

Law No. 185 of 9 July 1990

Unofficial Translation

New Provisions Governing the Export, Import and Transit of Armaments

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Law No. 185 of 9 July 1990

With the approval of the Chamber of Deputies and the Senate of the Republic,

The President of the Republic

Hereby promulgates the following Law:

Chapter 1 General Provisions

Section 1. Central Government Control

(1) The import, export and transit of armaments and the assignment of production licences for them must be in compliance with Italy's foreign and defence policies. These operations are regulated by the Government according to the principles of the Constitution of the Republic which rejects war as a means of solving international conflicts.

(2) The export, import and transit of armaments, within the meaning of section 2, and the assignment of the relevant production licences are subject to authorization and supervision by the Central Government.

(3) The Government shall issue appropriate measures in order to support the gradual differentiation of production and to convert the manufacturing companies operating in the defence sector for civilian production.

(4) The export and transit operations are only permitted if they are affected with foreign governments or with companies authorized by the government of the recipient country.

(5) The export and transit of armaments, and the assignment of the related production licences, are forbidden whenever they are contrast with the Constitution, Italy's international commitments and the fundamental interests of State security, combatting terrorism and maintaining good relations with other countries, and when there are inadequate guarantees relating to the final destination of the materiel.

(6) The export and transit of armaments are also forbidden to:

a) countries in a state of armed conflict, in violation of the principles of Article 51 of the UN

Charter, except where Italy is bound by her international obligations or where otherwise resolved by the Council of Ministers, after hearing the opinion of both Chambers;

- b) countries whose policies are in contrast to the principles of Article 11 of the Italian Constitution;
- c) countries against which a total or partial embargo has been declared on arms supplies by the United Nations;
- d) countries whose governments are responsible for proven violations of international human rights conventions;
- e) countries which, while in receipt of aid from Italy pursuant to Law 49 of 26 February 1987, appropriate resources to their military budget which exceed the needs of their own country's defence; in respect of these countries, Italy shall suspend further aid pursuant to that law, with the exception of aid to the people in the event of natural disasters.

(7) The manufacture, import, export and transit of biological, chemical and nuclear weapons are prohibited, as is research designed for their production, or the provision of the relevant technology. This also applies to instruments and technologies specifically designed for the construction of the aforementioned weapons and any others which might be used to manipulate man and the biosphere for military purposes.

(8) The permanent or temporary import of armaments is forbidden, except for the following:

- a) imports directly effected by the Government or on the Government's behalf in order to implement the weapons and equipment programmes for the armed forces and the police, which may be approved directly by the customs authorities;
- b) imports effected by persons registered with the national companies register referred to in s.3, after having received the authorization provided by s.13;
- c) temporary imports effected by persons registered with the national companies register provided for in s.3, for the revision of armaments previously exported;
- d) imports effected by public agencies, within their respective spheres of competence, in relation to the exercise of historical or cultural activities, after having received the police authority provided by s.8 of Law 110 of 18 April 1975;
- e) temporary imports by foreign companies attending trade fairs, exhibitions and demonstrations, provided that they are in receipt of authorization from the Ministry of the Interior, which shall be issued with the consent of the Ministry of Defence.

(9) The provisions of this law shall not apply to the following:

- a) temporary exports directly effected by, or on behalf of the Central Government, to implement its own arms and equipment programmes for the armed forces and police;
- b) exports or concessions between governments for the purposes of military aid, under the terms of international agreements;
- c) the transit of armaments and equipment to meet the needs of allied countries, as defined in the Convention on the Status of NATO Forces, provided that waivers to Articles VI, XI, XII, XIII and XIV of the Convention between the States signatories to the North Atlantic Treaty, ratified by Law 1335 of 30 November 1955, are not invoked for any reason whatsoever.

(10) At all events, temporary exports referred to in (9)(a) above are forbidden to countries referred to in subsection (6) of this section.

(11) This Law shall not apply to sports weapons and hunting weapons and their ammunition; cartridges for industrial use and flares and smoke cartridges; ordinary weapons and ammunition governed by s.2 of Law 110 of 18 April 1975, and short firearms, provided that they are not automatic; reproductions of antique weapons, and explosives other than those designed for military purposes.

Section 2. Armaments

(1) For the purposes of this Law, armaments shall be considered to include all those materials which, on account of their technical and construction and design features and requirements may be considered to have been manufactured mainly for military use, or for use by armies or by the police.

(2) The armaments referred to in (1) are classified into the following categories:

- a) nuclear, biological and chemical weapons;
- b) automatic firearms and their ammunition;
- c) medium and large calibre arms and weapons and their ammunition as referred to in the list referred to in (3);
- d) bombs, naval mines, land mines, rockets, missiles and torpedoes;
- e) tanks and vehicles specially built for military use;
- f) ships and their equipment specially built for military uses;
- g) aircraft and helicopters and their equipment specially built for military use;
- h) gunpowder, explosives, propellants, except those to be used for weapons referred to in s.1(11);
- i) electronic, electro-optical and photographic systems or equipment, specially built for military use;
- j) special armoured material built specifically for military uses;
- k) specific materiel for military training;
- l) machines, equipment and devices built for the manufacture, testing and control of weapons and munitions;
- m) special equipment designed specifically for military uses.

(3) The list of armaments included in the categories referred to in subsection (2) above shall be approved by decree of the Minister of Defence jointly with the Ministers of Foreign Affairs, the Interior, Finance, Industry and Trade, State Shareholdings and Foreign Trade, which shall be issued within 180 days of the date of entry into effect of this Law. The identification of new categories and the updating of the list of armaments shall be effected by the decree to be adopted in the aforementioned forms relating to the trends in industrial production, technological development, and international agreements to which Italy is a signatory state.

(4) For the purposes of this Law the following shall be considered armaments:

- a) spare parts and specific components of the armaments mentioned in (2) above, identified in the list referred to in (3) solely for the purposes of export;
- b) drawings, designs and any other type of documentation and information necessary for the manufacture, use and maintenance of the armaments referred to in (2) above, solely with regard to export and transit;

(5) This Law shall also apply to the granting of licences for the manufacture of the armaments referred to in (2) and (4)(a), outside Italian territory.

(6) The provision of services for training and maintenance, to be effected in Italy or abroad, if not already authorized simultaneously with the transfer of the armaments in question, shall only require clearance from the Minister of Defence, after consultation with the Ministers of Foreign Affairs and the Interior, provided that it is the continuation of a lawfully authorized agreement already existing.

(7) The conversion or adaptation of vehicles and materials for civilian use supplied by Italy or owned by the principal in Italy or abroad which, through the intervention of Italian companies, produces operational variations thereto for the purpose of making the vehicles or materials useful in war, shall be authorized pursuant to the provisions of this Law.

Section 3. National Companies Register

(1) The National Register of Companies and consortia of companies operating in the field of design, manufacture, import, export, maintenance and work in any way connected with armaments, classified in terms of the functions for which registration may be accepted, shall be kept by the Ministry of Defence, Office of the Secretary-General - National Armaments Director. Copies of this National Register, and updated versions of it, shall be sent for the purposes of this Law to the Ministers of Foreign Affairs, the Interior, Finance, Industry and Trade, and Foreign Trade.

(2) Only companies admitted to in the National Register may be given authorization to initiate contractual negotiations and effect export, import or transit operations involving armaments.

(3) Admission to the Register referred to in (1) above replaces the authorization referred to in s.28(2) of the Public Security Laws approved by Royal Decree No. 773 of 18 June 1931, notwithstanding the requisites in s.9 of Law 110 of 18 April 1975.

(4) Applications for registration with the National Register, together with all documentation required to demonstrate eligibility following the procedures to be laid down by decree of the Minister of Defence, jointly with the Ministers of Foreign Affairs and Foreign Trade, shall be submitted by interested companies, provided that they possess the following requisites:

- a) in the case of one-man firms or partnerships, the proprietor or legal representative shall be of Italian nationality, or be resident in Italy, provided that he is a national of a country with which Italy has a Treaty of judicial cooperation;
- b) in the case of limited companies, provided that they have been incorporated in Italy and perform in Italy their activities relating to the materials subject to control under this Law, residents in Italy on the part of representatives of the company for the purposes of this Law, and are Italian nationals or nationals of countries with which Italy has a judicial cooperation agreement.

(5) Consortia of companies comprising one or more companies registered with the National Companies Register may also be registered, provided that none of the situations provided by subsections (8), (9), (10), (11) and (12) apply to any of the companies belonging to the consortium, and provided that the legal representative of the consortium is in possession of the subjective eligibility requisites referred to in subsection (4)(b) above.

(6) Industrial consortia promoted as a result of specific inter-governmental understandings or in any way authorized by the authorities of the Italian State shall also automatically be registered in the National Companies Register.

(7) Companies in the National Register shall communicate any change in the names of the subjects referred to in subsection (4)(a) and (b), and subsection (5), any transfer of the registered office, the establishment of new offices and the conversion or winding up of the company, to the Ministry of Defence.

(8) Companies declared bankrupt may not register, and if already registered, their registration shall lapse.

(9) The provisions regarding suspension, expiry and non-eligibility for registration provided by Law 575 of 31 May 1965, and s.24 of Law 646 of 13 September 1982 shall apply.

(10) Any companies whose representatives indicated in subsection (4)(b) have been found to be members of secret associations, past or present, pursuant to s.1 of Law 17 of 25 January 1982, or who have been found guilty of offences provided by Law 645 of 20 June 1952, or of the Public Security Consolidation Law approved by Royal Decree 773 of 18 June 1931, as subsequently amended, Law 110 of 18 April 1975, and the provisions of this Law, may not register, and if registered said registration shall automatically lapse.

(11) Any companies whose legal representatives have been found guilty of the crime of illegal trading in armaments may not be registered, and if registered said registration shall automatically lapse.

(12) Any companies which, in violation of the prohibitions referred to in s.22, engage former civil servants with the functions specified within the three-year period following the date on which they ceased to be civil servants, may not be registered, or if already registered said registration shall be suspended.

(13) If the conditions referred to in subsections (8), (9), (10), (11) and (12) obtain, the company shall be suspended from or shall be struck off the National Register by Decree of the Minister of Defence which shall be communicated to the Ministries indicated in subsection (1).

(14) Once the impediment to registration has been removed, the company may be registered, and if it has been written off, it may be re-registered.

(15) While awaiting the final decision relating to the impediments referred to in subsections (8), (9), (10), (11) and (12) the company or consortium of companies may continue to operate normally within the limits of the authorization granted to it or/and any currently valid authorization, save any authorization in relation to which the company is under investigation. No new authorization shall be issued to such companies.

Section 4. Registration with the National Companies Register

(1) The procedures for admission to the Register shall be laid down by decree of the Minister of Defence as provided by S.17 of Law No. 400 of 23 August 1988.

(2) In order to keep the National Register referred to in s.3, a Commission shall be appointed at the Ministry of Defence, chaired by a magistrate of the 'Consiglio do Stato', comprising one representative of the Ministry of Foreign Affairs, the Ministry of the Interior, the Ministry of Industry and Trade, and the Ministry of Foreign Trade.

(3) The Commission shall have the following responsibilities:

a) to resolve on possession of the eligibility requisites referred to in s.3(4) relating to registration or re-registration;

b) performing the three-yearly review of the Register;

c) to report to the judicial authorities for the purposes of imposing the penalties for offences concerning the Register;

d) drafting an opinion for submission to the minister regarding the striking-off and suspension of companies from the Register.

(4) The operation of the Commission shall be governed by Decree of the Minister of Defence, issued pursuant to s.17 of Law 400 of 23 August 1988.

(5) All expenses relating to the operation of the Commission shall be met by the ordinary appropriations to the Ministry of Defence budget.

Section 5 Report to Parliament

(1) The Prime Minister shall report to Parliament by 31st March each year on the operations

authorized and performed up to 31st December of the previous year.

(2) The Ministers of Foreign Affairs, the Interior, Defence, Finance, Industry and Trade, State Shareholdings and Foreign Trade, each within their respective sphere of jurisdiction, shall issue annual reports on the activities under this Law to the Prime Minister, who shall annex them to his report to Parliament referred to in subsection (1).

(3) The reports referred to in subsection (1) shall contain an analytical breakdown by type, quantity and cash values, of all the objects relating to contractually defined operations, together with an annual progress report on exports, imports and the transit of armaments and on the export of services subject to control and authorization provided by this Law. This report shall contain the list of the countries indicated in the final authorization, the list of any permits that have been withdrawn as being in breach of the final destination clause and of the prohibitions set forth in s.1 and 15, together with the list of any registrations, suspensions or removals from the National Register referred to in s.3.

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Chapter II. Coordination and Supervision Roles

Section 6. Inter-Departmental Committee for the Trade in Armaments for Defence

(1) The Inter-Departmental Committee for the Trade in Armaments for Defence (CISD) shall be instituted at the Prime Minister's Office.

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

(3) In respect of the principles referred to in s.1 and the treaties and international commitments by which Italy is bound, and in implementation of the Government's foreign and defence policies, after having appraised the technological and industrial development needs connected with the defence policy and the policy for arms production, CISD shall lay down the general guidelines for trading policies in the defence field, and issue general instructions governing the import, export and transit of armaments, and in the cases provided by this Law, shall supervise all the activities of the bodies created for the purposes of implementing this Law.

(4) The guidelines and instructions laid down by the Committee shall be tabled before Parliament.

(5) The CISD shall also be responsible for identifying the countries for which the prohibitions referred to in s.1(6) apply.

(6) CISD shall receive information regarding the respect of human rights, from any bodies which include organizations recognized by the United Nations and the EEC, and from non-governmental organizations recognized pursuant to s.28 of Law of 26 February 1987.

Section 7. Consultative Committee

(1) The Consultative Committee for the export, import and transit of armaments shall be set up at the Ministry for Foreign Affairs. This Committee shall express its opinions to the Minister for Foreign Affairs for the purposes of issuing the permits referred to in s.13 below.

(2) The Committee shall be appointed by Decree of the Minister of Foreign Affairs and shall

comprise one representative of the Ministry of Foreign Affairs whose rank shall not be lower than that of a Minister Plenipotentiary, who shall chair it, and two representatives of the Ministry of the Interior, Defence and Foreign Trade, and one representative of the Ministries of Finance, Trade and Industry, State Shareholdings and the Environment. The same Decree shall appoint the alternates of all of the full members. An official of the Ministry of Foreign Affairs shall act as Secretary.

(3) Two experts appointed by the Minister of Foreign Affairs, jointly with the Minister of Industry and Trade, and the Minister of State Shareholdings, shall advise the Committee, which may also be advised on technical matters by other experts appointed case by case by the Chairman of the Committee, after hearing the opinions of the members.

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

(5) The Committee shall be replaced every three years, and the members may be reappointed once only.

Section 8. The Armaments Production Coordination Office

(1) Within 120 days of the entry into force of this Law, an Office shall be set up at the Prime Minister's Office, with the task of supplying the CISD with opinions, information and proposals -- within the framework of the general defence policy guidelines adopted by the Parliament and by the Government -- relating to the national production of armaments, the problems, and the prospects in this area of production in relation to the developments of international agreements.

(2) The Office shall also contribute towards studying and identifying proposals for converting manufacturing companies. In particular, it shall identify the possibilities of using materials derived from the companies referred to in s.2 for non-military purposes, for the purposes of environmental protection, civil defence in the event of disasters, public health, agriculture, science and research, energy and other civilian applications.

(3) The Office shall be instituted by Decree of the Prime Minister issued pursuant to s.17 of Law No. 400 of 23 August 1988. It shall consult experts nominated by trade union and employers organizations.

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Chapter III. Authorization to Negotiate

Section 9. Provisions Governing Contractual Negotiations

(1) The companies admitted to the Register referred to in s. shall notify the Minister of Defence whenever they begin contractual negotiations for the export, import and transit of armaments.

(2) Within 60 days thereafter, the Minister of Foreign Affairs, jointly with the Minister of Defence, may prohibit further negotiations.

(3) The Minister may also lay down conditions or limitations on these activities bearing in mind the principles referred to in this Law and the guidelines referred to in s.1, as well as on the grounds of national interest.

(4) The beginning of the contractual negotiations, for the purposes of the export, import and transit of armaments from and to NATO and WEU countries, or the operations covered by specific inter-governmental agreements must be notified to the Ministry of Defence which, within 30 days of receiving the communication, may lay down conditions or restrictions on the conclusion of the

negotiations.

(5) Clearance by the Minister of Defence alone shall be required for imports and exports of the following:

- a) spare parts, components and services for maintaining and repairing materials forming the subject matter of previously authorized contracts, in which specific provisions were not made for them or which may have lapsed;
- b) materials already lawfully exported and which need to be re-imported or temporarily re-exported, for repair or maintenance, to other countries;
- c) materials that have been imported, and exported where relevant, and which have to be returned to the manufacturers because of defects, unsuitability, or for similar reasons;
- d) equipment for temporary export or import for the purposes of installing, commissioning, or testing materials already authorized for import or export, but for which the relative documents made no specific provisions;
- e) armaments for the purposes of exhibitions, or technical demonstrations; their manuals and technical descriptions, and any other material required for their presentation, as well as samples to be used for bids and tenders, and evaluation trials.

(6) The Ministers of Foreign Affairs and Defence, in relation to the activities referred to in this section, may call upon the services of the Committee indicated in s.7.

(7) Refusal to grant a permit and the imposition of any conditions or limitations must be motivated, and the reasons therefore shall be made known to the applicant company.

Section 10. The Effects and Duration of Authorization to Negotiate

(1) Authorization to initiate the contractual negotiations referred to in s.9 shall not confer on the applicant company any right to the subsequent authorization or permit referred to in s.13, and may be subject to restrictions or conditions. Any authorization shall be valid for three years and may be renewed, dependent on progress with the negotiations.

(2) Authorization may be suspended or revoked as provided by s.15 below.

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Chapter IV. Import, Export and Transit Permits

Section 11. Application for a Permit

(1) In respect of the materials governed by this Law, the application for a permit to export, import, issue licences and transit shall be filed with the Ministry of Foreign Affairs, which shall notify the Ministry of Foreign Trade thereof. The application shall be signed by the legal representative or a person designated by him for the purpose.

(2) The application shall indicate the following:

- a) the type and quantity of the armaments, forming the subject matter of the transaction. If the object is spare parts, the type of materials to which they belong shall be indicated;

- b) the value of the contract and the final delivery terms, even if deliveries are in batches under the terms of the contract, together with the conditions for delivering spare parts, in the case of maintenance services or a provision of other technical assistance services;
- c) the amount and compensation paid to intermediaries, as well as the statement referred to in ss.12 and 20 of Presidential Decree No. 454 of 29 September 1987;
- d) the final destination country for the material, or any other countries, agencies, authorities, companies and any other individuals of intermediate or final destination, pursuant to subsection (3) (c);
- e) the name of the addressee (Government Authority, public agency or authorized company);
- f) any financial obligations to the State regarding property rights, patent rights or similar;
- g) any commitments relating to industrial compensation;
- h) details regarding the involvement of Government departments in the implementation of the agreed operation.

(3) The application for an export permit shall also include the following:

- a) a copy of the authorization to negotiate, or the clearance, where required;
- b) a copy of the contract or the sub-contract for the supply or purchase or transport, in relation to the part referring to the commercial and financial terms of the operation; if the contract is written in a foreign language, a translated copy in Italian shall be included;
- c) (i) an import certificate issued by the Governmental authorities of the addressee State in case of companies which have reciprocal agreements with Italy governing the control of arms exports; (ii) in the case of all other countries, an " end-use certificate" issued by the governmental authorities of the address country, certifying that the material is imported for its own use and shall not be re-exported without the prior authorization of the Italian authorities having responsibility therefor.

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

(5) The documentation referred to in this section shall not be required for operations governed by s.9 (4) and (5).

Section 12. Inquiry Phase

(1) The Ministry of Foreign Affairs shall carry out an inquiry relating to the issue of the permit referred to in s.13. Having ascertained that all the prescribed documentation has been submitted with the application, shall submit it to the Committee referred to in s.7, save where otherwise provided by ss.9(4) and (5).

(2) After having ascertained that the declared purposes of the operation are consistent with the provisions of this Law, and with the instructions issued by CISD pursuant to s.6, the Committee shall express its opinion to the Minister of Foreign Affairs.

(3) The Minister of Foreign Affairs may request a further examination and investigation by CISD in respect of operations deemed to be of specific political importance.

Section 13. Authorization

(1) The Minister of Foreign Affairs, after consultation with the Committee referred to in s.7, jointly with the Minister of Finance, shall authorize the export and import, whether final or temporary, and the transit of armaments, and the assignment of industrial licences abroad for the production of said armaments and the re-export thereof by the importing countries. Any refusal to grant authorization must be motivated.

(2) The authorization referred to in subsection (1) shall be issued by the Minister of Foreign Affairs without the prior opinion of the Committee referred to in s.7 for the following operations:

- a) those provided by s.9(4);
- b) those which have clearance for contractual negotiations referred to in s.9(5).

(3) The Governmental departments concerned shall be notified of the authorization issued.

(4) After 60 days from the date on which the application for authorization referred to in s.11 has been submitted, if the authorization has not been issued and no decision has been notified to the applicant, the company concerned may address the CISD which shall issue a final decision.

(5) Authorization may not be issued if the application is incomplete or if any of the documentation referred to in ss.11(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 by this Law.

(6) To obtain the authorization to export specific components and spare parts of armaments, the import certificate issued by the Government authorities of the first importing country to one of its own companies shall be submitted therewith provided that the latter company has been authorized by its government to manufacture and market armaments, save the right to request the final use certificate or some equivalent document in the case of countries which do not issue import certificates.

Section 14. Term for the Operations

(1) The operations provided by this Law must be effected within the terms indicated in the authorization or permit issued. The terms may be extended for periods not exceeding 24 months if so requested in a reasoned application that shall be submitted no later than the date of expiry by the Minister of Foreign Affairs, after having heard the opinion of the Committee referred to in s.7.

(2) A copy of the authorization or permits and of the extensions thereof shall be sent immediately to the administrations represented on the Committee referred to in s.7.

(3) Authorization may not be issued for a shorter period than that relating to the performance of the contract, which may be extended independent of the deliveries and the remaining contractual operations. Where no contractual performance deadlines are stipulated, the authorization or permit shall be valid for at least 18 months, and may be extended if necessary.

Section 15. Suspension or Withdrawal of Authorization

(1) The authorization or permit referred to in ss.9 and 13 shall be suspended or revoked whenever the conditions prescribed for their issuance no longer obtain.

(2) The suspension or withdrawal of authorization referred to in s.9 shall be effected by decree of the Minister of Defence by agreement with the Minister of Foreign Affairs.

(3) The suspension or withdrawal of the authorization referred to in s.13 shall be effected by decree of the Minister of Foreign Affairs, after consultation with CISD.

(4) The decisions referred to in subsections (2) and (3) above shall be notified to the Consultative Committee referred to in s.7.

(5) The insurance cover provided by Law 227 of 24 May 1977 shall also extend to cases in which the

authorization referred to in s.13 is withdrawn, suspended or not extended for reasons which are independent of the will of the operator concerned.

(6) The withdrawal or suspension of the authorization referred to in s.13, or the failure to renew or extend it during the performance of a contract shall, for the purposes of s.14(6) of Law No. 227 of 24 May 1977, be construed as causes that are not dependent on breaches of contract on the part of the national operator for the purpose of payment of the guarantees and the failure or delay in repaying deposits or advanced payments loaned or effected for the reasons indicated under s.15(m) of the aforementioned Law.

(7) In exceptional cases, CISD may temporarily ban the export of weapons referred to in s.1(11) to countries, of which a list shall be submitted to the Ministry of Foreign Affairs, in respect of which it deems it appropriate to adopt preventive measures.

(8) This ban shall be lifted by CISD itself only when the causes leading to it cease to obtain.

Section 16. Transit and Entry into Italian Territory of Armaments Subject to Police Regulations

(1) The provisions of this Law shall not apply to cases in which armaments, as defined in s.2, cross Italian territory as part of commercial transactions by non-residents.

(2) In these cases and in any other case in which the armaments referred to in subsection (1) above enter Italian territory, and do not need to pass the customs line for any reason whatsoever and are bound for other countries, provided that the materials are recorded on the customs manifest only the provisions of ss.28(3) and (4) of the Public Security Consolidation Act, adopted by Royal Decree No. 773 of 18 June 1931, and Article 40 of the Regulations for its implementation, adopted by Royal Decree No. 635 of 6 May 1940 shall apply.

(3) These provisions, excluding Article 40 of the aforementioned regulations, shall also apply to weapons forming part of on-board equipment as specified in the official documents.

(4) The prefect may refuse to authorize the entry into Italian territory of the materials and weapons mentioned above for reasons of public order or public security, promptly notifying the Ministries of Foreign Affairs and Defence thereof, or for reasons relating to State Security after having consulted the aforementioned Ministries.

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Chapter V. Obligations on Companies

Section 17. Fee for Admission to the National Register

(1) In order to obtain admission to the National Register referred to in s.3, applicants must pay an annual fee in the amount and following the procedures to be laid down by decree of the Minister of Defence, jointly with the Minister of the Treasury.

(2) The decree shall be published in the Gazzetta Ufficiale by 31st October of the year preceding the year to which the fee refers.

Section 18. Armaments List

(1) Companies exporting the armaments governed by this Law shall, within 120 days of the entry into force of the decree referred to in s.2(3), submit to the Commission referred to in s.4 the list of the armaments to be exported, indicating for each one of them the security classification, if any,

previously imposed by the Ministry of Defence. Following the same criteria, any revisions of the List shall also be submitted to the same Ministry.

Section 19. Notification Relating to Carriers and Shippers

(1) For operations for which the exporter is required to ship and deliver to their destination any armaments, the exporters shall obtain from the shippers and carriers all relevant information concerning the mode of transport and the routing and any variations that may have occurred en route. The relevant documents must be kept in the records of the exporter for a period of ten years.

(2) For all operations for which the delivery is "ex works" or "ex warehouse", exporters are required to simultaneously notify the Ministers of Foreign Affairs, Defence, the Interior and Finance of the date and the procedures for the delivery, together with any other relevant information on the shipper or the carrier responsible for the operation.

(3) This communication shall be made by the legal representative or a person designated by him, in advance and at all events no later than three days from the date of receipt of the notification that the addressee or the carrier commissioned by him has collected the shipment.

(4) The provisions of this section shall not apply to exports effected on behalf of the Government.

Section 20. Use of Authorization and Permits

(1) Any company authorized to export or cause armaments to transit through Italy shall be required to perform the following, except for operations performed on behalf of the Government:

a) promptly notify the Ministry of Foreign Affairs of the conclusion, including the partial conclusion, of authorized operations;

b) send within 180 days of the conclusion of the operations referred to in a) above, to the Ministry of Foreign Affairs: the verification forms, or the customs docket evidencing the entry into the addressee's country of the shipment, or the documentation certifying reception by the importer; or equivalent documentation issued by the local government authorities.

(2) A further 90 days may also be granted by the Minister of Foreign Affairs, after consulting the Consultative Committee referred to in s.7, if there are good and documented grounds therefor, at the request of the exporter, which request shall be submitted at least 30 days before the expiry of the original deadline.

(3) If the Italian exporter declares, with justification, that it is impossible to obtain the documents from the foreign authorities referred to in subsection (1)(b), the Committee referred to in s.7 shall express its opinion relating to the reasons for the justification thereof. Until the Committee referred to in s.7 has expressed its opinion on the motives for the justification, no extensions to the authorization or permit may be entertained.

(4) In the event of a delay in submitting the documentation referred to in subsection (1), and so long as this delay continues, save where justified as provided by subsection (3), no extensions to the authorization or permit to which the Commission refers may be extended.

Section 21. Workshops, Study Courses and Visits

(1) The office of the Prime Minister, after consulting the Minister of Defence and at the request of the company concerned, may authorize the holding of workshops, and study courses and visits by Italian nationals and foreign nationals in Italy, which deal with matters relating to the products covered by security classification.

Section 22. Prohibition on Conferring Offices

(1) Civil servants and military personnel holding any administrative functions connected with the implementation of this law in the two-year period prior to the cessation of their employment may not, throughout a period of three years following the cessation of employment, for whatever reason, become directors, chairmen, deputy chairmen, managing director, sole director or general manager, or act as consultants to companies working in the armaments sector, save where such consultancy functions are specifically technical-operational relating to the design or testing operations.

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

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Chapter VI. Penalties

Section 23. Untrue Statements in the Documentation

(1) Any person who, in any documentation submitted pursuant to the provisions of this Law, deliberately makes any untrue statements therein relating to the issuance of the authorization provided by s.13 for its renewal, shall be punished with a term of imprisonment of between two and six years, or a fine of between one-tenth and three-tenths of the value of the contract, in the event that the authorization is issued.

(2) If the untrue statements are material to obtaining admission to the National Register referred to in s.3, or to the obtaining of clearance provided by s.9(5), the fine shall be between three and three hundred million lire, save where a more serious offence is committed.

Section 24. Failure to Comply with Administrative Regulations

(1) Anyone who exports armaments or causes them to transit in violation of the delivery terms to the destination indicated in the request for authorization referred to in s.13, save where the offence is more serious, shall be punished with a term of imprisonment of up to five years, or shall be fined in an amount of two and five-tenths of the value of the contract.

Section 25. Lack of Authorization

(1) Save where a more serious crime is committed, anyone who exports, imports, or causes to transit any armaments covered by the decrees referred to in s.2(3), without the authorization provided in s.13, shall be liable to a term of imprisonment of between three and twelve years, or a fine of between five and five hundred million lire.

(2) Anyone who initiates negotiations in violation of the provisions of s.9 shall be liable to a term of imprisonment of up to four years, or a fine of between five and two hundred and fifty million lire.

(3) Any armaments which are not accompanied by the prescribed documents and are identified by the Italian authorities delegated thereto as being bound for export shall be confiscated.

Section 26. Compulsory Notification by Judicial Authorities

(1) The judicial authority that initiates proceedings for the offences provided by ss.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 spheres of competence.

Section 27. Provisions Governing Banking Transactions

- (1) All banking transactions relating to the import, export and transit of armaments as defined in s.2 shall be notified to the Minister of the Treasury.
- (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 referred to in s.3 must contain a chapter on the activities of the banks operating on Italian territory in the field indicated in subsection (1).

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Chapter VII. Final and Transitional Provisions

Section 28. Transitional Provisions

- (1) Until the decree referred to in s.2(3) is issued, the present statutory provisions governing the materials listed in the "export table" relating to armaments shall remain in force.
- (2) Until the institution of the National Register referred to in s.3, and of the Consultative Committee referred to in s.7, the provisions of s.3(2) shall not apply, and the present statutory provisions shall remain effective.
- (3) Any authorization effective when this Law comes into force shall remain effective.
- (4) With regard to the weapons and materials mentioned in s.1(11), the licence of the Chief of Police provided by s.31 of the Consolidation Act on Public Security adopted by Royal Decree No. 771 of 18 June 1931, shall be replaced by the licence of the Minister of Foreign Affairs, acting jointly with the Minister of Finance. The Minister of Foreign Trade shall issue the regulations for implementation.

Section 29. Regulations for Implementation

- (1) Within 120 days of entry into force of this Law, the Prime Minister shall issue a decree pursuant to s.17 of Law No. 400 of 23 August 1988, containing the regulations governing the implementation thereof.

Section 30. Staff Secondment

- (1) For the performance of the activities connected with the issuance of the authorization and permits provided by this Law, the regulations for implementation referred to in s.29 shall, pursuant to Articles 56 et seq. of the Presidential Decree No. 3 of 10 January 1957, lay down the provisions governing the secondment to the Ministry of Foreign Affairs of personnel from other Government departments.

Section 31. Savings and Repeals

- (1) Any provisions in the Regulations for implementing Public Security Consolidation Act approved by Royal Decree No. 635 of 6 May 1940, as subsequently amended, Law No. 895 of 2 October 1967, Law No. 497 of 14 October 1974, and Law No. 110 of 18 April 1975, shall remain in force where they are not incompatible with the provisions in this Law.

(2) In the Schedule to Royal Decree No. 1161 of 11 July 1941, paragraph 6 (equipment, stocks, and supplies contracted by the armed forces) the following words are hereby repealed: "contracts and procurement of war materiel, or materiel in any way relating to the armed forces and the country's military efficiency, both with private companies, or abroad, related contractual information, progress and the results of deliveries. The shipment and assignment of war materiel abroad, both by military administrations and private industry".

(3) The following words are repealed from the schedule to Royal Decree No. 1161 of 11 July 1941, in paragraph 8 (civil factories producing war materiel and civil plants for energy production): "supplies and stocks of raw materials and semi-processed goods, the consumption import and export of raw materials, semi-processed goods and similar products in any way related to the production of war materiel, in general, or in particular, for every factory, as well as orders, contracts, contractual clauses, etc."

(4) Any other statutory provisions incompatible with this Law are hereby repealed.

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This Law, bearing the Seal of State, shall be recorded in the "Raccolta ufficiale degli atti normativi della Repubblica Italiana". It is binding upon all, and shall be enforced as a Law of the State.

Done in Rome, on 9 July 1990-

Cossiga

Andreotti, Prime Minister

Martinazzoli, Minister of Defence

Passed by the Minister of Justice.