in part, for any of the uses referred
to in Article 4 (1) of the Regulation shall inform the competent Authority, furnishing all the necessary documents.

7. The competent Authority shall send copy of any of the notices referred to in subsections (5) and (6) not considered to be manifestly groundless to the Ministry of Foreign Affairs, the Ministry of Defence and the Home Ministry, initiating the procedure under subsections (1), (2), (3) and (4).

8. The proceedings referred to in this Article may be stipulated, exclusively for procedural aspects, in a measure to be adopted in pursuance with Article 17 (3) of Law no. 400 of 23rd August 1988 on the grounds of the principles and guidelines identified in Law no. 59 of 15th March 1997.

Article 10

Modalities of imposition of the export prohibition for dual-use items not listed in Annex I of the Regulation (EC) no. 1334/2000

1. Pursuant to Article 5 of the Regulation, the export prohibition or the requirement of a previous export authorisation for the dual-use items not listed in Annex I of the Regulation is provided for by decree of the Ministry of Production Activities, having heard the Ministries of Foreign Affairs, Defence, Home, Economy and Finance, Health and Communications.

Article 11

Advisory Committee

1. An advisory Committee for the exportation of dual-use items is established within the competent Authority.

2. The advisory Committee for the exportation of dual-use items shall, within sixty days from receiving the request of the competent Authority, express its mandatory but non-binding opinion on the granting, denial, annulment, revocation, suspension and modification of authorisations in the cases referred to in this Legislative Decree. The aforesaid deadline may be extended for other ninety days if the Committee deems it necessary to proceed to a further inquiry. In addition, the Committee shall, upon request of the competent Authority or of other Ministries concerned, express opinions on questions of particular and/or general nature related to the activities of authorisation and control for the export of dual-use goods and on questions linked with the updating of the relevant rules.

3. The advisory Committee is chaired by a director general of the Ministry of Foreign Affairs while a director general of the Ministry of Production Activities - Internationalisation Department acts as deputy chair. Other members of the Committee are two representatives of the Ministry of Economy and Finance, one of whom belongs to the Customs Agency and by a representative each from the Ministries of Foreign Affairs, Production Activities - Internationalisation Department, Defence, Home, Communications, Education, Universities and Scientific Research and Health. In case of absence of the Committee's chair and deputy chair, their voting rights shall be exercised, respectively, by the representatives of the Ministry of Foreign Affairs and the Ministry of Production Activities - Internationalisation Department. An executive director of the competent Authority shall function as Secretary. Four non-governmental technical experts, with competence in each one of the control regimes applied to dual-use items, shall also take part, without voting rights, in the Committee meetings.

4. The components of the advisory Committee, their deputies and the technical experts are appointed by decree of the Minister for Production Activities. They are respectively nominated by the Ministries or by the organisations they work for within thirty days from the request of the Ministry of Production Activities. The Committee shall be renewed every five years.

5. The Committee's meetings are open to the participation, without voting rights, of officials representing bodies concerned with public security, customs, tax and monetary controls as well as other experts who do not belong to the Public Administration. They may take part on the grounds of specific needs at the request of the competent Authority or of the Committee chairman within the existing budgetary constraints.
6. The advisory Committee is validly constituted when the majority of its members are present. It takes decisions by majority of those present.
7. The Minister for Production Activities shall lay down, by his own decree, the rules of procedure of the Committee, having heard the other Ministries referred to in subsection (3).

Article 12

Control measures

1. All control activity, in connection to both the preliminary and the successive phases of the exportation for dual-use items, is carried out by the competent Authority. Exemption is made for the powers and competences conferred upon the bodies concerned with public security; customs, tax and monetary controls as well as the intelligence and security agencies of the State. These bodies shall in any case directly give notice to the competent Authority of any piece of information relevant to this Legislative Decree.
2. In order to ensure the correct application of the Regulation and of this Legislative Decree, the competent Authority, in accord with each Ministry concerned, may avail itself of the collaboration of the bodies under subsection (1). This will be useful to gather information and to conduct the verifications and inspections needed in conformity with Article 17 of the Regulation. The Guardia di Finanza\(^1\) operates in compliance with the rules of and with the powers conferred by Articles 51 and 52 of the President of the Republic Decree no. 633 of 26th October 1972 and Articles 32 and 33 of the President of the Republic Decree no. 600 of 29th September 1973 as amended. The Customs Agency operates in compliance with Article 52, subsections (4) to (10), of the President of the Republic Decree no. 633 of 26th October 1972.
3. The Minister for Production Activities regulates, by his own decree, the implementation modalities of the controls under subsections (1) and (2), having heard the Ministries involved.

Article 13

Intra-Community transfers

1. An authorisation shall be required for intra-Community transfers of dual-use items listed in Annex IV of the Regulation. The provisions set out in Article 21 of the Regulation are fully applied.
2. A National General Authorisation granted in accordance with the procedure referred to in Article 6 may be imposed for the intra-Community transfers of the dual-use items listed in Part I of Annex IV of the Regulation.

Article 14

Controls on technical assistance related to certain military end-uses

1. Without prejudice to the provisions of this Legislative Decree and referring to the contents of Article 2 and Article 5 of the Joint Action, technical assistance intended for the development, production, handling, operation, maintenance, storage, detection, identification or dissemination of chemical, biological or nuclear weapons or of other nuclear explosive devices or the development, production, maintenance or storage of missiles capable of delivering such weapons is prohibited.
2. Pursuant to the provisions of Article 3 and Article 5 of the Joint Action, technical assistance is prohibited if it relates to military purposes other than those under subsection (1) and is supplied to one of the destination Countries subject to an arms embargo decided by a common position or joint action adopted by the Council or by a decision of the OSCE or an arms embargo imposed by a binding resolution of the UN Security Council. For the purposes of this subsection, technical assistance for military end-uses shall include:

   a) incorporation into military items appearing in the military lists of Member States;

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\(^1\) Fiscal Police [translator’s note]
b) use of production-, test-, or analytical equipment and components therefore, for the development, production, maintenance of the military items specified in (a);

c) use of any unfinished products in a plant for the production of the military items specified in (a).

3. The provisions of subsection (1) do not apply to technical assistance:

a) where it is supplied to one of the Countries listed in Part 3 of Annex II of the Regulation;

b) where it takes the form of transferring information that is "in the public domain" or "basic scientific research", as these terms are respectively defined in the international export control regimes, bodies and treaties;

c) where it is in oral form and not related to items required to be controlled by one or more of the international export control regimes, bodies or treaties.

Article 15

Internet

1. Under this Legislative Decree, a preliminary authorisation shall be required for the transmission, by internet or by other electronic media, fax or telephone, of any project, design, formula, software and technology which is, on any ground, related to the development, production or use of dual-use items contained in Annexes I and IV of the Regulation.

2. Commercial advertisement of dual-use items shall not be subject to preliminary authorisation provided that it does not include the dissemination of the product's technical characteristics.

Article 16

Sanctions

1. Any person who according to the Regulation and this Legislative Decree has exported dual-use items without the prescribed authorisation or under the authority of an authorisation obtained by furnishing false statements or documents is liable to imprisonment for a term of two to six years or a fine ranging from EUR 25,000 to 250,000.

2. Any person who has exported dual-use items failing to comply with the obligations prescribed in the authorisations is liable to imprisonment for a term of two to four years or a fine ranging from EUR 15,000 to 150,000.

3. Any conviction or ruling delivered pursuant to Article 444 of the Criminal Procedure Law for the offences in subsections (1) and (2) entails the forfeiture of the items intended for export.

4. Any exporter of dual-use items not listed in Annex I of the Regulation who, according to Article 4 (4) of the same Regulation, does not furnish the competent Authority with the required information is liable to arrest and may be held under custody for up to two years.

5. Exporters of dual-use items shall notify any change in the information and data occurred after submitting the application and indicate the elements referred to in Article 16, paragraph 1 of the Regulation on the documents and records. Any exporter who fails to give notice of those changes or fails to comply with the provisions of Article 16 (1) or fails to keep legal documents for three years after the export has been made is liable to an administrative fine ranging from EUR 15,000 to 90,000, provided that the emission is not a crime. The same sanction is applied to any person who fails to notify, on request of the competent Authority, the information required or fails to furnish papers and documents relative to dual-use exports.

6. Any person who contravenes the prohibition under Article 14 (1) is liable to imprisonment for a term of two to four years or a fine ranging from EUR 15,000 to 150,000.

7. Any person who contravenes the prohibition under Article 14 (2) is liable to imprisonment for a term of not exceeding two years or a fine ranging from EUR 10,000 to 50,000.

8. Any person who performs the operations under Article 15 without the required authorisation or under the authority of an authorisation obtained furnishing false statements and documents is liable to imprisonment for a term of not exceeding two years or a fine ranging from EUR 10,000 to 50,000. The court shall order the seizure of the website containing the information under Article 15 (1).
Article 17
Compulsory notification by Judicial Authorities

1. The Court hearing the offences specified in Article 16 shall immediately send notice of it to the competent Authority for the adoption of the relevant measures.

Article 18
Repeals

1. From the date of coming into force of this Legislative Decree the following provisions are repealed:
   a) Legislative Decree no. 89 of 24th February 1997;
   b) subsections (4), (5), (6), (7), (8) and (9) of Article 4 of Law no. 422 of 29th December 2000;
   c) Article 4-bis of the decree-law of 28th September 2001 as amended and turned into Law no. 415 of 27th November 2001;
   d) Minister for Foreign Trade decree no. 273 of 18th June 1997;
   e) Minister for Foreign Trade decree no. 289 of 12th June 1998;
   f) Minister for Foreign Trade decree no. 280 of 25th July 2000;

This decree, complete with the State seal, shall be inserted into the Official Collection of the Laws of the Italian Republic. It is ordered to all those who are concerned to respect this Regulation and make it respected.

Done in Rome, 9th April 2003

CIAMPI

BERTUSCONI, President of the Ministers' Council
BUTTIGLIONE, Minister of Community Policies
MARZANO, Minister of Production Activities
FRATTINI, Minister of Foreign Affairs
CASTELLI, Minister of Justice
MARTINO, Minister of Defence
PISANU, Home Minister
TREMONTI, Minister of Economy and Finance
GASPARRI, Minister of Communications
MORATTI, Minister of Education, University and Research
SIRCHIA, Minister of Health

Approved by the Minister of Justice: CASTELLI
ANNEX 1
(provided for under Article 6 (4))

Statement to be put on the shipping papers accompanying the dual-use items exported under the authority of a National General Authorisation:

"La merce oggetto della presente esportazione è esportata con autorizzazione generale nazionale che può essere utilizzata solamente per le seguenti destinazioni ................................................
La merce non può essere inviata ad altre destinazioni senza approvazione delle autorità italiane e può essere riasportata secondo le normative nazionali."
("These items are exported under the authority of a National General Authorisation that can solely be used for the following destinations ................................................
These items cannot be sent to other destinations without the Italian Authorities prior approval and can be re-exported according to domestic rules.")

ANNEX 2
(provided for under Article 7 (2))

Statement to be put on the shipping papers accompanying the dual-use items exported under the authority of the Community General Authorisation referred to in Annex 2 of the Regulation:

"La merce oggetto della presente esportazione è esportata con autorizzazione generale comunitaria che può essere utilizzata solamente per le seguenti destinazioni: Australia, Canada, Giappone, Norvegia, Nuova Zelanda, Polonia, Repubblica ceca, Stati Uniti d'America, Svizzera, Ungheria. La merce non può essere inviata ad altre destinazioni senza approvazione delle autorità italiane e può essere riasportata secondo le normative nazionali."
("These items are exported under the authority of a Community General Authorisation which can be solely used for the following destinations: Australia, Canada, Czech Republic, Hungary, Japan, Norway, New Zealand, Poland, Switzerland, and United States of America. These items cannot be sent to other destinations without the Italian Authorities prior approval and can be re-exported according to national rules.")
New provisions on armaments export, import and transit.

The Chamber of Deputies and the Senate of the Republic have approved,

THE PRESIDENT OF THE REPUBLIC
PROMULGATES

the following Law:

Chapter I.
GENERAL PROVISIONS

Article 1.
(Government control)

1. Import, export and transit of armaments as well as the issuance of the related production licences must be in compliance with Italy's foreign and defence policy. These transactions are regulated by the Government in accordance with the principles of the Constitution of the Republic which rejects war as a means of solving international conflicts.

2. Export, import and transit of armaments, pursuant to Article 2, as well as the issuance of the related production licences, are subject to authorizations and supervision by the Government.

3. The Government shall design measures to support a gradual production differentiation and the conversion to civilian purposes of the companies operating in the defence field.

4. Export and transit transactions are allowed only if carried out with foreign governments or with companies authorized by the government of the recipient country.

5. Export and transit of armaments, as well as the issuance of the related production licences, are prohibited when in conflict with the Italian Constitution, with Italy's international commitments and with the basic interests of national security, fight against terrorism and maintenance of good relationship with other countries, as well as when proper guarantees about the materials final destination are missing.

6. Export and transit of armaments are also prohibited when directed to:
   a) countries involved in armed conflicts, in violation of the principles under Article 51 of the United Nations Charter, with the exception of Italy's international obligations or if otherwise decided by the Council of Ministers, upon approval of both Chambers;
   b) countries whose policy is in contrast with the principles under Article 11 of the Italian Constitution;
c) countries against which a total or partial embargo of war materials has been declared by the United Nations or by the European Union;

d) countries whose governments are responsible for proven and serious violations of international conventions on human rights, if ascertained by the competent organs of the United Nations, the European Union or the Council of Europe;

e) countries that, while receiving aid from Italy pursuant to Law 49, assign to their military budget resources exceeding their defence needs; Italy shall suspend further aid to these countries in accordance with the aforementioned Law, with the exception of aid to the populations in case of natural disasters.

7. Manufacturing, import, export and transit of biological, chemical and nuclear weapons, as well as the research designed for their production or the supply of the relevant technology are prohibited. The prohibition also applies to instruments and technologies specifically designed for the production of the aforementioned weapons and of any other weapon that might be used to manipulate mankind and the biosphere for military purposes.

8. The permanent or temporary import of armaments is prohibited with the following exceptions:

   a) imports directly carried out by the Government or on the Government’s behalf for the implementation of its armaments and equipment programs for armed forces and police which may be directly approved by the customs authorities;

   b) imports carried out by the subjects registered in the National Register of companies referred to in Article 3, upon the authorization provided for in Article 13;

   c) temporary imports carried out by the subjects registered in the National Register of companies referred to in Article 3, for the revision of previously exported armaments;

   d) imports carried out by public agencies, within their responsibilities, for historical or cultural activities, upon police authorizations as envisaged by Article 8 of Law 18 April 1975, No.8;

   e) temporary imports carried out by foreign companies participating in trade fairs, exhibitions and demonstrations, upon authorization of the Ministry of the Interior issued in agreement with the Ministry of Defence.

9. The provisions of this Law shall not apply to the following cases:

   a) temporary exports directly carried out by the Government or on the Government’s behalf for the implementation of its armaments and equipment programs for armed forces and police;

   b) exports or direct transfers between States for purposes of military aid as envisaged by international agreements;
c) transit of armaments and equipment to meet the needs of allied countries, in accordance with the Convention on the status of NATO forces, provided that waivers to Articles VI, XI, XII, XIII, XIV of the Convention among NATO member countries are not requested for any reason whatsoever.

10. Temporary exports provided for in paragraph 9(a) are prohibited if directed to the countries under paragraph 6 of this Article.

11. This Law shall not apply to sports weapons and hunting weapons and their ammunition, cartridges for industrial use, flares and smoke signals, ordinary firearms and ammunition under Article 12 of Law 18 April 1975, No. 110, short firearms, provided that they are not automatic, reproductions of antique weapons and explosives other than those designed for military purposes.

Article 2
(Armaments)

1. For the purposes of this Law, the term “armaments” shall mean all those materials that, due to their technical, manufacturing and design features can be considered as having been manufactured mainly for military use, by armed forces or police.

2. The armaments referred to in paragraph 1 are classified as follows:
   a) nuclear, biological and chemical weapons;
   b) automatic firearms and their ammunition;
   c) medium and large calibre arms and weapons and their ammunition as provided for in the list under paragraph 3;
   d) bombs, torpedoes, mines, rockets, missiles;
   e) tanks and vehicles specifically built for military use;
   f) ships and related equipment specifically built for military use;
   g) aircraft, helicopters and related equipment specifically built for military use;
   h) gunpowder, explosives, propellants, with the exception of those used for the weapons under paragraph 11 of Article 1;
   i) electronic, electro-optical and photographic systems or equipment specifically built for military use;
   j) armoured special materials specifically built for military use;
   k) military training materials;
   l) machines, devices and equipment built for manufacturing, testing and checks of weapons and ammunition;
   m) special equipment specifically designed for military use.

3. The list of armaments to be included in the categories under paragraph 2, shall be approved by decree of the Minister of Defence, in agreement
with the Ministers of Foreign Affairs, the Interior, Finance, Industry, Trade and Crafts, State Shareholdings and Foreign Trade, to be issued within 180 days of the entry into force of this Law. The identification of new categories and the updating of the armaments list shall be set forth by a decree to be adopted in the aforementioned form, and having taken into account the industrial and technological developments as well as the international agreements to which Italy has acceded.

4. For the purposes of this law the term “armaments” shall mean also:
   a) spare parts and specific components of the armaments under paragraph 2 above, identified in the list referred to in paragraph 3, only with regard to export;
   b) drawings, designs and any other kind of documents and information necessary for manufacturing, use and maintenance of the armaments under paragraph 2 above, only with regard to export and transit.

5. This Law shall also apply to the granting of licences for manufacturing the armaments under paragraph 2 and paragraph 4(a) outside the Italian territory.

6. The supply of services for training and maintenance, in Italy or abroad, if not authorized together with the transfer of armaments, is only subject to the authorization by the Minister of Defence, upon approval of the Ministers of Foreign Affairs and of the Interior, provided that it constitutes the continuation of a legally authorized agreement.

7. The conversion or the adjustment of vehicles and equipment for civilian use supplied by Italy or owned by the purchaser, both in Italy and abroad, which, through works carried out by Italian firms, entail operational changes of the vehicle or the material for military use, shall be authorized in accordance with the provisions set forth in this Law.

Article 3
(National Register of Companies)

1. The National Register of Companies and consortia of companies operating in the field of design, manufacturing, import, export, maintenance and works connected with armaments, classified in terms of functions for which registration may be accepted, shall be kept by the Ministry of Defence, Office of the Secretary-General -National Director of Armaments. Copies of this National Register and of its updated versions shall be sent, for the purposes of this Law, to the Ministries of Foreign Affairs, the Interior, Finance, Industry, Trade and Crafts and Foreign Trade.
2. Only companies admitted to the National Register may be given authorizations to start contractual negotiations and to carry out export, import or transit of armaments.

3. The registration in the National Register under paragraph 1 replaces the authorization envisaged in Article 28, paragraph 2 of the Consolidation Act of Public Security Laws approved by Royal Decree 18 June 1931, No. 773, without prejudice to the requirements under Article 8 of Law 18 April 1975, No. 110.

4. Applications for registration in the National Register, together with all the documentation required to demonstrate eligibility, shall be submitted by interested companies in accordance with the procedures that shall be laid down by decree of the Minister of Defence, in agreement with the Ministers of Foreign Affairs and Foreign Trade, provided that they possess the following requirements:
   a) in case of sole traders or partnerships, the entrepreneur or the legal representative shall have the Italian citizenship or the residence in Italy, provided that they are citizens of countries with which Italy has entered into legal co-operation agreements;
   b) in case of companies which have been legally established in Italy and are performing activities related to the materials subject to this Law, the companies representatives holding responsibilities under this Law shall have residence in Italy, provided that they are Italian citizens or citizens of countries with which Italy has entered into legal co-operation agreements.

5. Consortia of companies comprising one or more companies already included in the National Register of Companies may also be registered, provided that none of the impeding situations established in paragraphs 8, 9, 10, 11 and 12 apply to any of the companies belonging to the consortium, and as long as the legal representative of the consortium has the subjective requirements set forth in paragraph 4 (b).

6. Industrial consortia promoted by specific inter-governmental agreements or authorized by the relevant authorities of the Italian Government shall be automatically entered in the National Register of Companies.

7. Companies in the National Register shall communicate to the Ministry of Defence any change of the subjects under paragraphs 4 (a) and 4 (b) and paragraph 5, any transfer of the registered office, the establishment of new offices, the conversion or the cessation of trading of the company.

8. Bankrupt companies cannot be registered or, if already registered, shall be removed from the National Register.

10. All companies whose representatives indicated under paragraph 4 (a) and 4 (b) have been found to be or to have been members of secret associations as provided for by Article 1 of Law 25 January 1982, No. 17, or have been found guilty of offences under Law 20 June 1952, No. 645, of the Consolidation Act of Public Security Laws approved by Royal Decree 18 June 1931, No. 773, as subsequently amended, under Law 18 April 1975, No. 110, and under the provisions of this Law, may not register and if they were already in the National Register, their registration shall lapse.

11. All companies whose legal representatives have been found guilty of illegal trading in armaments may not register and if they were already in the National Register, their registration shall lapse.

12. All companies which, in violation of the prohibition established in Article 22, employ former civil servants in those offices therein specified, before three years have passed since the end of their active service cannot be registered or, if they were already in the National Register, their registration shall be suspended.

13. Should the conditions under paragraph 8, 9, 10, 11 and 12 occur, the company shall be suspended for or deleted by the National Register by decree of the Minister of Defence which shall be communicated to the Ministries indicated in paragraph 1.

14. If the impediment to the registration is removed, the company may be registered in the National Register or, if it had been deleted, it may be re-registered.

15. Pending the final decision on the impediments under paragraphs 8, 9, 10, 11 and 12, the company or consortium of companies may continue to operate regularly within the limits of the authorizations granted and still valid, with the exception of those being questioned. No new authorizations shall be issued to these companies.

Article 4
(Registration in the National Register of Companies)

1. The procedures for registration in the National Register of Companies shall be established by decree of the Minister of Defence issued pursuant to Article 17 of Law 23 August 1988, No. 400.

2. A Committee shall be appointed at the Ministry of Defence, in order to keep the National Register established under Article 3. This Committee shall be chaired by a magistrate of the State Council and shall include
one representative of the Ministry of Foreign Affairs, the Ministry of the Interior, the Ministry of Industry and the Ministry of Foreign Trade.

3. The Committee shall have the following responsibilities:
   a) to deliberate upon the registration or re-registration in the National Register on the basis of the eligibility requirements provided for in Article 3 (4);
   b) to carry out the three-year review of the Register;
   c) to report to the legal authorities for the purpose of imposing the penalties envisaged for offences concerning the Register;
   d) to express to the Minister its views on withdrawal or suspension of companies from the Register.

4. The works of the Committee shall be regulated by decree of the Minister of Defence, issued pursuant to Article 17 of Law 23 August 1988, No. 400.

5. All expenses related to the works of the Committee shall be met with the current funds of the Ministry of Defence budget.

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Article 5
(Report to Parliament)

1. The Prime Minister shall report to Parliament by 31 March of each year on the transactions authorized and carried out up to 31 December of the previous year, including those carried out in accordance with intergovernmental programs or global project licences.

2. The Ministers of Foreign Affairs, the Interior, Defence, Finance, Industry, State Shareholdings and Foreign Trade, each within his authority, shall submit annual reports on the activities under this Law to the Prime Minister who shall attach them to the report to Parliament provided for in paragraph 1.

3. The report provided for in paragraph 1 shall contain an analytical breakdown by type, quantity and cash value, of all items involved in the transactions established by contract, together with an annual progress report on exports, imports and transit of armaments and on export of services subject to controls and authorizations under this Law. This report shall include the list of the countries indicated in the final authorizations, the list of all authorizations that have been withdrawn for a violation of the final destination clause and the list of the prohibitions set forth in Articles 1 and 15, together with the list of all registrations, suspensions or withdrawals from the National Register pursuant to Article 31. The Report shall include the list of programs subject to global project licence, with the indication of the firms and countries involved, and the authorizations issued by countries partners of the global project.
licence. The holders of a global project licence report on an annual basis to the Ministry of Foreign Affairs on the activities carried under the licence. This report is included in the Report to the Parliament.

Chapter II
COORDINATION AND SUPERVISION BODIES

Article 6
(Inter-Departmental Committee for the Trade in Defence Armaments)

1. The Inter-Departmental Committee for the Trade in Defence Armaments (CISD – "Comitato Interministeriale per gli scambi di materiali di armamento per la difesa") shall be established at the Prime Minister's Office.

2. The Committee shall be chaired by the Prime Minister, and shall include the Ministers of Foreign Affairs, the Interior, Finance, Treasury, Defence, Industry, State Shareholdings and Foreign Trade. Other interested Ministers may be invited to attend the meetings of the Committee.

3. In compliance with the principles under Article 1, with international treaties and agreements ratified by Italy and in implementing the Government's foreign and defence policy, after having taken into account the technological and industrial development needs of the defence policy and the policy for arms production, the Committee lays down the general guidelines for trading policies in the defence field, and issues general directives for import, export and transit of armaments and, in those cases envisaged under this Law, supervises all the activities of the bodies responsible for the implementation of this Law.

4. The guidelines and directives established by the Committee shall be submitted to the Parliament.

5. The Committee shall also be responsible for identifying those countries subject to the prohibitions under Article 1 (6).

6. The Committee shall receive information on the respect of human rights also by organizations which have been recognized by the United Nations and the EEC, and by those non-governmental organizations recognized in compliance with Article 28 of Law 26 February 1987, No. 49.

Article 7
(Consultative Committee)

1. The Consultative Committee for export, import and transit of armaments shall be established at the Ministry of Foreign Affairs. This Committee shall express views to the Minister of Foreign Affairs for the purpose of granting the authorizations foreseen by Article 13.

2. The Committee shall be appointed by decree of the Minister of Foreign Affairs and shall include one representative of the Ministry of Foreign Affairs of a rank not lower than Minister Plenipotentiary, who shall chair it, and two representatives of the Ministry of the Interior, Defence and Foreign Trade, as well as one representative of the Ministries of Finance, Industry, State Shareholdings and Environment. The same decree shall appoint the alternates for each of the above mentioned representatives. One officer of the Ministry of Foreign Affairs shall act as Secretary.

3. The Committee shall rely upon the technical advice of two experts appointed by the Minister of Foreign Affairs, in agreement with the Minister of Industry and the Minister of State Shareholdings and can also rely upon the technical advice of other experts appointed case by case by the Chairman of the Committee, upon approval of its members.

4. The Committee shall be validly convened with a quorum of two thirds of its members.

5. The Committee shall be renewed every three years and the members may be reappointed only once.

Article 8

(Office for the coordination of armaments production)

1. Within 120 days of the entry into force of this Law, a Bureau shall be established at the Prime Minister’s Office, with the task of supplying the CISD with views, information and proposals – within the framework of the general defence policy guidelines adopted by the Parliament and by the Government – concerning the national production of armaments as well as the problems and prospects in this field with regard to the developments of international agreements.

2. The Bureau shall also contribute to study and identify proposals for converting manufacturing companies. In particular, it shall identify the possibilities of using materials derived from those under Article 2 for non-military purposes, for environmental protection, civil protection, public health, agriculture, science and research, energy and other civilian applications.
3. The Bureau shall be established by decree of the Prime Minister issued pursuant to Article 17 of Law 23 August 1988, No. 400. It shall rely upon the advice of experts appointed by trade unions and employers organizations.

Chapter III
AUTHORIZATION TO NEGOTIATE

Article 9
(Provisions governing contractual negotiations)

1. Companies admitted to the Register under Article 3 shall notify the Minister of Foreign Affairs and the Minister of Defence whenever they begin contractual negotiations for export, import and transit of armaments.

2. Within 60 days thereafter, the Minister of Foreign Affairs, in agreement with the Minister of Defence, may prohibit further negotiations.

3. The Minister may also set conditions or limitations to these activities in accordance with the principles under this Law and with the guidelines under Article 1, as well as for reasons national interest.

4. The beginning of contractual negotiations for export, import and transit of armaments from and to NATO and EU countries, or of transactions provided for in specific inter-governmental agreements must be notified to the Ministry of Defence which, within 30 days of receiving the communication, may set conditions or restrictions to the conclusion of negotiations.

5. The single authorization by the Minister of Defence shall be required for the following imports and exports:
   a) spare parts, components and services for maintenance and repair of materials included in previously authorized contracts, in which specific provisions were not included or may have lapsed;
   b) materials already legally exported which must be re-imported or temporarily re-exported, for repair or maintenance, to other countries;
   c) materials that have been imported, and in case also exported, and which must be returned to manufacturers because of defects, unsuitability or other similar reasons;
   d) equipment to be temporary exported or imported for installing, setting up or testing materials already authorized for import or export but for which no specific provisions to this regard were laid down in the respective documents;
e) armaments for exhibitions or technical demonstrations, and any other material required for their presentation as well as samples to be used for bids and tenders and evaluation trials.

6. The Minister of Foreign Affairs and Defence, with regard to the activities referred to in this Article, may rely upon the services of the Committee under Article 7.

7. Denial to grant an authorization and the setting of conditions or limitations must be motivated and notified to the applicant company.

7bis. Operations carried out under a global project licence are not subject to the provisions of this article.

Article 10
(Effects and validity of authorizations to negotiate)

1. Authorizations to start the contractual negotiations pursuant to Article 9, do not give the applicant company any right to obtain the subsequent authorizations under Article 13, and may be subject to restrictions or conditions. Any authorization shall remain valid for three years and may be renewed depending upon negotiations progress.

2. Authorizations may be suspended or withdrawn as established under Article 15.

Chapter IV
IMPORT, EXPORT AND TRANSIT AUTHORIZATIONS

Article 11
(Application for authorization)

1. The application for an authorization to export, import, transfer a licence or allow the transit of the materials subject to this Law, shall be submitted to the Ministry of Foreign Affairs, which shall notify the Ministry of Foreign Trade. The application must be signed by the legal representative or by somebody specifically designated for this purpose.

2. The application shall contain the following indications:
   a) type and quantity of armaments involved in the transaction. In case of spare parts, the type of materials which they belong to part shall be indicated;
   b) the value of the contract and the final delivery terms, also in case of delivery in batches, envisaged by the contract, as well as the conditions for delivering spare parts, supplying maintenance services or other technical assistance;
c) the amounts paid for possible brokering activities as well as the declaration under Articles 12 and 20 of Presidential Decree 29 September 1987, No. 454;
d) the final destination country, or any other country, agency, authority, company and other subjects of intermediate or final destination, pursuant to paragraph (3)(c);
e) the name of the addressee (Government authority, public agency or authorized company);
f) any financial obligation towards the State concerning property rights, patent rights or similar;
g) any commitment concerning industrial compensations;
h) details regarding any possible involvement of Government departments in the implementation of the agreed upon transaction.

3. The application for an export authorization must also include:
   a) a copy of the authorization to negotiate, or the permission, whenever required;
   b) a copy of the contract or the sub-contract for the supply, purchase or transport, as what regard the commercial and financial terms of the transactions; if the contract is written in a foreign language, the Italian translation shall be included;
   c) (i) an import certificate issued by the Governmental authorities of the recipient country in the case of companies entered in agreements with Italy aiming at ensuring a mutual control on arms exports; (ii) for all other countries, an “end-use certificate” issued by the governmental authorities of the recipient country, certifying that the material is imported for its own use and shall not be re-exported without prior authorization of the relevant Italian authorities.

4. The end-use certificate must be authenticated by the Italian diplomatic or consular authorities accredited to the issuing country.

5. The documentation under this Article shall not be required for the transactions envisaged by Article 9, paragraphs 4 and 5.

6. 5bis. Except in the case of programs under art. 9 paragraph 7bis, the application for a global licence project export authorization must include:
   a) description of the joint program and of the military items to be produced;
   b) firms participating in the program, if already defined; otherwise their names have to be notified to the Ministry of Foreign Affairs not later than 90 days after definition;
   c) consignees (governmental authorities, public institutions or duly authorized private entities).
Article 12
(Inquiry phase)

1. The Ministry of Foreign Affairs shall carry out an inquiry with the purpose of issuing the authorizations under Article 13. To this aim, after having ascertained that all the necessary documentation has been included in the application, the Ministry shall submit it to the Committee referred to in Article 7, except when otherwise provided for by Article 9, paragraphs 4 and 5.

2. The Committee, after having ascertained that the declared purposes of the transaction are in compliance with the provisions of this Law and with the directives issued by the CISD indicated in Article 6, shall express its view to the Minister of Foreign Affairs.

3. The Minister of Foreign Affairs may request a further examination and investigation by the CISD for transactions deemed to be of particular political importance.

Article 13
(Authorizations)

1. The Minister of Foreign Affairs, after consulting with the Committee under Article 7, in agreement with the Minister of Finance, shall authorize the export and import, whether final or temporary, and the transit of armaments, as well as the transfer abroad of industrial licences for armaments production and the re-export by the importing countries. Any denial to grant authorizations must be motivated. Authorizations may be issued as global project licences, to be granted to a single exporter if referred to exports, imports, or transits of armaments to be carried out under joint intergovernmental or industrial programs for the production of armaments involving firms of NATO and EU countries that are signatories, along with Italy, of relevant international agreements guaranteeing the control of armaments trade in accordance with the principles contained in this law. The international agreements shall contain provisions similar to those of article 13 of the Framework Agreement between the Republic of France, the German Federal Republic, the Republic of Italy, the Kingdom of Spain, the Kingdom of Sweden and the United Kingdom of Great Britain and Northern Ireland signed at Farnborough on 27.07.2000.
The global project licence may authorize the transfer of armaments to the aforementioned States for the use of their Armed Forces.

2. Authorizations under paragraph (1) shall be issued by the Minister of Foreign Affairs without the prior opinion of the Committee referred to in Article 7 for the following transactions:
   a) transactions envisaged in Article 9, paragraph (4);
   b) transactions which have obtained the authorization for contractual negotiations under Article 9, paragraph (5).

3. The relevant Governmental departments shall receive notification about the authorizations issued.

4. In case 60 days after the application for authorization under Article 11 has been submitted, the authorization has not been issued and no decision has been notified to the applicant, the company concerned may address to the CISD which shall take a final decision.

5. Authorizations may not be issued if the application is incomplete or if the documentation under Article 11, paragraphs (2) and (3) is missing. To this end, the Minister of Foreign Affairs shall ask the applicant to supply the information or documentation which is missing or incomplete as provided for by this Law.

6. In order to obtain the authorization to export specific armaments components and spare parts, the import certificate granted by the Government authorities of the first importing country to one of its own companies must be submitted, provided that such companies have been authorized by their government to manufacture and market armaments, keeping the right to request the end-use certificate or some document for those countries which do not issue import certificates.

Article 14
(Terms of transactions)

1. The transactions under this Law must be carried out within the terms indicated in the respective authorizations. The terms may be extended for periods not exceeding 24 months if so requested through a detailed application to be submitted by the Minister of Foreign Affairs not later than the date of their expiry, upon consultation with the Committee under Article 7. This provision does not apply to the case foreseen in article 9, par 4 and 5, and in the case of global project licence.

2. A copy of the authorizations or the extensions shall be immediately sent to the Administrations represented in the Committee under Article 7.

3. Authorizations may not be issued for a period shorter than that foreseen for the implementation of the contract, which may be extended depending upon the deliveries and other contractual transactions still to
be carried out. If no contractual implementation deadlines are envisaged, the authorization shall be valid for at least 18 months, and may be extended if necessary. This provision does not apply in the case of global project licence.

Article 15
(Suspension or withdrawal of authorizations)

1. Authorizations under Articles 9 and 13 shall be suspended or withdrawn whenever the conditions required for their issuance no longer exist.
2. Suspensions or withdrawals of the authorizations under Article 9, shall be decided by decree of the Minister of Defence in agreement with the Minister of Foreign Affairs.
3. Suspensions or withdrawals of the authorizations under Article 13 shall be decided by decree of the Minister of Foreign Affairs, upon consultation with the CISD.
4. Decisions under paragraphs (2) and (3) shall be notified to the Consultative Committee under Article 7.
5. The insurance cover provided by Law 24 May 1977, No.227, shall also apply whenever the authorization referred to in Article 13 is withdrawn, suspended or not extended independently from actions taken by the operator.
6. Suspensions or withdrawal of the authorization under Article 13, or its non-renewal or non-extension during the contract implementation, shall be considered, pursuant to Article 14, paragraph (6) of Law 24 May 1977, No. 227, as causes being independent from breaches of contract by the national operator for the purpose of payment of guarantees and failure or delay in reimbursing deposits or advanced payments loaned or settled as envisaged under Article 15(m) of the aforementioned Law.
7. In exceptional cases, the CISD may also temporarily ban the export of weapons under Article 1, paragraph (11) to countries for which it deems appropriate to adopt preventive measures and whose list shall be submitted to the Ministry of Foreign Affairs.
8. This ban shall be lifted by the CISD itself only when the events on which it was rooted no longer exist.

Article 16
(Transit and entry into the Italian territory of armaments subject to public security provisions)
1. The provisions of this Law shall not apply to cases in which armaments, as defined in Article 2, cross the Italian territory as part of commercial transactions abroad by non-residents.

2. In these cases, as well as in any other case in which armaments under paragraph 1, not allowed to pass the customs line and directed to other countries, enter the Italian territory, the provisions of paragraphs 3 and 4 of Article 28 of the Consolidation Act of Public Security Laws approved by Royal Decree 18 June 1931, No. 773, and of Article 4 of the respective implementing regulations, approved by Royal Decree 6 May 1940, No. 635, shall apply, provided that the materials concerned are recorded on the customs manifest.

3. These provisions, with the exception of Article 40 of the aforementioned regulations, shall also apply to weapons considered as on-board equipment as specified in the official documents.

4. The Prefect may deny, promptly notifying the Ministries of Foreign Affairs and Defence, the authorization for the entry into the Italian territory of the above mentioned materials and weapons for reasons of public order or public security or, after having consulted with the said Ministries, for reasons of State security.

Chapter V

COMPANIES OBLIGATIONS

Article 17

(Contribution for registration in the National Register)

1. In order to be registered in the National Register under Article 3, the applicants must pay an annual contribution for the amount and according to the procedures established by Decree of the Minister of Defence, in agreement with the Minister of the Treasury.

2. The Decree shall be published in the Gazzetta Ufficiale by 31 October of the calendar year preceding the one in which the contribution must be paid.

Article 18

(Armaments list)
1. Companies exporting armaments under this Law shall, within 120 days of the entry into force of the Decree referred to in Article 2, paragraph (3), submit to the Commission under Article 4 the list of the armaments to be exported, indicating for each one of them the security classification, if any, previously assigned by the Ministry of Defence. In accordance with the same criteria, any revision of the list shall also be submitted to the same Ministry.

**Article 19**
(Information on carriers and shippers)

1. For all transactions where the exporter is requested to ship and deliver armaments to their final destination, exporters must receive from shippers and carriers all relevant information concerning the mode of transport and routing, as well as any possible change that may have occurred during the transport. The relevant document must be kept by the exporter for a ten-year period.

2. For all transactions where the deliveries are “free at works” or “free warehouse”, exporters are requested to simultaneously notify the Ministers of Foreign Affairs, Defence, the Interior and Finance about delivery date and procedures, in addition to any other relevant information on the shipper or the carrier responsible for every transaction.

3. This communication shall be forwarded by the legal representative or by a person designated by him in advance and, in any case, within three days of the receipt of notification that the addressee, or the carrier commissioned by him, has collected the materials.

4. The provisions of this Article shall not apply to exports carried out on behalf of the Government.

**Article 20**
(Use of authorizations)

1. Any company authorized to armaments export or transit, with the exception of the transactions carried out on behalf of the Government or under a global project licence, shall:
   a) promptly notify the Ministry of Foreign Affairs of the conclusion, including the partial conclusion, of authorized transactions;
   b) send to the Ministry of Foreign Affairs, within 180 days of the conclusion of the transactions under item a) above, the following documents: the verification forms, or the customs document concerning the entry of the materials into the final destination
country, or the documentation certifying reception by the importer, or an equivalent documentation issued by the local Government authorities.

2. A further extension of 90 days may also be granted by the Minister of Foreign Affairs, upon approval of the Consultative Committee under Article 7, on the basis of a motivated and documented request by the exporter, to be submitted at least 30 days before the expiry of the original deadline.

3. In case the Italian exporter declares, on the basis of justified reasons, that it is impossible to obtain the documents from the foreign authorities referred to in paragraph (1)(b), the Committee under Article 7 shall express its view on such reasons and, in the meantime, no extensions to the authorization shall be granted.

4. In case of delay in submitting the documentation referred to in paragraph (1), and as long as this delay continues, except when justified as established in paragraph (3), no extensions to the authorizations indicated by the Committee shall be granted.

4bis. In case of consignment under a global project licence, the exporter shall keep of relevant

Article 21
(Seminars, stages and visits)

1. The Office of the Prime Minister, after consulting with the Minister of Defence and upon request of the company concerned, may authorize seminars, stages and visits in Italy, with the participation of Italian and foreign citizens, dealing with matters relating to products with a security classification.

Article 22
(Prohibition to assign offices)

1. Civil servants and military personnel holding any administrative function related to the implementation of this Law in the two-year period prior to their resignation to service may not, for the three years subsequent to their retirement and for whatever reason, become directors, chairmen, deputy chairmen, managing directors, sole directors or general
managers of companies working in the armaments sector, or act as their advisor, except when the advice provided is of technical and operational nature and relates to activities of design and testing.

2. Companies infringing the provisions of paragraph (1) shall be suspended from the National Register referred to in Article 3 for two years.

Chapter VI
PENALTIES

Article 23
(False information in the documentation)

1. Any person who, in the documentation submitted pursuant to the provisions of this Law, deliberately provides false information concerning the issuance of the authorization under Article 13 or its renewal, shall be punished with a prison sentence of 2 to 6 years or with a fine between one-tenth and three-tenths the value of the contract, if the authorization had been issued.

2. Should false declarations be fundamental to obtain the admission to the National Register under Article 3 or the authorization under Article 9, paragraph (5), a fine between three and three hundred million lire shall be applied, provided that it does not represent a more serious offence.

Article 24
(False failure to comply with administrative regulations)

1. All those who export or allow the transit of armaments in violation of the delivery terms to destination indicated in the application for authorization under Article 13, shall be punished with a prison sentence of up to five years or with a fine amounting to two to five-tenths the value of the contract, provided that it does not represent a more serious offence.

Article 25
(Lack of authorization)
1. All those who export, import, or allow the transit of the armaments under the Decrees referred to in Article 2, paragraph (3), without the authorization under Article 13, shall be punished with a prison sentence of three to twelve years or with a fine of five to five hundred million lire, provided that it does not represent a more serious offence.

2. All those who start negotiations in violation of the provisions of Article 9, shall be punished with a prison sentence of up to four years, or with a fine of five to two hundred and fifty million lire.

3. All armaments identified by the relevant Italian authorities as being bound for export and not accompanied by the prescribed documents, shall be seized.

Article 26
(Compulsory notification by legal authorities)

1. The legal authority that initiates proceedings for the offences under Articles 23, 24 and 25 shall immediately notify the Minister of Foreign Affairs and the Minister of Defence so that the appropriate measures may be taken within their respective responsibilities.

Article 27
(Provisions Governing Banking Transactions)

1. All banking transactions concerning import, export and transit of armaments as defined in Article 2, shall be notified to the Minister of the Treasury. This provision does not apply to the case of global project licence.

2. The Minister of the Treasury shall, within 30 days of notification, authorize the banking transactions to proceed as provided under this Law.

3. The report to Parliament under Article 3 must include a section on the activities of the banks operating on the Italian territory in the field indicated in paragraph (1).
Chapter VII
FINAL AND TRANSITIONAL PROVISIONS

Article 28
Transitional Provisions

1. Until the Decree under Article 2, paragraph (3) is issued, the present Laws regulating the materials listed in the «export table» on armaments shall remain in force.
2. Until the National Register under Article 3, and the Consultative Committee under Article 7 are established, the provisions of Article 3, paragraph 2 shall not apply, and the present Laws shall remain in force.
3. Any valid authorization at the time this Law comes into force, shall remain valid.
4. As far as the weapons and materials mentioned in Article 1, paragraph 11 are concerned, the licence of the Chief of Police under Article 31 of the Consolidation Act of Public Security Laws approved by Royal Decree of 18 June 1931, No. 773, replaces the licence of the Minister of Foreign Affairs, in agreement with the Minister of Finance. The Minister of Foreign Trade shall issue the implementing provisions.

Article 29
(Implementing regulations)

1. Within 120 days of the entry into force of this Law, the regulations containing the implementing provisions shall be issued by Decree of the Prime Minister, pursuant to article 17 of Law 23 August 1988, No. 400.

Article 30
(Staff secondment)

1. For the implementation of activities related to the issuance of the authorizations under this Law, the implementing regulations under Article 29 shall establish the provisions governing the secondment to the Ministry of Foreign Affairs of personnel from other Government Departments, pursuant to Articles 56 and subsequent of the Presidential Decree 10 January 1957, No. 3.
Article 31
(Provisions in force and repealed)

1. The provisions of the Regulations for implementing the Consolidation Act of Public Security Laws approved by Royal Decree of May 1940, No. 635, as subsequently amended, of Law 2 October 1967, No. 895, of Law 14 October 1974, No. 497 and of Law 18 April 1975, No. 110, shall remain in force if they are not in conflict with the provisions of this Law.

2. In the Annex to Royal Decree 11 July 1941, No. 1161, paragraph 6 (equipment, stocks and supplies of materials for the armed forces) the following words have been repealed: "contracts and procurement of war materials or materials in any way related to armed forces and the country's military efficiency, both with private companies or abroad, contractual information, progress and results of deliveries. Shipment and transfer of war materials abroad, both by military administrations and private industry".

3. In paragraph 8 (civil facilities for the production of war materials and civil plants for energy production) of the Annex to Royal Decree 11 July 1941, No. 1161, the following words have been repealed: "supplies and stocks of raw materials and semi-processed goods, consumption, import and export of raw materials, semi-processed goods and similar products in any way related to the production of war materials, both in general and in particular, for every facility as well as orders, contracts, contractual clauses etc."

4. All provisions in conflict with this Law are hereby repealed.

This Law, bearing the Seal of State, shall be included in the "Official Collection of Laws and Regulations of the Italian Republic". All those concerned shall have the obligation to observe this Law and to make it observed as a Law of the State.

Done in Rome, on 9 July 1990.

COSSIGA

ANDREOTTI, Prime Minister
MARTINAZZOLI, Minister of Defence

Approved by the Minister of Justice, VASSALLI