

MEETING
WITH THE SAN MARINO DIPLOMATIC
AND CONSULAR CORPS

Ministry of Foreign Affairs
Palazzo Begni, 2 September 2012

This document summarises the most important actions and measures taken in the context of San Marino foreign policy from July 2010 to August 2012.

THE EUROPEAN INTEGRATION PROCESS

Since July 2010 the Technical Group for the assessment of new policies for the integration with the European Union (the Group has been set up in the present legislative period) has intensified its action aimed at finalising the analysis of three possible scenarios resulting from a path towards greater European integration (enhancement of the existing Agreement, membership of the European Economic Area, membership of the EU). The Final Report, which can be downloaded from the relevant section of the website www.esteri.sm, was submitted and discussed within Parliament on 15 December 2010. On that occasion, a Decision was approved to mandate the Government to open negotiations aimed at achieving greater and better integration of San Marino at a European level and, at the same time, to assess the existence of political and international conditions necessary to start negotiations for the accession of the Republic to the European Union.

On the basis of such commitments a relevant letter was sent by the Minister of Foreign Affairs to the President of the European Council and the President of the European Commission. Both illustrious addressees replied that the Union was interested in further exploring possibilities and modalities for the integration of European small States into the internal market and they appreciated the flexible approach of San Marino Parliament with respect to integration modalities.

Consequently, a number of political and diplomatic meetings have been held both at multilateral and bilateral levels. At the bilateral level, there have been many contacts with Foreign Ministers of different EU Member States. Such meetings have been aimed at demonstrating San Marino's willingness to pursue greater European integration and at encouraging Member States to support its cause.

At the multilateral level, with a view to finding the best solution for increasing integration of micro States with the European Union, the relations between micro-States and the European Commission services, in particular the External Action Service, have intensified through informal consultations. The meetings have provided the opportunity to discuss possible integration scenarios and learn of the main problems faced by each micro-State involved. They have been especially useful to consider the possibility of establishing a new and comprehensive Agreement with all three micro-States (San Marino, Andorra and Monaco) which, however, should take account of their characteristics.

On the occasion of the parliamentary debate of June 2011, the San Marino Government submitted a report outlining the developments in the above-mentioned informal consultations and reiterating the Country's readiness to open official negotiations to find a new agreement ensuring greater European integration, especially into the internal market, taking into account the specific characteristics of our Republic.

As a result of the activity of the micro-States, in June 2011 the European Council adopted, under the aegis of the Hungarian Presidency, a Report drawn up by the EFTA Group concerning the integration of the micro-States. The Report provides for a common legal benchmark for all three micro-States which, however, can take account of individual national characteristics and take them into consideration during negotiations. Furthermore, the EFTA Group invites to continue consultations, considering that the Commission needs to be given a mandate by the Council to start negotiations.

In this regard, the Report can be seen as an important turning point, because for the first time the European Union has committed itself to dealing with the micro-States with a certain timing. Indeed, the competent services of the Commission have been invited to analyse the possible new institutional framework in detail, so as to submit the initial outcomes by the end of 2011 and provide recommendations on the integration of the micro-States into the internal market by the end of June 2012.

In carefully evaluating the proposal for an ad-hoc agreement with the European Union without giving up the possibility of membership, on 7 June 2011 the Parliament approved a Decision requiring San Marino institutions in the first instance to implement the Cooperation and Customs Union Agreement and secondly to define San Marino's negotiating position. Such negotiations shall include the issues of "political role and European citizenship, the possibility to accede to European training and funding programmes, the negotiated acceptance of the four freedoms and the relevant acquis. [...] In the absence of such negotiations, the possibility to start the accession process to the EU cannot be excluded." These indications were discussed in a meeting of the Parliamentary Committee on Foreign Affairs on 13 July 2011. During the meeting, the participants approved another Decision reiterating the contents of the Decision approved by the Parliament on 7 June 2011.

In compliance with the above-mentioned Decision, on 14 July 2011 an official letter was sent to the competent services of the European Commission to convene the EU - San Marino Cooperation Committee, envisaged by the Cooperation and Customs Union Agreement in force. Such letter concerned a number of issues having arisen in the past few years, in order to improve the application and functioning of the Agreement and consider new areas of cooperation.

Therefore, the EU-San Marino Cooperation Committee met in Brussels on 20 October 2011 and discussed some issues, including the possible establishment of a San Marino customs office, the improvement of free movement of some goods, the strengthening of cooperation in the infrastructure and tourism field, as well as in the health sector. Moreover, some particularly sensible issues related to the financial sector were underlined.

It should be recalled that on 30 June 2011 the Minister of Foreign Affairs had taken part in the Assembly meeting of the Adriatic Euroregion held in Campobasso. The activities of said Organisation include the training of public officials of territorial entities of States Parties. Considering the courses organised by the Regional School of Public Administration (RESPA) and the Training Centre for Public Administration, this Organisation could provide San Marino with the opportunity to meet the requirements for further internal qualification of its Public Administration personnel, especially in view of greater European integration.

Moreover, in Brussels, on 6 September 2011, Minister Mularoni met the President of the European Council, Herman Van Rompuy. President Van Rompuy welcomed San Marino's willingness to strengthen its relations with the EU. He also underlined that the European Council gives priority to increase the integration of small States and he committed himself to identifying the best legal framework to meet the requirements and needs of all parties involved.

In November 2011, the Minister of Foreign Affairs and the President of the Permanent Parliamentary Committee on Foreign Affairs went to Berlin to participate in an initiative organised by the German Government and Parliament and aimed at carrying out

an in-depth analysis for the strengthening of relations between the European Union and Andorra, Monaco and San Marino.

On 1 January 2012, the “Directorate of European Affairs” was established within the Department of Foreign Affairs, as provided for by the recent law on the reform of the Public Administration, with the precise task of following the process of greater integration with the European Union, which will become increasingly important.

Moreover, between late 2011 and early 2012, with a view to recruiting new professionals in the Public Administration who can contribute to the achievement of greater and better European integration, the Government launched a public competition for two scholarships at the College of Europe in Bruges (Belgium). On the basis of the final list of successful candidates, drawn up by the officials of the Admission Office of the College of Europe after interviewing the candidates, a San Marino female citizen was chosen. Starting from September 2012, she will be admitted to the Master of Arts in European Economic Studies and will continue her training at the Department of Foreign Affairs– Directorate of European Affairs - for two years.

On 23 March 2012, a meeting on European integration among technical delegations of the Principality of Andorra, the Principality of Monaco and the Republic of San Marino was held in San Marino. This meeting was organised in response to the invitation contained in the Report of the Hungarian Presidency to the European Council dated 14 June 2011, which encouraged “current and future steps of Andorra, San Marino and Monaco to increase the convergence of their legislation with EU internal market acquis”.

The three States involved have, indeed, shared the need to carry out together an in-depth analysis of the European integration process through a series of specific meetings on issues concerning the fundamental freedoms characterising the European internal market.

This first meeting focused on the free movement of persons and workers, with a view to having better knowledge of the respective regulations and of the most topical problems encountered in the relations that each of the three States has with the European Union. Therefore, on that occasion, the technical delegations of the three countries described the specific features and characteristics of their respective States. Such analysis allowed to know better the respective rules and the most topical problems, thus forming the basis for subsequent discussions. Furthermore, consideration was given to the indications expressed by the EU to support the European integration process of these countries.

The participating delegations welcomed the organisation of this first joint initiative, which offered an interesting opportunity to analyse and assess the topics covered.

On 26 March 2012, in Brussels, Minister Mularoni met the Foreign Ministers of Andorra and Monaco to take stock of the initiatives adopted and to be adopted in the forthcoming months with respect to their relations with the European Union, also in the light of the technical meeting held in San Marino on 23 March 2012 and in view of the decisions that the European Council was invited to make by the end of the year.

On the same date, the representatives of the Ministry of Finance and of the Central Bank had some meetings at the European Payment Council (EPC), a body based in Brussels which develops the European payment system through regulatory proposals. The meetings allowed to analyse technical aspects in depth, as well as to increasingly align San Marino with European standards and promote its integration with the payment system.

On 27 March 2012, in Brussels, the Foreign Minister, Antonella Mularoni, and the Vice-President of the European Commission and European Commissioner for Economic and Monetary Affairs, Olli Rehn, signed the Monetary Agreement between the Republic of San Marino and the European Union.

The Agreement replaces the monetary agreement signed on 29 November 2000 between the Republic of San Marino and the Italian Republic acting on behalf of the European Union, following European Council decision of 26 November 2009, which had mandated the renegotiation of such agreement. The new text provides for the transposition of Community rules concerning euro protection against counterfeiting and the prevention of money laundering. It also aligns the legislation concerning the banking and financial sector with that of the euro-area Member States. San Marino can rely on the technical assistance of the competent Community services to implement this legislation. The Agreement provides for the establishment of a Joint Committee, composed of representatives of San Marino, the European Commission, the European Central Bank and Italy. Such Committee is entrusted with the task of encouraging the implementation of the Agreement and discussing any amendment to the list of Community provisions that San Marino is required to apply. Furthermore, a new method is introduced to determine the ceiling for the issuance of euro coins. Such ceiling includes a fixed and variable part, so that all countries having signed a monetary agreement with the EU can enjoy the same treatment. At present, San Marino issues coins for an amount of € 2,300,000. By virtue of the agreement signed on 27 March 2012, such amount will rise to € 2,600,000 for the first year and it will be revised annually. Finally, San Marino is no longer obliged to have its coins minted only by the Italian Zecca. The new Agreement and the provisions contained therein bring San Marino into more direct relations with the European Union and they ensure greater integration of our country into the European economic and financial system.

The Monetary Agreement was unanimously ratified by the Parliament on 1 August 2012.

On 19 June 2012, a meeting of the EFTA Group of the European Council was held in Brussels. During this meeting, the activity carried out over the last year by the European Commission's External Action Service, with the collaboration of the three States, was acknowledged. Moreover, the continuation of the consultation process was approved, with a view to formulating specific recommendations on the integration of Andorra, Monaco and San Marino into the internal market.

On 11 July 2012, the Minister of Foreign and Political Affairs, Antonella Mularoni, met in Brussels with the President of the European Commission, José Manuel Barroso.

Minister Mularoni and President Barroso agreed on the importance of pursuing the European integration process initiated by San Marino, Andorra and Monaco.

President Barroso encouraged the Republic of San Marino to continue with the consultations in view of the conclusion of a Framework Agreement providing for access to the European internal market.

The European Union intends to submit, by the end of 2012, a document containing some proposals for integration, which will be thoroughly examined by the Governments of the above-mentioned countries.

President Barroso finally expressed his appreciation for the work done so far by San Marino and the hope that the three States will reach a common position, with a view to facilitating their integration into the European single market.

To this end, the three States continue to collaborate closely in the consultations on their case started by the European Commission services, in particular with regard to their respective situations vis-à-vis the four fundamental freedoms of the single market.

Such issues concern a large part of the civil, social, economic, financial and cultural realities of San Marino: indeed, many sectors and offices are invited to make their specific contribution to respond to the requests made by the various European Commission services

and to highlight any problem encountered in their usual activities due to the fact that at present San Marino is not an EU Member State.

At the end of September, the Principality of Andorra will host a second meeting among technical delegation of the three small States of Europe, after the one organised by San Marino last March, to further their knowledge of each other and analyse the issues concerning the other freedoms (free movement of goods, capital and services) and broader cooperation with the European Union. Such meeting will be extremely useful to make comments and observations before the EFTA Group considers the outcome of the consultations conducted over the past few months by the European Commission services with San Marino, Andorra and Monaco. The outcome of such consultations will be reported to the European Council, which shall express its views again by next December.

ECONOMIC RELATIONS WITH ITALY

The San Marino Government, aware of the important and significant role that the relationship with Italy plays in its bilateral relations, started in Spring 2009 negotiations with the Italian Government aimed at conforming the signed Double Taxation Agreement (hereinafter referred to as DTA) to the 2005 OECD model. After several bilateral meetings with a technical delegation from the Italian Ministry of Economy and Finance, a Protocol to the above-mentioned DTA was initialled on 25 June 2009 and signed in Rome on 13 June 2012.

It should be recalled that in San Marino, on 31 March 2009, the two countries signed an Economic Cooperation Agreement, while on 26 November 2009 they signed a Financial Cooperation Agreement, always in San Marino. Such Agreements will take effect on the date of entry into force of the DTA and the relevant Protocol of Amendment, which were also ratified by the San Marino Parliament on 20 June 2012.

Moreover, over the past three years the San Marino Parliament, willing to establish bilateral relations with Italy based on the highest degree of transparency, has adopted a number of laws in various areas. In addition to the legislative measures concerning the exchange of information, which are described in the section regarding San Marino's relations with the OECD, measures have been adopted with respect to companies by eliminating anonymous companies. Furthermore, interventions have been carried out to counter fraud and tax offences, to conform measures to execute letters rogatory and provide legal assistance in criminal matters, as well as in the banking and financial sectors, such as the abolishment of bank secrecy in case of agreements providing for the exchange of information in tax matters.

RELATIONS WITH THE OECD AND TIEAS AND DTAS

The Republic of San Marino has always attached much importance to the development of the relations with the OECD and has taken advantage of the forms of cooperation offered and promoted by this Organisation vis-à-vis non-Member States. A decisive step in the relations with the OECD was the membership of the Global Forum on Transparency and Exchange of Information for Tax Purposes in 2000.

San Marino's commitment to achieving the objectives of the Global Forum, reaffirmed and strengthened after the restructuring of this body in 2009, is demonstrated by

the significant progress made in the field of transparency and exchange of information over the past two years.

San Marino shares the Global Forum's vision that transparency, at a national and international level, is closely linked with a sustainable growth and a sound and strong global economy. By following the guidelines and recommendations provided by this multilateral forum, the Republic of San Marino has considerably expanded its network of agreements and improved its domestic legislation with a view to ensuring broad cooperation and effective exchange of information with other countries.

Since April 2009, San Marino has signed a significant number of Tax Information Exchange Agreements and Double Taxation Agreements and has aligned pre-existing DTAs with the latest OECD standards on exchange of information. As a consequence, on 23 September 2009 San Marino was placed on the OECD white list. Since then, the ongoing and unwavering commitment of the Government has led to the conclusion of many other DTAs and TIEAs.

So far, San Marino has concluded 13 DTAs (including, in some cases¹, the relevant Protocols of Amendment) and 26 TIEAs. Out of these agreements, 28 are currently in force. All but three² of the signed agreements not yet in force have been ratified by the San Marino Parliament.

Furthermore, San Marino is actively committed to concluding the Protocol of Amendment to the DTA with Cyprus in order to align it with the OECD standards on exchange of information.

7 additional DTAs (Barbados, Georgia, Greece, Libya, Qatar, Seychelles and Vietnam) and 1 TIEA (Indonesia) have already been initialled and are ready to be signed.

At the end of this first stage of the process, San Marino will have concluded 40 Agreements in line with the OECD standards, out of which 24 will be signed with OECD or EU Member States (see attachment).

Since November 2010, important steps have been taken in San Marino legislation to adjust it to international standards. Worth mentioning are Decree Law no. 36 of 24 February 2011 (*Urgent provisions to conform to international standards on transparency and exchange of information*) and Law no. 106 of 22 July 2011 (*Urgent provisions for the implementation of international tax assistance through exchange of information*). Such measures have created a legislative framework that, on the one hand, clearly and unambiguously establishes that San Marino competent bodies are able to ensure full and effective exchange of information in tax matters and, on the other hand, can be applied with all Countries with which a TIEA or DTA has been negotiated and concluded, whether initialled or signed.

The important and rapid progress made by San Marino has been duly acknowledged by the Supplementary Report on San Marino published by the Global Forum on 26 October 2011. The report underlines the successful conclusion of the Phase 1 review on San Marino, focused on its legal and regulatory framework. The Phase 2 review, which is currently being carried out, will look at the effectiveness of the exchange of information for tax purpose.

1 That is to say, the Protocols amending the DTAs with Austria, Belgium, Croatia, Italy, Luxembourg, Malta and Romania.

2 Namely, the TIEAs with Ireland and the People's Republic of China and the Amending Protocol to the DTA with Croatia.

RELATIONS WITH MONEYVAL AND THE FATF

San Marino has taken and continues to take clear action also in the framework of MONEYVAL, the Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism, in order to conform its regime to relevant international standards. It has also taken decisive steps to ensure rapid and effective implementation of the Recommendations of the Financial Action Task Force (FATF).

As was the case with the OECD, even with respect to MONEYVAL the action was strong and determined by responding adequately to the concerns expressed by this body and timely addressing its requests and recommendations in an effective way.

During the plenary meeting of September 2011, Moneyval approved the legislative measures adopted by San Marino to combat money laundering and terrorist financing. On that occasion, the measures were evaluated as largely compliant with the standards and the report on San Marino, which is published on Moneyval's website, was adopted.

The decisions made and the action taken by the San Marino Government and Authorities have also been acknowledged and commended by the Financial Action Task Force (FATF), which did not include San Marino in the list of countries subject to strict monitoring. This list, disclosed during the FATF Plenary Session of 25 June 2010, has been recently updated and San Marino is still out of the above-mentioned list.

It should also be stressed that the San Marino Parliament ratified the United Nations Convention against transnational organized crime, the Additional Protocol to the United Nations Convention against transnational organized crime to prevent, suppress and punish Trafficking in Persons, especially Women and Children and the Protocol against the Smuggling of Migrants by Land, Sea and Air, supplementing the United Nations Convention against Transnational Organized Crime, which were signed in Palermo on 14 December 2000 and ratified on 1 June 2010.

On 22 July 2010, the Parliament also ratified the new Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism, adopted in Warsaw on 16 May 2005, which entered into force on 1 November 2010.

RELATIONS WITH GRECO

The *Council of Europe Group of States against Corruption* (GRECO), a partial Agreement of the Organisation in Strasbourg which San Marino joined in August 2010, aims to improve the capacity of its members to fight corruption, a multifaceted and insidious phenomenon affecting all countries.

Participation in GRECO and the attention paid to corruption form part of the strong commitment of San Marino Government and Parliament to aligning domestic legislation and practices with international standards on combating money laundering and terrorist financing, as well as on exchange of information for tax purposes and transparency in the economic and financial system.

The analysis of the situation in each country is carried out by GRECO on the basis of written replies to a questionnaire and information collected during an on-site visit to the country. Following the on-site visit, the evaluators draft a detailed report containing recommendations which member States are invited to implement or to take into account.

Evaluators visited San Marino from 20 to 24 June 2011. Such visit covered the first two evaluation rounds, focused on a number of central aspects in the fight against corruption such as, in particular: independence, degree of specialisation and resources of the national bodies responsible for the prevention and combating of corruption, investigative activity, prevention and fight against money laundering, supervision over economic activities, tax and financial legislation, extent and scope of immunities envisaged by the system, structure and functioning of the Public Administration, legislation on legal persons.

After the on-site visit, GRECO made suggestions, observations and “recommendations”, contained in the joint First and Second Evaluation Round Report on San Marino, which was examined and adopted, respectively, on 5 and 9 December 2011 in Strasbourg.

In total, GRECO has addressed to San Marino the following 16 Recommendations, which should be interpreted as an encouragement to continue the process of alignment with international standards against corruption and to effectively implement such standards:

- i)** to develop, with the involvement of civil society, a comprehensive anti-corruption work programme comprising the following elements: (a) study of the characteristics of corruption in its various forms and the areas exposed to risk; (b) identification and development of reforms needed in the area of public contracting and procurement, as well as any other existing sector at risk; (c) measures to raise awareness on the importance of combating corruption in its various forms, including by stressing the need to report instances of malpractice (paragraph 24 of the Report);
- ii)** (i) to make sure that the level of specialisation of investigation, prosecution and adjudication authorities with respect to corruption offences is increased, and (ii) to establish a comprehensive specialised training programme for judges, prosecutors and police officers in order to build up and share common knowledge and understanding on how to deal with corruption offences (paragraph 66 of the Report);
- iii)** to adopt a more proactive approach with regard to the investigation of corruption, including by making best use of the existing system of special investigative techniques, with the appropriate legal and judicial safeguards (paragraph 68 of the Report);
- iv)** to facilitate the reporting of corruption suspicions to law enforcement authorities by (i) establishing a hotline and (ii) developing witness protection legislative and practical mechanisms (paragraph 69 of the Report);
- v)** that, in order to strengthen the contribution of the anti-money laundering regime to fight against corruption, (i) a programme of public engagements be set up to improve general awareness and disseminating best practice and advice on anti-money laundering and corruption issues; (ii) the authorities explore, in consultation with the professional bodies of accountants, auditors and advisory/legal professionals, what further measures can be taken to improve the situation in relation to reports of suspicions of corruption and money laundering to the competent bodies (paragraph 105 of the Report);

- vi)** that clear guidance documents be drawn up in respect of the best practice for handling and auditing of the seizure/confiscation of cash by police officers (particularly the Fortress Guard) (paragraph 107 of the Report);
- vii)** to adopt appropriate freedom of information legislation and introduce adequate measures for its implementation (paragraph 156 of the Report);
- viii)** to strengthen the existing mechanisms for recruitment and advancement in the public service in order to ensure that they are fair, merit-based and transparent (paragraph 157 of the Report);
- ix)** to (i) adopt a code of conduct for public officials; (ii) improve the management of conflicts of interest and regulate the migration of public officials to the private sector (“pantouflage”); (iii) provide training and set in place mechanisms for individualised guidance of public officials on issues relating to ethics, corruption and its prevention; and (iv) familiarise civil society and the media with these initiatives so that they are fully advised on the conduct to be expected from public officials (paragraph 159 of the Report);
- x)** that an adequate system of protection for those who, in good faith, report suspicions of corruption within public administration (whistleblowers) be instituted (paragraph 160 of the Report);
- xi)** that the decision-making process in the domain of granting of building licences be properly risk assessed for anticorruption purposes and be subject to an appropriate auditing mechanism (paragraph 162 of the Report);
- xii)** to clarify the provisions on corporate liability to ensure that it also applies to situations where corruption offences committed by legal persons are the result of a lack of supervision or control by a natural person (paragraph 218 of the Report);
- xiii)** to ensure that police officers, prosecutors and judges are given the necessary training in order to fully apply the existing provisions on liability of legal persons (paragraph 219 of the Report);
- xiv)** to consider amending legislation in order to expressly exclude tax deductibility of bribes or other expenses linked to corruption offences (paragraph 221 of the Report);
- xv)** that the tax authorities pay greater attention to the problem of corruption, in particular, through the development of appropriate directives or guidelines, as well as specific training on the detection of suspicions of corruption offences and their reporting to the competent law enforcement authorities (paragraph 222 of the Report);

- xvi) to review and strengthen the applicable sanctions for account offences in order to ensure that they are effective, proportionate and dissuasive (paragraph 223 of the Report).

San Marino authorities are invited to implement the above-mentioned recommendations by 30 June 2013 at the latest. On that date, GRECO will draw up a Compliance Report providing a detailed evaluation of the measures adopted by San Marino to comply with the 16 Recommendations contained in the Evaluation Report.

Unfortunately, the very recent government crisis does not facilitate the full implementation of the above-mentioned recommendations by the deadlines laid down by GRECO. However, during the period of ordinary administration, the competent authorities will arrange everything required to adopt rapidly the Recommendations at the beginning of the next legislative period.

VARIOUS AGREEMENTS AND ARRANGEMENTS

Besides economic and financial arrangements - which are described in detail in specific parts of this report - several arrangements have been made and important Agreements have been signed, ratified or have entered into force from July 2010 to August 2012, including:

- On 22 July 2010, the San Marino Parliament ratified the Agreement on Cooperation in the fields of culture, education and science with the Hellenic Republic.
- On 17 November 2010, in Rome, the Minister of Health, Claudio Podeschi, signed two Cooperation Protocols in the field of food supplements, cosmetics and medico-surgical instruments with the Italian Minister of Health, Ferruccio Fazio. Both Protocols entered into force on the date they were signed.
- On 24 November 2010, the Parliament ratified the Council of Europe Convention on Action against Trafficking in Human Beings. The Convention entered into force on 1 March 2011.
- On 7 December 2010, in San Marino, the Minister of Territory, Environment and Agriculture, Gian Carlo Venturini, signed a Memorandum of Understanding in the sector of agriculture with the Italian Minister of Agricultural, Food and Forestry Policies, Giancarlo Galan. The Agreement became effective immediately.
- On 14 April 2011, San Marino signed with Italy the First Protocol of Cultural and Scientific Cooperation, provided for in the bilateral Agreement on Cultural and Scientific Cooperation of 2001. On that occasion, the arrangement was signed by the Minister of Education, Romeo Morri, and Franco Narducci, Vice Chairman of the Foreign Affairs Committee of the Chamber of Deputies, who also took part in the launching of the celebrations for the 150th anniversary of the Unity of Italy organised by the San Marino Ministry of Foreign Affairs and the San Marino Ministry of Education and Culture in cooperation with the Embassy of Italy.

- On 27 April 2011, the Parliament approved San Marino's accession to the Geneva Act of the Hague Agreement concerning the International Registration of Industrial Designs, adopted in Geneva on 2 July 1999.
- Also on 27 April 2011, the Parliament ratified the Exchange of Letters between the Republic of San Marino and the International Atomic Energy Agency (IAEA) of 5 October and 16 December 2010, aimed at amending the Protocol to the Agreement for the Application of Safeguards in relation to the Treaty on the Non-Proliferation of Nuclear Weapons of 3 March 1995 and 7 September 1998. It entered into force on 5 May 2011.
- On 13 June 2011, in Florence, Minister Mularoni – in her capacity as the Central Authority for Intercountry Adoption, under the Hague Convention of 1993 – signed a Protocol of Cooperation in respect of intercountry adoption of minors with the State Secretary of the Italian Prime Minister's Office, Carlo Giovanardi, in his capacity as the President of the Italian Commission for Intercountry Adoption (CAI). The Protocol came into force immediately.
With respect to the same matter, in September 2010 Minister Mularoni also signed a specific Agreement on intercountry adoption with the Undersecretary of the Republic of the Philippines, Pablo Luwalhati, to promote direct collaboration between the two States so that Filipino children can be adopted by San Marino residents. In that framework, in May 2011 a technical mission took place in Manila to define the aspects relating to the implementation of such Agreement. An agreement has been reached at a technical level also with India to establish cooperation between the two Central Authorities in respect of adoption. Also this Agreement is effective.
- On 6 July 2011, in Strasbourg, the Permanent Representative to the Council of Europe, Ambassador Barbara Para, signed the Convention on the Recognition of Qualifications concerning Higher Education in the European Region (Lisbon Convention) , in the presence of the Deputy Secretary-General of the Council of Europe, Maud de Boer-Buquicchio. Ratified by the San Marino Parliament on 28 September 2011, the Convention entered into force on 1 February 2012.
By accession to this instrument, San Marino facilitates its cooperation with the other States on recognition of qualifications concerning higher education.
- On 21 July 2011, the Parliament ratified two Optional Protocols to the Convention on the Rights of the Child, on the involvement of children in armed conflict and on the sale of children, child prostitution and child pornography respectively, done at New York on 25 May 2000.
The instruments of ratification were deposited by the Minister of Foreign Affairs on the occasion of her participation in the 66th United Nations General Assembly in September 2011. Both Protocols entered into force on 26 October 2011.
- Also on 21 July 2011, the Parliament ratified the amendment to Article 8 of the Statute of the International Criminal Court, adopted in Kampala on 10 June 2010.
The instrument of ratification was deposited by the Minister of Foreign Affairs on the occasion of her participation in the 66th United Nations General Assembly in September 2011.

- On 28 July 2011, in Rome, a Cooperation Agreement on tourism was signed between the Republic of San Marino and the Republic of Cyprus. Ratified by the Parliament on 13 September 2011, the Agreement entered into force on 13 October 2011.

- On 2 August 2011, in Rome, an Agreement for the promotion and reciprocal protection of investments was signed with the Federal Republic of Bosnia and Herzegovina. The Agreement, ratified by the San Marino Parliament on 13 September 2011, became effective on 24 May 2012.

- In Rome, on 4 August 2011, a technical arrangement relating to administrative police matters was signed with the Department of Public Security within the Italian Ministry of Internal Affairs to exchange information for the purpose of transferring and transporting weapons, ammunition and explosive material.
The bilateral arrangement was signed by the Italian Police Chief, Antonio Manganelli, of the one part, and the Ambassador of San Marino to Italy, Daniela Rotondaro, of the other part. The arrangement entered into force on the date of its signature.

- On 24 August 2011, in San Marino, an Agreement on mutual recognition of university degrees and qualifications granted in the Republic of San Marino and in the Italian Republic for the purpose of continuing studies was signed with Italy (by the Minister of Education, Romeo Morri, on behalf of the Republic of San Marino, and the Ambassador of Italy to San Marino, Giorgio Marini, on behalf of Italy). The Agreement was ratified by the Parliament on 13 September 2011.

- With respect to cooperation with Italian regions and municipalities, in November and December 2011 San Marino reached some agreements on the management of municipal and special waste, including hazardous waste, generated within the territory and for recovery and disposal. The agreements came into force immediately.

- On 18 November 2011, in San Marino, a Statement of Intent for the purposes of exchanging information between the U.S. Counterterrorism Center and the San Marino National Central Bureau of Interpol was signed. The Arrangement is effective.

- On 29 February 2012, in Rome, the Minister of Foreign Affairs signed, on behalf of San Marino Government, an Agreement with the Government of the Italian Republic on cooperation in the prevention and suppression of crime. Such Agreement was ratified by San Marino on 3 May 2012.

- On 27 March 2012, in Brussels, the Monetary Agreement was signed with the European Union. The Agreement was ratified during the parliamentary session of August 2012.

- On 12 April 2012, in Baku, an Agreement on Cooperation in tourism was signed between the Government of the Republic of San Marino, represented by the Minister of Tourism, Fabio Berardi, and the Government of the Republic of Azerbaijan, represented by the Minister of Tourism, Abulfas Garayev.

- On 9 May 2012, in San Marino, a Memorandum of Understanding was signed between the San Marino Ministry of Health and Social Security, represented by Minister Claudio Podeschi, and the Ministry of Health of the Italian Republic, represented by Minister Renato Balduzzi, with respect to cooperation in health care and medical sciences. Such Memorandum of Understanding was enforced immediately.
- On 18 May 2012, in Rome, an Agreement for the promotion and reciprocal protection of investments was signed between the Government of the Republic of San Marino and the Council of Ministers of the Republic of Albania.
- On 13 June 2012, in Rome, at the Ministry of Foreign Affairs of the Italian Republic, Minister Antonella Mularoni signed with her Italian counterpart, Giulio Terzi di Sant'Agata, the Protocol of Amendment to the Convention for the avoidance of double taxation with respect to taxes on income and the prevention of tax fraud of 21 March 2002.
The above-mentioned Protocol and the Convention of 2002, together with the Economic Cooperation Agreement and the Financial Cooperation Agreement, signed in San Marino on 31 March 2009 and 26 November 2009 respectively, were ratified by San Marino during the parliamentary session of June 2012 (*for further information on the subject, please see page 6, paragraph "Economic relations with Italy"*).
- On 18 July 2012, in San Marino, an Arrangement between the Government of the Republic of San Marino and the Government of the United States of America on enhancing the exchange of law enforcement information was signed. The Arrangement is in force.

AGREEMENTS ON THE ESTABLISHMENT OF DIPLOMATIC RELATIONS

The list includes the agreements signed, ratified and entered into force in the period from July 2010 to August 2012.

- On 21 October 2010, the Parliament ratified the Agreement on the establishment of diplomatic relations with the Republic of Lebanon.
- On 30 November 2010, the Agreement on the establishment of diplomatic relations with the Kingdom of Lesotho entered into force.
- On 15 December 2010, the Agreement on the establishment of diplomatic relations with the Kingdom of Saudi Arabia entered into force.
- Through the Exchange of Notes of 23 March 2011 and 7 April 2011, diplomatic relations were established between the Republic of San Marino and the Republic of the Maldives.
- On 7 April 2011, the Agreement on the establishment of diplomatic relations with the Republic of Iraq was signed in San Marino. The Agreement was ratified by the San

Marino Parliament on 30 November 2011 and it entered into force on 9 December 2011.

- On 12 April 2011, the Agreement on the establishment of diplomatic relations with the Kingdom of Cambodia was signed in New York. Ratified by the Parliament on 13 September 2011, the Agreement entered into force on 29 September 2011.
- On 1 June 2011, the Agreement on the establishment of diplomatic relations with the Republic of Angola entered into force.
- Through the Exchange of Notes of 7 June 2011 and 11 July 2011, raising of relations to diplomatic level was formalised with the Principality of Liechtenstein. Ratified by the Parliament on 13 September 2011, the Agreement entered into force on 21 October 2011.
- On 26 September 2011, the Agreement on the establishment of diplomatic relations with the Republic of Indonesia was signed in New York. The Agreement was ratified by the San Marino Parliament on 30 November 2011 and it entered into force on 9 December 2011.
- On 7 October 2011, the Agreement on the establishment of diplomatic relations with the Democratic Republic of Timor-Leste entered into force.
- On 3 May 2012, the Agreement on the establishment of diplomatic relations with the Republic of Kosovo was signed in Rome. The Agreement was ratified by the Parliament on 12 July 2012.
- On 7 June 2012, the Agreement on the establishment of diplomatic relations with the Democratic Socialist Republic of Sri Lanka was signed in Rome.

PARTICIPATION IN MAJOR INTERNATIONAL EVENTS

- On 17 July 2010, the Minister of Foreign Affairs attended the OSCE Informal Ministerial Meeting held in Almaty (Kazakhstan) and she took part in the debate. On that occasion, the Minister also had many bilateral meetings.
In accordance with the decision made at that meeting, a Summit of the Heads of State and Government, in which also San Marino participated, took place in Astana, Kazakhstan, in December.
- In September 2010 Minister Mularoni delivered a speech in the framework of the United Nations General Assembly. Also on that occasion, she had the opportunity to meet many colleagues from other countries to outline the main problems faced by San Marino and to exchange views on major common challenges.
- Minister Mularoni attended the 121st session of the Committee of Ministers of the Council of Europe, held in Istanbul on 11 May 2011.

The Minister addressed a speech during the debate, highlighting San Marino's support to the commitment undertaken by the Council of Europe in different areas, from human rights to coexistence in the European continent of the third millennium, from democracy to cooperation also with those countries that are the closest to Europe, beginning with those bordering the Mediterranean Sea.

On that occasion, the Minister also had a number of bilateral meetings.

- On 16 May 2011, Minister Mularoni, accepting an invitation from the Italian Government, attended a Conference held in Rome, at the Italian Foreign Ministry, on global governance and United Nations Security Council reform. The Conference took place in the presence of the President of the UN General Assembly, Joseph Deiss. On that occasion, Minister Mularoni also presented San Marino's position on the reform of the United Nations Security Council.
In that context, she also attended a specific meeting of the Member States of the Informal Group *Uniting for Consensus*, of which San Marino is a member. On that occasion, the Minister met several colleagues.
- The Minister of Foreign Affairs took part in the 66th session of the United Nations General Assembly. On 27 September 2011, she delivered a speech focused on major issues of global concern, highlighting San Marino's efforts, especially in the field of cooperation and protection of human rights.
During her stay in New York, Minister Mularoni held many bilateral meetings with counterparts from other countries.
- On 24 November 2011, in Vienna, Minister Mularoni took part in the OSCE Permanent Council. She talked about major sensitive and topical issues, while stressing the importance of the role played by the Organization for Security and Co-operation in Europe.
- On 6 December 2011, the Minister of Foreign Affairs took part in the 18th meeting of the OSCE Ministerial Council held in Vilnius (Lithuania). On that occasion, Minister Mularoni had meetings with counterparts from many countries that are members of the Organization.
- On 17 and 18 May 2012, in New York, the Minister of Foreign Affairs took part in the High-Level Thematic Debate on the State of the World Economy and Finance in 2012. The debate was organised jointly by the United Nations Secretary-General and the President of the General Assembly.
The Republic of San Marino, together with Turkey, was co-facilitator of the event. The debate was aimed at finding new ideas to manage the global crisis and quickly resolve it.
- On 23 May 2012, the Minister of Foreign Affairs was in Strasbourg to take part in the 122nd session of the Committee of Ministers of the Council of Europe. The session dealt, in particular, with the policy of the Council of Europe towards neighbouring regions.

MAIN VISITS AND MEETINGS BY THE MINISTER

- In August 2010, Minister Mularoni paid official visits to Malaysia, where she met the Deputy Minister of Foreign Affairs and several political and economic personalities, and to Singapore, where she was received by the Minister of Foreign Affairs, George Yeo, who had paid an official visit to San Marino on 19 April 2010.
- In the same month, the Minister of Foreign Affairs met again the Minister of Foreign Affairs of the Italian Republic, Franco Frattini, who announced that a bilateral technical committee would start working at the Italian Foreign Ministry the following September, also in the presence of representatives of the Italian Ministry of Economy. Such meeting was followed by several further meetings with her Italian counterpart.
- On 11 November 2010, Minister Mularoni, together with the Minister of Industry, Handicraft and Trade, Marco Arzilli, paid a visit to India, where she met the Minister of State for External Affairs, the Minister of State for Commerce and Industry and the Principal Secretary of the Prime Minister of India.
- On 17 November 2010, in Rome, Minister Mularoni, upon invitation of the Ambassador of Belgium to Italy, Jan De Bock, attended a lunch offered to the Ambassadors of the EU Member States, on the occasion of the Belgian Presidency of the Council of the European Union.
On that occasion, as a guest of the Belgian Ambassador, the Minister had the opportunity to describe to the participants the steps taken by San Marino towards international cooperation and its position vis-à-vis the European Union.
- On 18 February 2011, Minister Mularoni paid an official visit to the Principality of Andorra, where she met the Head of Government, Jaume Bartumeu – who had already paid an official visit to San Marino on 5 July 2010 – with whom she had a series of meetings mainly focused on the relations between their respective States with the European Union. She also spoke with the Minister of Foreign Affairs, Xavier Espot Mirò, who also had paid an official visit to San Marino.
- On 28 February 2011, in New York, Minister Mularoni attended a meeting with the Secretary General of the United Nations, Ban Ki-moon, in the framework of the visit paid by the Captains Regent. On that occasion, she was also accompanied by the Minister of Health.
- On 8 March 2011, Minister Mularoni met the Deputy Prime Minister and Minister of Foreign Affairs of Israel, Avigdor Liberman, in Rome. Such meeting contributed to the strengthening of relations between the two Countries.
At the invitation of her counterpart, from 10 to 12 October 2011, Minister Mularoni paid an official visit to Israel to meet the President of Israel, Simon Peres, Avigdor Liberman and representatives of the economic and business community of the Middle Eastern country.
- On 6 September 2011, the Minister of Foreign Affairs met the President of the European Council, Herman Van Rompuy, in Brussels.

The discussions covered San Marino's intention to continue the European integration process (*for further information on the subject, please see page 3, paragraph "The European integration process"*).

- On 21 September 2011, the Minister of Foreign Affairs accompanied the Captains Regent, Maria Luisa Berti and Filippo Tamagnini, paying a visit to the President of the Italian Republic, Giorgio Napolitano, at the Quirinal Palace, his official residence. They discussed the bilateral relations between the two States.
- On 25 November 2011, the Minister of Foreign Affairs, upon invitation of the Minister of Foreign Affairs, Karel Schwarzenberg, paid an official visit to the Czech Republic. During the visit, she signed the Agreement on exchange of information on tax matters between the two countries.
Minister Mularoni attended many meetings, including one with the Vice Minister of Finance, Ladislav Mincic, and one with the Chairman of the Budget Committee of the Czech Parliament, Pavel Suchánek.
- On 29 February 2012, the Minister of Foreign Affairs, accompanied by the Minister of Internal Affairs, Valeria Ciavatta, signed, with the Italian Minister of Internal Affairs, Anna Maria Cancellieri, the Agreement between the two Governments on Cooperation in Preventing and Combating Crime.
- On 27 March 2012, the Minister of Foreign Affairs, accompanied by the Minister of Finance, Pasquale Valentini, met in Brussels the Vice President of the European Commission and European Commissioner for Economic and Monetary Affairs, Olli Rehn.
On that occasion, the Monetary Agreement between the Republic of San Marino and the European Union was signed (*for further information on the subject, please see pages 4-5, paragraph "The European integration process"*).
- On 13 June 2012, the Minister of Foreign Affairs, accompanied by the Minister of Finance, Pasquale Valentini, met, at the Italian Foreign Ministry, her Italian counterpart, Giulio Terzi di Sant'Agata. They signed the Protocol of Amendment to the Convention for the avoidance of double taxation with respect to taxes on income and the prevention of tax fraud of 21 March 2002.
On the occasion, the two delegations had friendly talks and confirmed the normalization of relations between the two countries (*for further information on the subject, please see page 6, paragraph "Economic relations with Italy"*).
- From 5 to 10 July 2012, upon invitation of the Minister of Foreign Affairs of the People's Republic of China, Yang Jechi, the Minister of Foreign Affairs paid an official visit to China. Besides meeting her Chinese counterpart, she met the Vice Minister of Foreign Affairs who is also responsible for European Affairs, Song Tao, and the Administrator of the State Administration of Taxation, Xiao Jie, with whom she signed the Agreement on exchange of information on tax matters. The San Marino delegation, composed of the Chairman of the Parliamentary Committee on Foreign Affairs, Gian Franco Terenzi, and the San Marino Ambassador to China, Savina Zafferani, had also the opportunity to visit the city of Daljan.

- On 11 July 2012, the Minister of Foreign Affairs met the President of the European Commission, José Manuel Barroso, in Brussels.
Minister Mularoni and President Barroso agreed on the importance of pursuing the European integration process initiated by San Marino (*for further information on the subject, please see page 5, paragraph "The European integration process"*).

VISITS TO SAN MARINO

- On 20 September 2011, a delegation of the Community of St. Egidio, headed by its President, Marco Impagliazzo, paid a visit to San Marino.
On that occasion, the San Marino Government reiterated its commitment to contributing to international cooperation and, in particular, to supporting an important project that the Community carries out in Guinea for the treatment of HIV affected people.
- On 19 October 2011, the Grand Master of the Sovereign Military Order of Malta, Fra' Matthew Festing, visited San Marino.
During the meetings between the Grand Master and the Government and State Representatives, they expressed their common commitment to solidarity and humanitarian assistance, as well as to excellent bilateral relations and cooperation, including a joint stamp issue.
- From 21 February to 2 March 2012, the International Monetary Fund carried out its annual mission in San Marino.
The IMF evaluation of the steps taken and reforms implemented was positive, although the IMF staff identified data concerning the consequences of a global crisis that also severely affected San Marino.
- From 29 March to 2 April 2012, the Secretary General of the Council of Europe, Thorbjørn Jagland, paid an official visit to San Marino. He was also the Official Speaker at the Investiture Ceremony of the Captains Regent.
During his visit, the Secretary General presented to the representatives of San Marino society and the press the Report "Living Together", drawn up by a group of eminent persons of the Council of Europe to analyse, prevent and eliminate any discrimination and intolerance still affecting our continent.
Finally, the Secretary General met representatives of the Parliamentary Groups and the San Marino Parliamentary Delegation to the Council of Europe.
- On 25 April 2012, the Parliamentary Secretary for Foreign Affairs of Australia, Richard Marles, paid an official visit to San Marino.
In his meeting with San Marino Minister of Foreign Affairs, he showed great interest in the developments and changes taking place in San Marino and aimed at achieving transparency, compliance with international standards, as well as at raising the degree of internationalisation of its economy, finding new markets and enhancing its cultural heritage and tourism.

The representative of the Australian Government agreed with the representatives of the San Marino Government to enhance the economic relations, as well as tourism and cultural exchanges between the two countries through an agreement, which is now being negotiated, concerning visas for stays of young people from both countries wishing to study and work at the same time in the other State.

- On 26 April 2012, the President of the Chamber of Local Authorities of the Congress of Local and Regional Authorities of the Council of Europe, Jean-Claude Frécon, visited San Marino.

The President commended the activity carried out by the San Marino delegation to the Chamber of Local Authorities and hoped that San Marino may sign the European Charter of Local Self-Government soon. This is an instrument aimed at improving local governance and increasing the participation of citizens in the conduct of public affairs.

The San Marino Government representatives expressed their intention to cooperate, so that such Charter may be signed soon, after having verified the compatibility of relevant legislation.

- On 20 June 2012, the Vice Minister of Foreign Affairs of the Republic of Peru, José Beraún Aranibar, visited the Republic of San Marino.

In the meetings with the representatives of the San Marino Government, he underlined the importance of strengthening bilateral relations, which have long been characterised by cooperation within the United Nations and other International Organisations, concentrating on the enhancement of the economic relations.

The Vice Minister committed himself to conveying to his Government San Marino's willingness to further explore economic opportunities and sign soon the Double Taxation Agreement.

- On 15 June 2012, the Deputy Foreign Minister of Kazakhstan, Rapol Zhoshybayev, paid a visit to San Marino.

Cooperation between the two countries in the field of economy, tourism and culture was discussed in a meeting with a Government delegation.

- On 15 June 2012, the Ambassador of Cuba to the Republic of San Marino, Milagros Carina Soto Agüero, paid a visit.

The parties confirmed the excellent relations between the two countries, which were established 30 years ago. They also expressed their willingness to explore possible areas of cooperation between the two countries.

The Cuban Ambassador also met representatives of the Chamber of Commerce, economic categories, the State Office of Tourism, Tour Operators and of the University.

- On 15 June 2012, the Ambassador of Israel organised, as has been usual over the past few years, a dinner in San Marino, attended by representatives of the political, economic and cultural spheres.

- On 2 July 2012, the Deputy Prime Minister and Minister of Foreign Affairs of Israel, Avigdor Liberman, paid an official visit to San Marino.

During the meeting with Minister Mularoni, they confirmed the excellent relations existing between the two countries both at a bilateral and multilateral level. San Marino expressed its willingness to do its best on the global scene for the peaceful resolution of the Israeli-Palestinian conflict, while respecting the values of cooperation, protection of human rights, tolerance and dialogue between peoples.

- On 24 August 2012, the President of the General Assembly of the United Nations, Nassir Abdulaziz Al-Nasser, visited San Marino. The Guest had a meeting with the Minister of Foreign Affairs and they talked about the activity of San Marino within the United Nations and major international policy issues. President Al-Nasser commended San Marino for the active role it plays within the Organization. During the meeting, mention was made of the recent engagement of San Marino in May 2012, when it was entrusted by President Al-Nasser and Secretary-General Ban Ki-moon to organise, together with Turkey, a High-level Thematic Debate on "The State of the World Economy and Finance in 2012". The meeting also focused on San Marino's engagement in many areas, including in the reform of the UN Security Council and General Assembly.

VARIOUS INITIATIVES

- On 11 September 2010, in Rome, Minister Mularoni attended the presentation of the book "Una democrazia di pietra sul Titano" by Francesca Bottari, concerning the inclusion of San Marino in the UNESCO World Heritage List (8 July 2008). On 31 March 2011, such publication was also presented to the Diplomatic and Consular Corps in San Marino.
- On 22 September 2010, the Committees on Foreign Affairs of the San Marino Parliament and of the Italian Chamber of Deputies met jointly in Rome - following a previous joint meeting held in San Marino on 5 November 2009. Following a broad exchange of views on the main matters under negotiation between the two Countries at the bilateral level, they issued a joint press release urging their Governments "to conclude timely the negotiations, so as not to prejudice the economic interests at stake".
- On 1 October 2010, the former Italian national anti-mafia prosecutor, Pier Luigi Vigna, was the Official Speaker at the Investiture Ceremony of the Captains Regent, given the cooperation and friendship established with San Marino institutions. As a result of this cooperation, an International Anti-mafia Summit, in collaboration with the Caponnetto Foundation, was organised in San Marino in April 2011. A Permanent Anti-mafia Observatory was also established thanks to the synergy with this Foundation.
- By accepting the invitation from San Marino, on 1 April 2011, Marc Perrin De Brichambaut, Secretary General of the Organization for Security and Co-operation in Europe, was the Official Speaker at the Investiture Ceremony of the Captains Regent.

- On 20 May 2011, Minister Mularoni was in Vatican for the presentation of the volume “San Marino between history and legend, from Homer to St. Pier Damiani” by Prof. Andrea Donati, who had already had the opportunity to present the book to the Diplomatic and Consular Corps in San Marino in 2010.
- The Ministries of Culture, Tourism and of Foreign Affairs sponsored and supported the participation of a group of San Marino artists (but also of other nationalities) in the 54th Edition of the Venice Biennale, in the San Marino pavilion, which was inaugurated on 3 June 2011.
- On 30 June 2011, the Minister of Foreign Affairs took part in the sixth Assembly meeting of the Adriatic Euroregion, an association consisting of territorial entities of Italy, Slovenia, Croatia, Bosnia and Herzegovina, Montenegro and Albania, as well as of national and international institutions, aimed at promoting the social and economic development of the whole region (*for further information on the subject, please see page 3, paragraph “The European integration process”).*
- In line with its commitment with respect to such themes, in 2011 San Marino participated in the activity of an ad-hoc Committee to the Council of Europe. Said activity eventually resulted in the adoption of a Convention to prevent and combat violence against women, including domestic violence. San Marino is also following the recent Council of Europe campaign to stop violence against children.
- On 26 August 2011, Minister Mularoni delivered a speech during the international Meeting for friendship among peoples, on the topic “The challenge of North Africa: reconciling stability and rights”. On that occasion, she met the Minister of Foreign Affairs of the Italian Republic, Franco Frattini, with whom she agreed to resolve any pending issues by autumn. At the end of the meeting, the Italian Minister stated to the press that “by autumn the agreement for the avoidance of double taxation and the agreement on cooperation between Police forces will be ready to be signed”.
- On 11 September 2011, the Minister of Foreign Affairs took part in Munich in the commemoration of the tenth anniversary of the terrorist attacks on the Twin Towers. The event, called "Religions and cultures in dialogue" was organised by the Community of St. Egidio and the Archdioceses of Munich and Freising.
- The Italian Minister of the Public Administration and Innovation, Renato Brunetta, was the Official Speaker at the Investiture Ceremony of the Captains Regent on 1 October 2011.
- On 2 October 2011, the Minister of Foreign Affairs, in her capacity as Honorary President, officially opened the XXXII *Consulta* of San Marino citizens abroad.
- From 8 to 10 November 2011, following an invitation addressed by the German Government and Parliament to the small States of Europe, the Minister of Foreign Affairs, accompanied by the Chairman of the Parliamentary Committee on Foreign Affairs, Gianfranco Terenzi, paid a visit to Germany and met representatives of the political, parliamentary and financial spheres.

- On 12 January 2012, the Minister of Foreign Affairs and the Minister of Culture, Romeo Morri, met the Italian Minister of International Cooperation and Integration, Andrea Riccardi, in Rome. They talked about the bilateral relations between the two countries. On that occasion, Minister Mularoni subsequently signed a cooperation agreement with the Community of St. Egidio to strengthen synergies in the field of volunteering and of international cooperation.
- On 16 March 2012, in New York, the Minister of Foreign Affairs took part in the celebrations of the 20th anniversary of San Marino's accession to the United Nations. The second term of the UN Secretary-General, Ban Ki-moon, who attended the event, was also celebrated on that occasion. The sixth "San Marino-Alexander Bodini Awards" was also held on that date. This is an event organised by San Marino's Permanent Mission to the UN to award a prize to those engaged in the promotion and protection of human rights, in particular the rights of the child.
- On 19 and 20 April 2012, in Brighton (England), Minister Mularoni took part in a Council of Europe Conference of Ministers dealing with the reform of the European Court of Human Rights.
- On 24 August 2012, Minister Mularoni delivered a speech at the Meeting for friendship among peoples, during a debate on international policy and religious freedom. On that occasion, Minister Mularoni met the Italian Minister of Foreign Affairs, Giulio Terzi di Sant'Agata.

HUMANITARIAN ACTION

In recent years, special attention has been paid to humanitarian action by financing important projects promoted by International Organisations or Associations and Entities.

In 2010, around € 272,000.00 was allocated to support many humanitarian projects (to tackle poverty and underdevelopment, or to respond to appeals for emergency aid in case of natural disasters or conflicts).

Such engagement was also carried out in 2011 by allocating about € 270,000.00. The amount was allocated to support humanitarian projects or populations affected by natural disasters.

More specifically, in the past year financial support was provided to Entities, Associations or International Organisations, such as "AVSI San Marino", for the project *Promotion of peace through rural development and protection of water resources in Southern Lebanon*; "Community of Pope John XXIII", for two specific projects targeting young people from Zambia: one project for children, young and adult people disabled physically or mentally and with learning difficulties and the other one focused on lowering infant mortality and morbidity rates in Ndola; "Attiva Mente", for the solidarity project in favour of children from Guatemala called *Tejido (Social) de Colores*; a Group of 9 San Marino Associations and Organisations, gathered together to implement a joint project for the promotion of women in Tanzania; CERF for the emergency situation in the Horn of Africa; Unicef and "Kiwaniis San Marino" for the project *Eliminate*, aimed at eradicating maternal and neonatal tetanus; "San Marino for the Children" for the Kankao orphanage in

Malawi; UNIFEM to support the activities conducted by the United Nations Agency to ensure gender equality and women empowerment, as well as other humanitarian initiatives in countries with which San Marino has established contacts for the purposes of inter-country adoption.

This year, the competent authorities are evaluating the requests received and they will follow the same approach based on providing tangible support to international solidarity initiatives, in line with the reduced amount allocated for this purpose in the budget. Recently, the Government has decided to provide financial support to various Organisations and Associations. The amount allocated so far, which is equal to € 156,000.00, has been awarded to the following associations and organisations: the Group of 9 Associations and Entities carrying out a multiannual joint project that already received some financial contribution last year; “AVSI San Marino” for a project called *Water as a source of coexistence for the rural development in Southern Lebanon*; the Association “Attiva Mente” for the project *Tejido (Social) de Colores* in Guatemala; the Association headed by Father Marcellino in Congo for the school facility “Les Buissonnets” in Lumumbashi; “San Marino for the Children” for the management of Matola nursery school in Malawi. Furthermore, San Marino will continue to provide humanitarian assistance to countries, such as Togo and The Philippines, with which it has established relations for the purposes of inter-country adoption.

PROVISIONS AND MEASURES FOR SAN MARINO DIPLOMATIC AND CONSULAR CORPS

- Law no. 9 of 25 January 2011 amending Law no. 101 of 22 July 2009 on the issuance of diplomatic passports has again extended the right to a diplomatic passport to the consular representatives regularly in service at Embassies and Consulates and their spouses.
- Decision no. 4 of 22 March 2011 contains guidelines and provisions for the Diplomatic and Consular Corps.
- On 19 July 2012, a law amending Law no. 13 of 19 April 1979 "Law regulating diplomatic missions and consular posts" was approved. Said Law will enter into force 90 days following its publication, that is to say at the end of October 2012. The amendments introduced consider the changes having taken place in the San Marino foreign policy, as well as in the diplomatic and consular corps supporting it since the late 70s. They also take account of the practices in many other countries and, at the same time, of San Marino specific needs.

PROVISIONS CONCERNING THE ENTRY AND STAY OF FOREIGNERS IN THE REPUBLIC OF SAN MARINO

Law no. 118 “Law on the entry and stay of foreigners in the Republic of San Marino” entered into force on 15 July 2010, since it had become imperative to reorganise the issuance of stay permits and granting of residence, as well as, more generally, the entry, movement and stay of foreign nationals in San Marino. As the former legislation had

become outdated, there was the need to respond to new situations. Such responses had to be in line, on the one hand, with San Marino's domestic security requirements and, on the other hand, with the requirements of the labour market, without forgetting the obligations arising from the accession of the Republic of San Marino to international treaties and conventions.

The elements characterising this law, then supplemented by an implementing Regulation and a subsequent delegated decree, are the following:

- Equal treatment between a foreign national and a San Marino national with regard to judicial protection of rights and legitimate interests;
- The need that a foreigner, for the purpose of his/her entry and stay in the Republic, complies with the provisions contained in the Schengen Agreement and, therefore, - if so requested, - that he/she holds a valid visa for entry into the territory of the States Parties to this Agreement;
- The stay of a foreigner, for periods of time exceeding twenty days, is subject to the issuance of a stay or residence permit;
- There are more and different types of stay permits, including stay permits for tourist purposes, special stay permits (for education; sport; religion; health treatment, assistance, rehabilitation and rest), for the purposes of employment (temporary employment, seasonal employment, special permit for maritime employment), ordinary stay permits (for family reunification) and extraordinary stay permits (humanitarian needs for social protection).
- a permit for cohabitation has been introduced: for *more uxorio* (non-marital) cohabitation, parental cohabitation (in favour of a parent or spouse who is no-more self-sufficient) and for minors (for minors who are the children of people staying in San Marino).

Residence, apart from the cases provided for by Law no. 84/2004 (Law on Citizenship) can be granted by the Permanent Parliamentary Committee on Foreign Affairs, Emigration and Immigration to those people who have stayed in the territory of the Republic of San Marino for an uninterrupted period exceeding 5 years.

In addition thereto, upon proposal of the Government, residence can be granted to foreign nationals who:

a) hold managerial or very important positions in San Marino health care facilities or health and welfare centres, banks, insurance or financial companies or in the field of public safety;

b) hold managerial positions in companies incorporated under San Marino law and having a significant number of employees;

c) invest capital or have already invested it in the territory, also through controlled companies, in productive activities, undertaking the commitment to employ a certain number of persons, to buy industrial plants, to submit a business plan or invest capital in research activities or in sectors of particular interest to San Marino.

The Committee also grants residence to judges at first instance who are obliged to reside in the Republic.

Residence shall not be granted automatically to the foreign spouse of a San Marino national on the basis of marriage if criminal elements exist.

The cases where stay and residence permits shall not be granted or can be revoked are better regulated than in the past by increasing the involvement of the Offices of the Public Administration (Labour Office, Registry Office, Vital Statistics Office, Public Utilities State Corporation), Police Forces, above all the Gendarmerie, and the Single Court.

It is also established that every year a Delegated Decree shall be adopted to regulate migratory flows. Through this Delegated Decree the Government shall set a maximum number of stay permits to be granted for the purpose of employment every year, on the basis of the indications provided by professional associations and Trade Unions.

Sanctions, whether administrative or criminal, have been strengthened against infringers. Moreover, criminal sanctions have been introduced to punish illegal immigration, the exploitation thereof and smuggling of migrants, as envisaged by the most recent International Conventions to which San Marino has acceded.

San Marino, 2 September 2012/1711 since the Foundation of the Republic