Ministry of the Economy and Finance
Department of the Treasury
Directorate II


Considered art.161, comma 2, of Legislative Decree no. 385, of September 1, 1993, and subsequent modifications (banking consolidated act), which establishes that Law no. 154, of February 17, 1992, is abrogated but continues to be applied until the provisions emanated by the credit authorities in accordance with the banking consolidated act come into force;

Considered art.116, comma 2, of the banking consolidated act, which grants the Ministry of the Economy and finance, having heard the Bank of Italy, the power to establish criteria and parameters in order to determine the maximum commissions, if any, chargeable to clients when the placement takes place, and for the transparent establishment of yields, as well as the advertising obligations, transparency and coverage to be observed during the placement of Government bonds;

Considered art.120, comma 1, of the banking consolidated act, which establishes that the interests on deposits are calculated with the value date on which the deposit is made;

Considered art.2, of Legislative Decree no. 239, of April 1, 1996, regarding modifications to the tax regime of interests, premiums and other proceeds from bonds or similar securities, both public and private;

Considered art.39, of Legislative Decree no. 213, of June 24, 1998, regarding dispositions on the dematerialization of Government bonds;

Considered the possibility of issuing new dispositions regarding the placement of Government bond operations, also subsequent to the modifications made in the methodology of placement;

Considered that, as remuneration for the placement of medium- and long-term bonds, the intermediaries who participate in auctions are paid a commission;

Having heard the Bank of Italy;
DECREES:

Article 1

1. The dispositions of the present decree are applied to those parties that carry out short-, medium- and long-term Government bond placement transactions, even if they do not participate directly in the auctions or placement syndicates.

2. In the event that the placement of bonds is through syndication, the references to the average weighted price in accordance with art.2, and the allotment price in accordance with art.3, are meant to be understood as having been carried out at the issuance price established by the Treasury in the issuance decree.

Article 2

1. With regard to Treasury bills (BOTs), the parties pursuant to art.1, upon the act of reserving bonds on behalf of their clientele, are obliged to settle the bonds at the average weighted price resulting from auction transactions and to limit their commission to the maximum amount indicated in the following comma.

2. The average weighted price, which is communicated in a press release of the Bank of Italy and published by the Ministry of the Economy and Finance in the Official Gazette, must be indicated in the announcements exhibited in locations open to the public. Said announcements must also bear a date and be continually updated, and must also show the corresponding gross rate of return at maturity. In the aforementioned announcements there must likewise be indicated the commission to be applied to the bill-subscription transaction. The maximum amount of said commission is established, for every 100 euros of capital subscribed, as follows: 0,05 euros for bills having a residual maturity equal to or less than 80 days; 0,10 euros for bills having a residual maturity of 81 to 170 days; 0,20 euros for bills having a residual maturity of 171 and 330 days and 0,30 euros for bills having a residual maturity equal to or greater than 331 days.

3. The communication sent to the clientele and relevant to the allocation of the Treasury bills (BOTs) must indicate singly, along with the nominal capital of the bonds subscribed, the following additional elements:
   a. the average weighted price resulting from the auction in question;
   b. the withholding tax paid on interest, expressed both as a percentage and as an absolute value with respect to the nominal value;
   c. the commission applied, expressed both as a percentage and as an absolute value with respect to the nominal value;
   d. the total price of the sale (including therefore the withholding tax and commission) and the corresponding annual rate of return.

Article 3

1. With regard to the placement of medium- and long-term Government bonds, the parties pursuant to art.1 do not charge commission on bonds allotted to clients. They are also obliged
to settle the bonds at the allotment price established at auction plus any matured interest from the interest accrual date of the coupon to the date of settlement.

2. The allotment price communicated in a press release of the Bank of Italy, must be publicized, in locations open to the public, by way of exhibited announcements bearing a date and continually updated, and must also show the corresponding gross rate of return at maturity.

3. The communication sent to the clientele relevant to the allocation of medium- and long-term Government bonds must indicate singly, along with the nominal capital of the bonds subscribed, the following additional elements:

- if the client is a party subject to the substitute tax pursuant to art.2 of Legislative Decree no. 239, of April 1, 1996:
  a. the allotment price;
  b. the allotment price net of the substitute tax on the matured issue discount (c.d. “price for netting parties”);
  c. accrued net interest;
  d. the total price of the sale (the price for the netting parties including accrued net interest) and the corresponding annual rate of return;

- if the client is a party who is not subject to the substitute tax pursuant to art.2 of Legislative Decree no. 239, of April 1, 1996:
  a. the allotment price;
  b. accrued gross interest;
  c. the total price of the sale (the allotment price including gross accruals) and the corresponding annual rate of return.

Article 4

1. In accordance with art.120, comma 1, of Legislative Decree no. 385, of September 1, 1993, the parties pursuant to art.1, credit the clientele with the sums owed with a value date coinciding with that provided by single issuance decrees for the relevant payments.

Article 5

1. The parties indicated in art.1 must clearly exhibit in locations open to the public, as soon as they are communicated by the Treasury and the Bank of Italy, the issuance dates for short-, medium- and long-term Government bonds and the time limit within which the interested parties can reserve the bonds offered by the Treasury.

2. The parties indicated in art.1 must inform their clientele in advance, of the maturity of their bonds and of the time limit within which the same clientele can reserve the bonds offered by the Treasury.
Article 6

1. In order to guarantee the transparency and the knowability of the cost incidence in the management and administration activities on the real yield of the bonds, the parties indicated in art.1 can apply management and administration costs to the maximum amount of 10 euros per semester; the amount of such costs must be publicized, in locations open to the public, by way of exhibited announcements bearing a date and continually updated, and must also be indicated in periodical communications sent to the clientele.

Article 7

1. Regarding the placement transactions ordered by the present Decree, charges other than those indicated in the previous article, cannot be debited to the clientele, except for those arising from the application of the current fiscal regulation.

Article 8

1. The notices to be exhibited in locations open to the public, as provided by the present Decree, must clearly show, through a graphic presentation that is easy to identify and read, the informative elements contained in the attached table.

Article 9

1. Regarding the activities ordered by the present Decree, in as far as they are compatible, are applied the dispositions regarding the transparency and correct behaviour as provided by Legislative Decree no.385, of September 1, 1993, and by Legislative Decree no. 58, of February 24, 1998, and also by the relevant implementation dispositions, for the services and operations ordered by them.

Article 10


2. The present Decree will be published in the Official Gazette of the Republic of Italy.

Rome, February 12, 2004

THE MINISTER OF THE ECONOMY AND FINANCE
NOTICE REGARDING GOVERNMENT BONDS

<table>
<thead>
<tr>
<th></th>
<th>BOT 3-mths</th>
<th>BOT 6-mths</th>
<th>BOT 12-mth</th>
<th>BTP (…yrs)</th>
<th>CCT</th>
<th>CTZ</th>
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<tbody>
<tr>
<td><strong>A) INFORMATION PRECEDING PLACEMENT OF BONDS</strong></td>
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<td>- maturity/interest accrual date</td>
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<td>- primary market purchase commissions</td>
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<td>n.a.</td>
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<td>- secondary market purchase commissions</td>
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<td>- nominal rate or 1° coupon</td>
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<td>- accruals (net interest to be paid for every … euros of nom. cap.)</td>
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<td>- reservation time limits for the public</td>
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<td>- settlement date</td>
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<td><strong>B) INFORMATION FOLLOWING PLACEMENT OF BONDS THROUGH AUCTION/SYNDICATION</strong></td>
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<td>B1) BOT placed through auction</td>
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<td>average weighted price</td>
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<td>gross yield</td>
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<td>B2) Other Government bonds placed through auction</td>
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<td>allotment price</td>
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<tr>
<td>annual gross yield</td>
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<td>B3) Government bonds placed through syndication</td>
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<td>placement price fixed by the Treasury</td>
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<td>annual gross yield</td>
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<tr>
<td><strong>C) Management and administration costs</strong> for the dossier composed only of Government bonds centralized at Monte Titoli SpA (for further information consult the information sheet)</td>
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<td>C1) - Euros… every six months</td>
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