GRUPPO MEDIASET
MEDIASET ITALIA

Organisational, Management and Control Model

pursuant to Legislative Decree 231/2001

MEDIASET ITALIA S.p.A.

24 March 2020

GRUPPO MEDIASET
MEDIASET ITALIA

Organisational, Management and Control Model

pursuant to Legislative Decree 231/2001

CONTENTS

Legislative Decree 231 of 8 June 2001

(1)

1.1 Administrative liability of legal entities, companies and associations

Legislative Decree 231 was issued on 8 June 2001 setting out "*Regulations on the administrative liability of legal entities, companies and associations with or without legal personality*" (the "**Decree**" or "**Legislative Decree 231/2001**"). The Decree was issued in response to the provisions of Article 11 of Law 300 of 29 September 2000 and entered into force on 4 July 2001. This occurred against a national legislative context of compliance with international obligations. Specifically, the Decree intended to adapt Italian laws and regulations on the liability of legal entities to several international agreements to which Italy had subscribed: the Brussels Convention of 26 July 1995 on the protection of the European Communities' financial interests; the Brussels Convention of 26 May 1997 on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union; and the OECD Convention of 17 December 1997 on combating bribery of foreign public officials in international business transactions.

Legislative Decree 231/01 introduced into Italian legislation the concept of the administrative liability - principally criminal liability - of entities for a number of crimes or administrative offences committed by the following persons in their interests of advantage, by:

(i) individuals who hold representative, administrative or managerial positions in the entities in question, or in one of their financially and functionally independent organisational units, or individuals responsible (including de-facto) for the management and control of the said entities ("*senior managers*");

(ii) individuals managed or supervised by one of the persons indicated above.

If the crime or administrative offence is committed by a senior manager then the Company is presumed to be liable, as the senior managers express, represent and implement the Company's management policies. On the contrary, there is no presumption of corporate liability if the crime or administrative offence is committed by a person subject to the management or supervision of one of the persons referred to in paragraph (i); in such cases the entity is liable for the subordinate's offence only if it is found that commission of the offence was made possible by the failure of management and/or supervisory obligations.

The entity is held liable in addition to and not instead of the individual who materially carries out any offence, which, as such, is governed by normal criminal law. In any case, the liability of the entity and of the individual who materially committed the offence must both be verified in the same proceedings before a criminal court. The entity remains liable even if the individual who committed the crime has not been identified or is not punishable.

* * *

Liability under Legislative Decree 231/01 only exists if the unlawful act was carried out *in the interests* or *advantage* of the entity. Therefore, liability under the Decree does not only exist if the offence resulted in an advantage for the entity (financial or otherwise), but also if - despite the absence of such a tangible outcome - the motivation for the offence can be shown to be in the *interest* of the Company. The entity is not, however, liable when the individual who committed the crime or administrative offence acted exclusively in the interest of a third party.

The Decree is designed to involve companies (and, in the final analysis, the economic interests of shareholders) that have benefitted from the commission of the crime or administrative offence,

or in whose interest the crime or administrative offence was committed, in the prevention of certain crimes and administrative offences. In fact, before Legislative Decree 231/01 became law, the principle of the "*personality*" of criminal liability meant that entities were not subject to any sanctions except, where applicable, payment of any damages. The Decree establishes penalties for entities that have not taken organisational steps to avoid internal criminal activities, in the event that individuals functionally attributable to the said company commit any of the crimes or administrative offences outlined in the Decree.

Legislative Decree 231/01's objective is to build a model for corporate liability that is in line with protective principles but has a preventive function: in practice, by envisaging direct corporate liability in the event of an offence, the Decree intends to encourage the latter to organise its structures and activities in such a way as to ensure appropriate conditions to safeguard the interests protected under criminal law.

The Decree applies both in the case of crimes committed in Italy and offences committed abroad provided that (i) the entity has its main offices in Italy (i.e. the effective headquarters where administrative and management functions are performed) or where it conducts continuous business, or (ii) the country where the crime was committed has not already taken direct action.

On the basis of legal precedent, the addressees of the Decree do not only include the specifically identified addresses ("*legal entities, companies and associations with or without legal personality*", and with the exception of the State, local government, other public entities and non-economic entities or entities that perform constitutionally significant functions), but also private companies exercising a public service (e.g. through a concession relationship) and subsidiaries of public administrations.

* * *

If liability under Legislative Decree 231/01 is found to exist, the entity is subject to various penalties.

The ***penalties*** imposed on entities can be either *financial* or *prohibitory*. The most serious prohibitory penalties are: the suspension or cancellation of the authorisations, licences or concessions required for committing the offence; a ban on contracting with the public administration (except for obtaining a public service); a ban on performing the activity in question; exclusion from subsidies, funding, contributions or grants and the eventual revocation of those already awarded; or a ban on advertising goods or services.

Financial penalties are applied every time the entity commits one of the crimes or administrative offences covered by the Decree. On the contrary, *prohibitory* penalties can only be applied in relation to the offences for which they are specifically provided in the Decree, if at least one of the following conditions applies: (i) the entity has gained a substantial profit and the offence was carried out by senior managers, or by persons subject to the management or supervision of another individual, if the offence resulted from or was facilitated by serious organisational shortcomings; (ii) in the case of repeat offending.

Prohibitory measures can also be applied at the request of the public prosecutor as a precautionary measure during the investigative process, if there are serious indications of the entity's liability and there is substantial and specific grounds to believe that offences of the same nature are likely to be committed.

The sentence may also include *confiscation from the entity of the price or profit* from the offence, with the exception of that part which can be restored to the damaged party. If it is not possible to confiscate the actual assets that form the price or profit of the crime, then sums of money, goods or other assets of value equivalent to the price or of profit of the offence may be confiscated. Assets that correspond to the price or profit of the crime, or their monetary equivalent, may be confiscated as a precautionary measure.

In some cases where prohibitory penalties are applied, the Court may order *publication of the conviction*, which may have a serious impact on the image of the entity.

Finally, in specific circumstances, if the Court applies a prohibitory penalty that would stop the entity from performing its activities, then it can nominate an administrator who will be responsible for supervising these activities for a period of time equal to that of the ban.

The updated text of Legislative Decree 231/01 is attached hereto as **Annex A**.

1.2 Types of crimes and administrative offences

With regard to the type of ***crimes*** and ***administrative offences*** resulting in the application of the above system of corporate administrative liability, the original text of Legislative Decree 231/2001 referred exclusively to a series of crimes committed in dealings with the Public Administration (unlawful receipt of public grants to the detriment of the State, misappropriation of funds from the State, fraud perpetrated against the State or other public bodies, computer fraud perpetrated against the State, extortion and corruption, etc.).

The original text was supplemented by subsequent legislation that broadened the range of offences whose commission may result in corporate administrative liability.

In fact, in addition to articles **24** ("*Undue receipt of payments, fraud against the State or a public body or for the achievement of public payments and computer fraud against the State or a public body*") and **25** (originally headed "*Bribery and corruption" and now, instead, "Bribery, inducement to give or promise benefits and corruption*"), already present in the first formulation of the Decree and subsequently subject to change following the entry into force of Law no. 190 of 6 November 2012 (containing "*Provisions for the prevention and repression of corruption and illegality in the Public Administration*") as well as Legislative Decree no. 38 of 15 March 2017 (containing "*Implementation of Framework Decision 2003/568/JHA on the fight against corruption in the private sector*") and Law no. 3 of 9 January 2019 ("*Measures to combat crimes against the Public Administration as well as on the prescription of the crime and on the transparency of political parties and movements*")[1], were subsequently added:

- **Article 24-*bis*** (introduced by Law 48 of 18 March 2008, ratifying and implementing the Council of Europe Convention on Cybercrime[2], signed in Budapest on 23 November 2001) with reference to "***computer crimes***" and "***unlawful data processing***";

- **Article 24-*ter*** (introduced by Law 94 of 15 July 2009, referring to "*Regulations concerning public safety*[3]) with reference to "***offences connected with organised crime***";

- **Article 25-*bis*** (introduced by Article 6 of Law 409 of 23 November 2001 and subsequently modified by Law 99 of 23 July 2009), which aims to punish the crime of "***forging money, public credit notes, revenue stamps and instruments or company marks***";

- **Article 25-*bis*.1** (introduced by Law 99 of 23 July 2009 "*Regulations for the development and internationalisation of businesses, with particular reference to energy*"), as regards "***crimes against industry and trade***";

---

[1] **Law 190 of 6 November 2012** (on *"Regulations for the prevention and punishment of corruption and illegality in the Public Administration"*) introduced the following changes: (i) Article 25 of the Decree now includes "**illegal inducement to give or promise benefits**" among the crimes against the Public Administration; therefore, Article 25 is now titled *"Extortion, illegal inducement to give or promise benefits, and corruption"* (ii) Article 25-ter of the Decree on corporate crimes now includes "**private-to-private corruption**", envisaging corporate administrative liability under Legislative Decree 231/01 for the offences set out in the third paragraph of Article 2635 Civil Code. **Law no. 3 of 9 January 2019** made the main and accessory penalties more severe for offences related to corrupt practices, making preliminary investigations more effective and limiting the access of convicted persons to prison benefits.

[2] **Law 48 of 18 March 2008**, has been amended by **Legislative Decree 7 of 15 January 2016** *"Provisions on the abrogation of crimes and introduction of crimes with civil financial penalties, pursuant to Article 2, paragraph 3, of Law 67 of 28 April 2014"* and **Legislative Decree 8 of 15 January 2016 "** *Provisions on decriminalisation, pursuant to Article 2, paragraph 2, of Law 67 of 28 April 2014".*

[3] **Law no. 94 of 15 July 2009** has been amended by **Law 69 of 27 May 2015** *"Regulations concerning crimes against the Public Administration, mafia-type associations and false accounting"*). On 7 January 2017, **Law 236 of 11 December 2016** came into force on *"Amendments to the Criminal Code and Law 91 of 1 April 1999 concerning trade in organs for transplant and Law 458 of 26 June 2967 on inter vivos kidney transplant"* which added Article 601 bis to the Criminal Code (*Trade in organs taken from a living person*) and amended - to refer to Article 601 bis - the six paragraph of Article 416 Criminal Code (*Criminal association*), which is one of the predicate crimes of Legislative Decree 231/01 pursuant to Article 24-ter thereof.

- Article25-*ter* (introduced by art. 3 of Legislative Decree no. 61 of 11 April 2002, subsequently amended by Law no. 262 of 28 December 2005 on "*Provisions for the protection of savings and the regulation of financial markets*", as amended by Law no. 190 of 6 November 2012 containing "*Provisions for the prevention and repression of corruption and illegality in the Public Administration*," by Law no. 69 of 27 May 2015, containing "Provisions on the subject of crimes against the Public Administration, mafia-type associations and false accounting," by Legislative Decree no. 38 of 15 March 2017, entitled "*Implementation of Framework Decision 2003/568/JHA on combating corruption in the private sector*"[4]) and, most recently, by Law no. 3 of 9 January 2019 ("*Measures to combat offences against the Public Administration as well as on the time-bar of the offence and on the transparency of political parties and movements*") with reference to "***corporate offences***" (such as, for example, false corporate communications, stock manipulation, impeded control, transactions to the detriment of creditors);

- Article 25-*quater* (inserted in the original body of the Decree by Article 3 of Law 7 of 14 January 2003 ratifying the International Convention for the Suppression of the Financing of Terrorism), which refers to "***crimes for the purposes of terrorism or the subversion of democracy***";

- Article 25-*quater*.1 (introduced by Article 8 of Law 7 of 9 January 2006), which refers to "***female genital mutilation practices***";

- Article 25-*quinquies* (introduced by Article 5 of Law 228 of 11 August 2003, subsequently amended by Article 10 of Law 38 of 6 February 2006 and Article 3 Legislative Decree 39 of 4 March 2014 and, lastly, by Law 199 of 29 October 2016), which aims to prevent a number of "***crimes against the individual*** (e.g. reduction or maintenance of a person in a state of slavery or servitude, prostitution of minors and pornography involving minors, possession of pornographic materials, trafficking in persons, tourist initiatives aimed at the exploitation of child prostitution, illicit intermediation and exploitation of labour);

- Article 25-*sexies* (introduced by Law 62 of 18 April 2005, known as the European Community Law of 2004, adopting EU Directive 2003/6/EC), with specific reference to crimes of "***market abuse***"[5];

- Article 25-*septies* (introduced by Law 123 of 3 August 2007 and modified by Legislative Decree 81 of 9 April 2008 on the protection of health and safety at work, as well as Law no. 3 of 11 January 2018), with reference to "***manslaughter and serious or very serious injury committed in violation of regulations on health and safety at work***";

- Article 25-*octies* (introduced by Legislative Decree 231 of 21 November 2007, implementing Directives 2005/60/EC and 2006/70/EC), recently amended by Law 186 of 15 December 2014, on the crimes of the "***receiving, laundering and using money, goods or benefits of unlawful origin, as well as self-laundering***";

- Article 25-*novies* (introduced by Law 99 of 23 July 2009 "Regulations for the development and internationalisation of businesses, with particular reference to energy"), which extends the entity's administrative liability to the crimes covered by Law 633/41 on "***the protection of copyright and other related rights***";

---

[4]**Legislative Decree 38 of 15 March 2017**, entitled "*Implementation of Framework Decision 2003/568/JHA on combating corruption in the private sector*" introduced a series of significant changes, including: (i) a new formulation of Article 2635 of the Civil Code (*Private-to-private corruption*), extending the list of the perpetrators of the crime to include - in addition to those who hold top management and control positions - also those who carry out work activities with the exercise of managerial duties at companies and private entities; (ii) the introduction of Article 2365 bis (*Incitement to private-to-private corruption*) and art. 2635 ter (*Ancillary penalties*); (iii) the amendments to Article 25 ter of Legislative Decree 231/01, including the new Article 2635 bis among the predicate crimes. **Law no. 3 of 9 January 2019** made the offences referred to in articles 2365 and 2365 bis of the Civil Code automatically punishable.

[5]With **Legislative Decree no. 107 of 10 August 2018** ("*Rules for the adaptation of national legislation to the provisions of Regulation (EU) no. 596/2014 on market abuse and repealing Directive 2003/6/EC and Directives 2003/124/EU, 2003/125/EC and 2004/72/EC*"), lawmakers amended various parts of **Legislative Decree no. 58 of 24 February 1998** ("**TUF**" or "**Consolidated Law on Finance**"), in line with the provisions of the new EU Regulation no. 596/2014 (the so-called "**MAR**"), which entered into force on 3 July 2016, to '(...) *to ensure that there are uniform rules and clarity of key concepts and a single rule book* (...)' and '(...) ensure uniform conditions by preventing diverging national requirements as a result of the transposition of a directive (...)' and a minimum level of administrative sanctions, while giving Member States the possibility to provide for more severe penalties.

- **Article 25-*decies*** (introduced by Legislative Decree 116 of 3 August 2009, ratifying and implementing the United Nations Convention against Corruption, adopted by the UN General Assembly on 31 October 2003 with Resolution 58/4 and subsequently amended by Legislative Decree 121 of 7 July 2011) on "***crimes connected to inducement to refrain from making statements or to make false statements to the legal authorities***";

- **Article 25-*undecies*** (introduced by Legislative Decree 121 of 7 July 2011 in response to the Directives 2008/52/EC and 2009/123/EC on environmental protection, as amended by Law 68 of 22 May 2015 "*Regulations concerning crimes against the environment*" and Legislative Decree no. 21 of 1 March 2018) with reference to "**environmental crimes**";

- **Article 25-*duodecies*** (introduced by Legislative Decree 109 of 16 July 2012, implementing Directive 2009/52/EC which introduced minimum standards on penalties and measures against employers of illegally staying third-country nationals, as amended by Law 161 of 17 October 2017), with regard to the crime of "**employment of illegally staying third-country nationals**"[6] and other crimes pertaining to illegal immigration;

- **Article 25-*terdecies*** (introintroduced by Law 167 of 20 November 2017, containing "*Provisions for the fulfilment of obligations deriving from Italy's membership of the European Union - European Law 2017*," as amended by Legislative Decree no. 21 of 1 March 2018), with regard to the crimes of **racism** and **xenophobia**.

- **Article 25-*quaterdecies*** (introduced by Law 39 of 16 May 2019 "*Ratification and implementation of the Council of Europe Convention on sporting manipulation, done at Magglingen on 18 September 2014*"), with regard to the crimes of **fraud in sports competitions and the abusive operation of gaming and betting activities**;

- **Article 25-*quinquiesdecies*** (introduced by Law 157 of 19 December 2019 "*Conversion into law of Decree-Law 124 of 26 October, containing urgent provisions on tax matters and for non-deferrible necessity*"[7]), with regard to **tax crimes**.

The scope of Legislative Decree 231/2001 has also been further extended by the law to "*Ratify and implement the United Nations Convention against Transnational Organised Crime and its Protocols*" (Law 146 of 16 March 2006), with particular reference to crimes of "transnational organised crime" (such as, for example, criminal association, mafia-type association, migrant trafficking, etc.).

There is also a specific hypothesis of administrative liability, which does not derive from a crime but from an administrative offence outside the scope of Legislative Decree 231/2001. The hypothesis in question is governed by Articles 187-*quinquies* and following Legislative Decree 58 of 24 February 1998 ("*Italian Finance Act - TUF*"), which set out financial penalties (as well as confiscation - including

---

[6] **Law 161 of 17 October 2017** on "*Amendments to the code of anti-mafia laws and prevention measures, as per Legislative Decree 159 of 6 September 2011, to the criminal code and to the implementation, coordination and transitional rules of the Code of Criminal Procedure and other provisions. Delegation to the Government for the protection of work in seized and confiscated companies*" (Anti-Mafia Code), which came into force on 19 November 2017, also introduced changes in terms of predicate crimes under Legislative Decree 231/2001.
In fact, the following were added as predicate crimes in the area of illegal immigration to Article 25-duodecies of Legislative Decree 231/2001, which referred exclusively to the crime of "Employment of illegally staying third-country nationals" pursuant to Article 22 paragraph 12-bis of Legislative Decree 286 of 25 July 1998, (Italian Immigration Act): (a) whoever "in violation of the provisions of the [...] Act, promotes, directs, organises, finances or transports foreigners into the territory of the State or carries out other acts to illegally procure their entry into the territory of the State, or to another State in which the person is not a citizen or does not have the necessary residence permits" under the conditions set by current laws; and (b) whoever "in order to obtain unfair profits from the illegal status of the foreigner or with regard to the activities punishable in accordance with the provisions [of Article 12], facilitates the continued stay of these individuals in violation of the provisions of the Italian Immigration Act (Article 12, paragraph 5 Legislative Decree 286 of 25 July 1998).

[7] With Article 25 quinquiesdecies, entitled "*Tax crimes*" the criminal liability of entities is extended to the following offences: (i) Fraudulent statement by using invoices or other documents for non-existent operations (Article 2 of Legislative Decree 74/2000); (ii) Fraudulent statement by other artifices (Article 3 of Legislative Decree 74/2000); (iii) Issuing invoices or other documents for non-existent operations (Article 8 of Legislative Decree 74/2000); (iv) Concealing or destroying accounting documents (Article 10 of Legislative Decree 74/2000); (v) Fraudulent detraction of tax payments (Article 11 of Legislative Decree 74/2000).

of equivalent assets - of the product or profit of the offence and the assets used to commit it) against the entity in whose interest or advantage the administrative offences of insider dealing and market manipulation set out in Articles 187-*bis* and 187-*ter* of the TUF were committed.[8] it is worth noting a specific administrative liability for entities that operate in the production and sale of virgin olive oils, for a number of administrative offences arising from crimes[9] (Articles 440, 442, 444, 473, 474, 515, 516, 517, 517 quater of the Criminal Code), as per Article 12 of Law 9 of 14 January 2013 ("*Rules on the indication of origin and classification of virgin olive oils*").

Annex B describes the various types of crime/administrative offence that can be categorised as "*predicate crimes*" under Legislative Decree 231/2001.

1.3 Compliance Programmes

In general terms, the Decree states that entities are liable if they have not adopted the necessary measures to prevent the type of crimes or administrative offences committed.

However, in introducing corporate administrative liability, Article 6 Legislative Decree 231/2001 provides a specific form of "*exemption*" from such liability if the Company can demonstrate that:

a) the management body of the entity has adopted and effectively implemented "*compliance programmes*" designed to prevent the type of crimes or administrative offences committed;

b) the task of ensuring that the compliance programmes function and are observed, and that they are kept up-to-date, has been allocated to a *unit of the entity with autonomous powers of initiative and control*;

c) the people who carried out offences did so by fraudulently ignoring the compliance and management programmes in question;

d) there was neither insufficient supervision nor a lack of supervision by the unit referred to in letter b) above.

This"*exemption*" from liability is therefore dependent on the *judgement of suitability* on the internal system of organisation and controls, to be made by the judge will make during the criminal proceedings against the person who materially committed the offence (senior manager or subordinate).

Therefore when preparing its *compliance programmes*, the entity must aim to ensure that the judgement on their suitability is favourable.

In particular, if the crime is committed by *senior managers*, the entity is liable unless it can prove: **(i)** that it adopted and effectively implemented, before the commission of the crime, an *adequate* compliance programme to prevent the type of crimes/administrative offences committed; **(ii)** that it has established a unit with independent powers of initiative, supervision and control, which has effectively monitored the observance of the compliance programme; **(iii)** that the crime was committed by fraudulent evasion of the compliance programme by a disloyal senior manager.

When, however, the offence is committed by *subordinates*, it must be proved that the commission of the unlawful act was made possible by the non-observance by senior managers of management and supervisory obligations; such obligations, however, cannot be considered to have been violated if,

---

[8]Such proceedings - which follow the principles set out in Legislative Decree 231/2001 to the extent compatible - are brought by Consob (and not the Public Prosecutor) with a possible challenge allowed before the Court of Appeal. This is a peculiar case of liability arising from an administrative offence deriving from the "*dual track*" approach taken by the Italian legislature on financial matters and which, by ending a substantial duplication of the sanction (for individuals and legal persons), may be in conflict with the guarantees laid down in this regard by the European Court of Justice (*See Grande Stevens vs. Italy*). In any case, the legislation is still in force (also because of the recent Constitutional Court ruling 102 of 12 May 2016), so it is necessary and appropriate to continue to fully account for this for the purposes of this Compliance Programme.

[9]Specifically, Articles 440, 442, 444, 473, 474, 515, 516, 517, and 517-quater Criminal Code.

before the commission of the unlawful act, the entity adopted and effectively implemented a *suitable* compliance programme for preventing the type of crimes that occurred.

Legislative Decree 231/2001 also states that the compliance programmes must meet the following requirements:

1) identifying so-called "*potential risks*" by identifying the areas of the business or sectors of operations in which it is theoretically possible for the offences set out in the Decree to occur ("*areas of at-risk activities*");

2) providing specific protocols for planning training and implementing the decisions of the entity in relation to the offences to be prevented, with the aim of reducing the identified risks to an acceptable level;

3) identifying methods for administrating the financial resources necessary for preventing such offences;

4) setting out obligations for sending information to the unit responsible for supervising the functioning and observance of the compliance programmes;

5) introducing an internal disciplinary system imposing sanctions for failure by entities to comply with the measures indicated in the compliance programme.

Furthermore, according to the provisions of **Law no. 179 of 30 November 2017** ("*Provisions for the protection of the authors of reports of crimes of irregularity of which they have become aware in the context of a public or private employment relationship*"), the compliance programmes must provide channels through which the subjects indicated in article 5, paragraph 1, letters a) and b) of the Decree may carry out (also in computerised form), in order to protect the integrity of the entity, "*detailed reports of unlawful conduct*," relevant pursuant to Legislative Decree 231/01, "*and based on precise and consistent factual elements, or violations of the entity's compliance programme, of which they have become aware by reason of the functions performed*," guaranteeing in any case the confidentiality of the identity of the whistleblower in the activities of managing such reports[10].

* * *

Clearly, the essential characteristics set out in the Decree for the creation of the compliance programme refer to a typical corporate risk management system.

In addition, in order to ensure that the compliance programmes relating to the types of crimes/ administrative offences outlined in the Decree are effectively implemented, they must be checked periodically and amended - when appropriate - in response to any actual violations or changes in the company's organisation or business activities.

Legislative Decree 231/2001 also states that compliance programmes may be adopted, provided they meet the aforementioned requirements, on the basis of codes of conduct drawn up by industry associations (in this specific case Confindustria).

With particular reference to the risks deriving from the commission of unlawful acts related to health and safety at work, Article 30 Legislative Decree 81 of 9 April 2008 ("Italian Safety Act") - as amended by Legislative Decree 106 of 3 August 2009 ("*Additions and corrections to Legislative Decree 81 of 9 April 2008 on health and safety at work*") - also introduces a presumption of compliance for corporate compliance programmes prepared in accordance with the UNI-INAIL Guidelines of 28 September 2001 for a Health And Safety At Work Management System, or British Standard OHSAS 18001:2007[11].

---

[10] **Law 179/2017** also prohibits acts of retaliation or discrimination, whether direct or indirect, against the so-called "whistleblowers" for reasons directly or indirectly related to the report made, also requiring that the disciplinary system adopted by the body provide for sanctions against both those who violate the measures to ensure the confidentiality of the identity of whistleblowers and against those who make, with intent or gross negligence, reports that prove unfounded.

[11] The *British Standard OHSAS 18001:2007* has now been superseded by the new UNI ISO 45001 (which came into force on 12 March 2018), an international standard that specifies the requirements for a management system for health and safety at work.

2.1 General characteristics of the Law 231 Compliance Programme

Considering its system of preventive control existing since the time of the Mediaset Group and in pursuit of business practices and company management inspired by efficiency, propriety and fairness in all day-to-day processes, Mediaset Italia S.p.A. ("**Mediaset Italia**" or the "**Company**")[12] has taken the necessary actions to have its compliance programme adhere to Legislative Decree 231/2001 (the combination of general, conduct-related and operational business deployed inter alia through the organisational structure of the Company, the system of allocation of delegations and powers, organisational guidelines and operational practices, disciplinary system, etc. - the "**Law 231 Compliance Programme**").

This has been carried out in the belief that adopting the Law 231 Compliance Programme not only meets the requirements of the Decree, but is also a useful way to engage the Addressees - as defined below - so that in their work/roles/functions they conduct themselves in a proper, lawful and transparent manner, thereby preventing the risk of committing the unlawful acts referred to in the Decree.

The Company's Italian subsidiaries pursuant to Article 2359 Civil Code (the "**Subsidiaries**") have also undertaken equivalent compliance actions, taking into account their respective structures and specific operational conditions.

The present version of Mediaset Italia's Law 231 Compliance Programme was approved by the Company's Board of Directors by resolution of **24 March 2020**.

* * *

The Law 231 Compliance Programme is addressed to all who work for Mediaset Italia in any capacity, regardless of the relationship - including temporary - that exists between them. In particular, it is binding for persons who: (i) hold a representative, administrative, managerial or supervisory position in the Company; (ii) are subject to the management or supervision of one of the persons referred to at point (i) above (the "**Addressees**").

Mediaset Italia's objective in adopting the Law 231 Compliance Programme is to introduce a structured and comprehensive system comprising a set of general rules of conduct, procedures and control activities that meet the aims and requirements of Legislative Decree 231/2001, both in terms of the preventing crimes and administrative offences referred to in the Decree (*preventive controls*) and in terms of checking that the Law 231 Compliance Programme is implemented and that any penalties are enforced (*ex-post controls*).

One of the main objectives of the Law 231 Compliance Programme - as specified in paragraph 2.3 below - is therefore to cultivate awareness among Addressees that, if they do not act in accordance with the Code of Ethics, the Law 231 Compliance Programme, the General Anti-Corruption Guidelines (and/or its associated procedures), then they may commit unlawful acts that could have significant criminal consequences not only for the direct perpetrators of any such acts but also for the Company.

[12]Mediaset Italia is a recently established company, wholly controlled by Mediaset S.p.A ("Mediaset"), to which a business unit consisting of almost all Mediaset-led activities has been transferred as part of a larger corporate reorganisation project of the Group - with legal effect from 1 March 2020.
It bears noting that Mediaset, as the transferor of the abovementioned business unit, had already adopted and progressively updated its Law 231 Compliance Programme. Specifically, the first draft of Mediaset's Law 231 Compliance Programme was approved by the company's Board of Directors on 29 July 2003; subsequently, this was amended and integrated by resolutions of 18 December 2003, 7 November 2006, 16 December 2008, 21 December 2010, 9 December 2014, 20 December 2016 and 5 February 2019.

* * *

The process for updating the Law 231 Compliance Programme was implemented taking into account the provisions of Legislative Decree 231/2001, the Guidelines issued on the subject by Confindustria (including those issued after the Decree came into force and any new offences subsequently included)[13] and the specific initiatives already introduced by the Mediaset Group relating to control (for example, concerning administrative and representative powers, the formulation of the organisational structure, the separation of responsibility assigned to company departments, etc.) and *corporate governance*.

In particular, the amendment process has been used for the following specific types of offences under the Decree:

- **Articles 24 and 25** Legislative Decree 231/2001, concerning *crimes connected to relations with the Public Administration*[14];
- **Article 24-bis**, concerning *cybercrime* and *unlawful data processing*;
- **Article 24-ter**, concerning "*organised crime*";
- **Article 25-ter**, concerning *corporate crimes* (including *private-to-private corruption*);
- **Article 25-quater**, concerning "*Crimes of terrorism or subversion of the democratic order as envisaged by the Criminal Code and special laws*";
- **Article 25 quinquies**, concerning "*crimes against the individual*";
- **Article 25-sexies**, concerning *market abuse*;
- **Article 25-septies**, concerning *accidental offences* (manslaughter and serious and very serious injury) *committed in violation of the regulations on health and safety at work*;
- **Article 25-octies**, concerning the crimes of *receiving*, *laundering* and *using money, goods or assets of unlawful origin, as well as self-laundering*;
- **Article 25-novies**, concerning crimes referred to in Law 633/41 on "*the protection of copyright and other related rights*";
- **Article 25-decies**, concerning "*crimes connected to inducing individuals to refrain from making statements or to making false statements to legal authorities*";
- **Article 25-undecies**, concerning "*environmental crimes*";
- **Article 25-duodecies**, concerning "*employment of illegally staying third-country nationals*";
- **Article 25-quinquiesdecies**, concerning "*tax crimes*";

and the provisions of Law 146/1990 concerning "*transnational crimes*"[15].

---

[13]The first version of the "*Guidelines for the construction of compliance programmes*" of Confindustria, drawn up in 2002 and approved by the Ministry of Justice in 2004, was subsequently updated in March 2008, in view of the first experiences of application of the Decree and following the numerous legislative interventions that, in the meantime, had amended the rules on the criminal liability of entities, extending the scope of application to other types of crime. The latest update (which took into account new predicate offences such as cybercrimes, occupational safety offences, environmental offences, the employment of irregular foreign workers and, most recently, the offence of private-to-private corruption) dates to March 2014. In January 2018 Confindustria also issued an explanatory note concerning "*The new whistleblowing discipline*."

[14]In particular: (i) with regard to article 24, the following crimes: *undue receipt of funds*, *fraud against the State or a public authority or to obtain public funds and computer fraud against the State or a public authority*; (ii) with regard to Article 25, the following crimes: *corruption*, *illegal inducement to give or promise benefits*.

[15]The individual cases of predicate crimes considered theoretically applicable to the Company are indicated in Annex C *Organisational and supervisory controls* (for each area of at-risk activities and associated predicate crimes).

The assessments of the system of preventive controls considered the offences covered by the Decree at the time of the analysis. Therefore, the amendment process focused on unlawful acts that were considered to be a priority for the Company, given its organisation and the nature of its activities. In addition, other types of offences covered by the Decree (e.g. those envisaged in Article 25-quater.1, Article 25-quinquies or Article 25-terdecies) have been excluded because Mediaset Italia has decided that it is extremely unlikely - if not impossible - that they will be committed, due to the nature of its activities.

The Law 231 Compliance Programme will continue to be updated, where necessary, to reflect any new regulations issued within the scope of Legislative Decree 231/2001. The purpose of updating the Law 231 Compliance Programme - including adding to or amending it - is to ensure its ongoing adequacy and suitability in terms of preventing the predicate offences.

2.2 The Mediaset Group's Code of Ethics and General Anti-Corruption Guidelines

The Mediaset Group's Code of Ethics sets out the fundamental principles and values that the Group (and therefore the Company) follows in pursuing its business objectives. It is an essential part of the Law 231 Compliance Programme and of the Group's overall internal control system[16]. The aim of the Code of Ethics was to clearly define the principles and values that the Mediaset Group recognises, accepts and shares, and whose observance is essential for the proper performance of its activities, reliable operations and the image of the Mediaset Group, in the conviction that for the Company to be successful it must carry out its business in an ethical way.

The Code of Ethics sets out the fundamental ethical principles and values (such as fairness, propriety, transparency, responsibility and good faith) that permeate every aspect of day-to-day work and are essential for successful relationships with Mediaset Group companies at every level.

The principles of the Code of Ethics also provide the foundation on which the Law 231 Compliance Programme is built and act as a useful reference for the actual application of the Compliance Programme within the Group as regards company dynamics, also in order to comply with the provisions of Article 6 Legislative Decree 231/2001.

The rules and guidelines of the Code of Ethics, constituting a common basis of values for all the companies of the Mediaset Group, are binding for the Recipients: As such, the Code of Ethics applies not only to employees of the Company but also to all who work for/with Mediaset Italia or Group companies, regardless of the relationship between them, which may also be temporary, and including the directors and statutory auditors.

The Code of Ethics states that respect for the law, current regulations and commonly accepted business ethics is a fundamental principle of the Mediaset Group's actions. It also establishes the principles that (i) all Addressees must follow in their everyday work/roles/functions; (ii) must guide all operations, conduct and relationships, both within and outside the Group. The Code of Ethics was distributed to all Addressees following its adoption and after all subsequent amendments. In addition, all collaboration and supply contracts and, more generally, contracts concerning third-party business relationships with Mediaset Group companies have been amended to contain an explicit reference to the Code of Ethics (and the Company's Law 231 Compliance Programme) and to state that any violation of the fundamental principles of the Code may constitute a breach of contractual obligations.

The penalties that can be imposed if the Code is violated (as indicated in paragraph 2.6 below, *Penalty system*) demonstrate the importance of the Code of Ethics and its functioning for the Company and the Mediaset Group.

[16]The first version of the Mediaset Group's Code of Ethics, adopted by Mediaset and its subsidiaries, dates back to 2002; it was subsequently amended in 2008 and 2012. The current version was adopted by Mediaset Italia on 24 March 2020.

* * *

Considering the constant strengthening of the fight against public and private corruption, both internationally and in view of Italian lawmakers particular focus on combating corruptive practices (from the aforementioned *Anti-Corruption Law* of 2012), to align the Mediaset Group with the best practices that have gradually developed to combat corruption, the Law 231 Compliance Programme also comprises a document dedicated to "**General Anti-Corruption Guidelines**" (**Annex D**) and regularly updated.[17] The General Anti-Corruption Guidelines set out a systematic reference system on preventing corruptive practices for Mediaset Group companies, providing - in accordance with chapter III (*Business Conduct* of the Code of Ethics - a summary of the ethical and conduct-related rules that the Addressees must follow (especially if they work in *areas of at-risk activities*, such as relations with institutions and public officials, procurement of goods and services, sale of goods and services) in order to avoid any illicit or improper conduct, and to respect the provisions of current laws and regulations on preventing corruption, and the principles and values contained in the Code of Ethics, the Law 231 Compliance Programme and company procedures adopted from to time.

2.3 Process for updating the Law 231 Compliance Programme: aims and procedures

As stated above, Mediaset Italia's decision to adopt a compliance programme pursuant to Legislative Decree 231/01 (and to ensure that it is constantly updated) is part of a wider company policy attributable to all the companies belonging to the Mediaset Group - aimed at the education of Addressees, transparent and proper management of company activities, and compliance with current laws and the fundamental principles of business ethics.

The main aim of the Law 231 Compliance Programme is to establish a structured and comprehensive system of procedures/rules of conduct and control activities, which are to be carried out mainly as preventive measures in order to stop - as far as possible - the various types of crimes/administrative offences referred to in the Decree from being committed.

In particular, the aims of the Law 231 Compliance Programme are to:

- promote and establish a business culture based on respect for the law and regulations, preventing and as far as possible limiting the possible risks connected to business activities, with particular regard to identifying and mitigating any unlawful conduct;
- promote a culture of "*control*", in order to oversee the achievement of the Company's objectives over time;
- ensure efficient and balanced organisation of the business, with specific reference to the decision-making process and decision transparency, as well as preventive controls and follow-up controls, and internal and external information;
- raise awareness among all the Addressees - and in particular all those who work in the name and on behalf of Mediaset Italia in potentially at-risk areas of business activity (*areas of at-risk activities*) - that if they breach the provisions of the Code of Ethics, the Law 231 Compliance Programme or the General Anti-Corruption Guidelines and associated company procedures, these unlawful acts may make them and the Company liable to criminal and administrative penalties;
- emphasise that the Company condemns these forms of unlawful behaviour, regardless of their type or aims, as they are against the law and the ethical principles that the Company and the Mediaset Group companies follow in their activities and in pursuit of their business objectives;

[17] The "*General Anti-Corruption Guidelines*" are a policy which applies to all Mediaset Group companies and which has been integrated into Law 231 Compliance Programmes since 2014..

- enable the Company to maintain constant control and careful supervision of its business activities, so that it can intervene promptly either (i) for preventive purposes, by monitoring the *areas of at-risk activities* and stopping the commission of such unlawful acts before they happen, or (ii) applying the disciplinary measures envisaged by the Law 231 Compliance Programme.

As noted above, when preparing the Law 231 Compliance Programme, Mediaset Italia followed established corporate governance and internal control principles.

According to these principles, a risk management and control system in line with Legislative Decree 231/2001 has the following characteristics (although it must in any case be amended and rendered consistent with the overall management of business processes):

(i) it identifies and maps the "*areas of at-risk activities*", i.e. those areas of company activities where crimes/administrative offences could potentially take place;

(ii) it analyses potential risks by "*areas of at-risk activities*" in terms of the potential ways in which the unlawful acts could be committed;

(iii) it analyses potential risks and evaluates the Company's system of preventive controls for offences, where necessary defining and amending this system.

The process of creating the Law 231 Compliance Programme was therefore divided into two phases:

a) identification and formal mapping of risks, i.e. an analysis of the Company context in order to identify **(i)** the crimes/administrative offences that apply to the Company, **(ii)** the areas that - based on the actual activities performed by the Company - could potentially involve the commission of crimes and, finally, **(iii)** the possible ways in which the unlawful events covered by Legislative Decree 231/2001 and related aims may occur;

b) definition of the Law 231 Compliance Programme, by evaluating the organisational, management and control system for existing risks within Mediaset Italia, and subsequent updates to the compliance programme by adding to or amending the existing preventive controls and formalising them in specific procedures, where necessary, to effectively prevent the identified risks and, in any case, to reduce them to an acceptable level.

This process resulted in the production of a system of organisation, management and control aimed at preventing the types of crimes and administrative offences identified by the Decree, in accordance with a number of principles of control outlined in paragraph 2.5, below.

2.4 The "*areas of at-risk activities*"

Based on the results of Mediaset Italia's risk identification process, the following "*areas of at-risk activities*" have been identified (i.e. the business areas where offences could potentially occur):

1) managing obligations with the Public Administration for authorisations, licences and/or public concessions;

2) managing relations with the Public Administration or public supervisory authorities for audits and inspections;

3) organising training programmes and/or services for personnel that are financed using public grants;

4) managing relations with the Board of Statutory Auditors and investors;

5) managing accounts (clients, providers, general accounts) and preparing annual and interim financial statements;

6) managing tax obligations;

7) managing intercompany relations;

8) managing extraordinary transactions;

9) managing relations with insurance companies;

10) managing relations with credit institutions;

11) managing relations with factoring companies;

12) managing collections and payments;

13) managing cash reserves;

14) procuring goods and services;

15) obtaining professional assignments;

16) selling goods and services;

17) managing loans;

18) selecting and hiring personnel;

19) managing human resources[18];

20) personnel administration;

21) managing social security and pensions compliance obligations;

22) managing travel expenses;

23) managing expenses for donations, sponsorships, entertainment and gifts for third-parties;

24) management of legislative compliance for health and safety at work;

25) management of legal compliance for the protection of the environment;

26) managing and disclosing inside information;

27) obtaining confidential information;

28) managing judicial, extra-judicial and arbitration proceedings;

29) managing the Company's IT systems[19];

The results of the process of risk mapping and analysing the "*areas of at-risk activities*" are contained in specific documents kept at the Company's premises.

Annex C contains a description of the "*areas of at-risk activities*" (direct or indirect), associated crimes and the various organisational controls put in place by the Company.

---

[18]Specifically refers to: incentive system; awards of promotions/pay increases and fringe benefits.

[19]Specifically refers to: system software licence management, management of physical and logical security, segregation of duties, website management.

2.5 Procedures defined in the Law 231 Compliance Programme

Once identification of the risks and "*areas of at-risk activities*" was completed, the next step involved implementing an assessment and evaluation of the effectiveness of the compliance system already in place and used by the Company, documenting - where necessary - the standards and control activities to be applied in the various processes in order to prevent the unlawful acts identified by Legislative Decree 231/2001.

Documenting, supplementing and/or amending the rules of conduct/procedures relating to the Law 231 Compliance Programme is carried out by the competent company functions, which are also responsible for keeping them up to date.

After completing the process for documenting the existing organisational, management and control procedures and updating the business conduct procedures/rules, the Company **(i)** identified the procedures covered by the Law 231 Compliance Programme, **(ii)** collected them together in documents held at the Company's premises, **(iii)** brought them to the attention of the Addressees through communications to this effect and, finally, **(iv)** made them available for consultation by the Addressees, including by publishing them on the Company's intranet system.

Of course, the procedures/rules of conduct covered by the Law 231 Compliance Programme add to the principles outlined in the Code of Ethics and the General Anti-Corruption Guidelines, the other organisational guidelines, organisational charts, service orders, the system of allocating delegations and powers of attorney and all other organisational and control tools - also part of the Law 231 Compliance Programme - that are already used or operational within the Company and which have not required modifications in order to comply with Legislative Decree 231/2001.

The procedures outlined in the Law 231 Compliance Programme and other internal company regulations correspond to general internal control principles aimed at guaranteeing sound and correct management of the Company that is consistent with its pre-established aims and, more specifically, compliance with the provisions of Legislative Decree 231/01. In general, the Company's internal control system, as set out in company procedures and other internal company regulations, must:

- ensure, in terms of company processes, an adequate level of separation of functions so as to reduce the possibility of "*at-risk*" conduct and facilitate its rapid identification;
- ensure that powers of authority and signature are allocated in line with the organisational and management responsibilities assigned;
- guarantee the use of operational and administrative-accounting systems and procedures that ensure complete and accurate recording of company events and operations;
- ensure that financial resources are managed in complete accordance with current laws and that every financial transaction is promptly authorised and accurately and completely recorded and reported;
- guarantee the traceability of control and monitoring activities carried out on the operational processes and administrative-accounting activities.

2.6 Penalty system

Pursuant to Article 6, paragraph 2, letter a) and Article 7, paragraph 4, letter b) of the Decree, the definition of a suitable disciplinary system that combats and sanctions infringements of the Law 231 Compliance Programme and the associated company procedures by senior managers and/or persons subject to the management or supervision of others, is an indispensable part of the Law 231 Compliance Programme and essential for guaranteeing its efficiency.

In general terms, the inclusion of penalties commensurate with the offence and which include "*deterrence mechanisms*", applicable in cases of violation of the Law 231 Compliance Programme and associated company procedures, is intended to contribute to the effectiveness and efficiency of the Law 231 Compliance Programme itself and of the supervisory and control activities carried out by the Supervisory and Control Body.

In accordance with the Decree, the Company has therefore declared that any violation of the principles of the Code of Ethics, the General Anti-Corruption Guidelines or of the principles of the Law 231 Compliance Programme and associated procedures, will result in penalties for the Addressees. Such violations damage the relationship of trust - based on transparency, propriety, integrity and honesty - created with the Company and may lead to disciplinary action being taken against the individuals in question and penalties being imposed. This applies regardless of any legal or administrative proceedings that may arise - if the conduct constitutes any form of offence - and of the results of such proceedings, because the Code of Ethics, General Anti-Corruption Guidelines, the Law 231 Compliance Programme and the associated company procedures comprise clear rules of conduct that are binding for the Addressees.

In any case, since any violation of the Code of Ethics, the General Anti-Corruption Guidelines, the Law 231 Compliance Programme or internal procedures is independent of any violation of the law that may constitute a crime or administrative offence pursuant to Legislative Decree 231/01, the evaluation by the Company of such conduct by the Addressees may not be the same as the judicial evaluation expressed in a court of law.

* * *

The penalties and relative procedures for charging violations differ depending on the different categories of Addressees.

Company Employees

As outlined above, any conduct by **employees** which violates the principles and rules of conduct contained in the Code of Ethics, General Anti-Corruption Guidelines, the Law 231 Compliance Programme and company procedures is considered to be a breach of the primary obligations of the employment relationship and therefore also qualify as disciplinary offences.

The penalties that can be imposed on employees are covered by the Company disciplinary system and/or the penalty system provided for by the specific regulations contained in particular in the applicable national collective labour agreement (CCNL) and supplementary company contracts (CIA), in accordance with the procedures contained in Article 7 of Law 300/1970 (Workers' Statute) and any applicable special and/or sector regulations.

The Mediaset Italia disciplinary system therefore comprises the regulations contained in the Civil Code, the special laws that exist concerning this matter and the agreed provisions of the CCNLs and the CiAs applicable from time to time. Any violations are verified and the consequent disciplinary procedures are implemented by the relevant company management structure, in accordance with current laws and regulations and with the provisions of the applicable CCNL and CIA.

In any case, the penalties contained in current contractual provisions (e.g. under the multimedia and multi-platform Private Radio and TV Broadcasting Companies CCNL: *verbal warning, written warning, a fine of up to the equivalent of 4 hours' salary, suspension from work and of salary for up to 10 days, dismissal*) are applied taking into account the importance of the obligations violated and:

- the gravity of the conduct and, in particular, the degree of intent in the conduct or the degree of negligence, imprudence or malpractice involved;

- the overall conduct of the employee, with particular regard to the existence or lack of previous disciplinary penalties and to repeat offending;
- the hierarchical and/or functional position, role and duties of the employee in question;
- the presence of aggravating or mitigating circumstances with particular regard to the professionalism of the person involved and the circumstances in which the violation was committed;
- any shared responsibility with other persons complicit in the violation;
- any other relevant, specific circumstances relating to the violation in question.

Disciplinary penalties may be applied, purely by way of example and by no means exhaustively, to the following actions, including if performed in association with others:

- failure to respect, in general, the rules of conduct contained in the Code of Ethics, the General Anti-Corruption Guidelines, the Law 231 Compliance Programme and the associated company procedures, including by omission;
- failure to observe regulations and principles of good conduct as set out in Italian and international laws containing organisational and preventative rules, clearly directed towards committing one of the unlawful acts covered by the Decree;
- failure to act in accordance with the Code of Ethics, General Anti-Corruption Guidelines, the Law 231 Compliance Programme and the associated company procedures, exposing the Company to at-risk situations outlined in the Decree;
- failure to follow the procedures and/or processes for implementing the decisions of senior managers and/or superiors for organisational and operational activities;
- failure to respect company procedures concerning records and traceability of work performed, with reference to procedures for documenting, conserving and checking records, in such a way as to impede their transparency or verifiability;
- violation and/or evasion of the control system in force by removing, destroying or altering the documentation required under by company procedures;
- conduct designed to obstruct or evade controls and/or unjustifiably preventing persons responsible for controls, including the Supervisory and Control Body, from accessing information and documents;
- breach of the provisions pertaining to powers of corporate signature and, in general, the system of delegated powers;
- lack of supervision by superiors on the conduct of the individuals under their supervision with regard to the correct and efficient application of the principles/rules of conduct contained in the Code of Ethics, General Anti-Corruption Guidelines, the Law 231 Compliance Programme and associated company procedures.
- failure to comply with the obligations to inform the Supervisory and Control Body;
- violation of the measures aimed at protecting the confidentiality of the identity of whistleblowers who report violations of the Code of Ethics, of the Law 231 Compliance Programme (and of the company procedures that refer to it) or of illegal conduct pursuant to Legislative Decree 231/01;
- unfounded reports, made with intent or gross negligence, of violations of the Code of Ethics, of the Law 231 Compliance Programme (and of the company procedures that refer to it) or of significant illegal conduct pursuant to Legislative Decree 231/01.

If the disciplinary penalties deriving from a violation of the Code of Ethics, General Anti-Corruption Guidelines, the Law 231 Compliance Programme or associated company procedures are applied to employees with the authority to represent the Company, the penalties could result in such authority being withdrawn.

Executives

Executives have a relationship with the Company that is pre-eminently based on trust. Therefore it is essential that company executives respect the principles and provisions of the Code of Ethics, General Anti-Corruption Guidelines, the Law 231 Compliance Programme and associated company procedures, and that they ensure that these principles and requirements are respected.

Since these individuals are also employees of the Company, any violations are verified and the consequent disciplinary procedures are implemented by the relevant company management structure, in accordance with current laws and regulations and with the provisions on executives of the CCNL for Industrial Executives.

In the event of violation by executives of the provisions of the Code of Ethics, the General Anti-Corruption Guidelines, the Law 231 Compliance Programme and associated company procedures, or if the executive's conduct (or failure to act) when carrying out activities in "*areas of at-risk activities*" does not comply with the Code of Ethics, the General Anti-Corruption Guidelines, the Law 231 Compliance Programme or the associated company procedures, or if the executive allows any person hierarchically subordinate to them to conduct themselves in a manner that does not comply with those provisions, then the Company will apply the most suitable penalties against the executive as regards the gravity of their conduct, in view of the nature of the executive's role in the company as per current laws and regulations and the Industrial Executives CCNL (starting from a written warning up to, in the most serious cases, dismissal with or without notice, in particular where the conduct constitutes such a serious breach of the working relationship and, in particular, of trust, that it is impossible to continue the working relationship on even a temporary basis).

If the disciplinary penalties deriving from a violation of the Code of Ethics, General Anti-Corruption Guidelines, the Law 231 Compliance Programme or associated company procedures are applied to executives with the authority to represent the Company, the penalties could result in such authority being withdrawn.

Collaborators, suppliers and/or persons/entities who have business relationships with the Company

The Company believes that any action taken by external persons/entities that could constitute one of the offences referred to in the Decree must be censured and prevented. Therefore, for ***collaborators, suppliers and/or persons/entities that have business relations*** with Mediaset Group companies - regardless of the relationship, even temporary, between them - any failure to comply with the Code of Ethics (including the General Anti-Corruption Guidelines) and the Law 231 Compliance Programme is a breach of contractual obligations for all legal consequences. In the most serious cases, such a breach can therefore result in termination of contract and/or dismissal, as well as payment of damages claimed by the Company.

Directors and statutory auditors

The Company examines any violation by senior managers of the Code of Ethics, General Anti-Corruption Guidelines, the Law 231 Compliance Programme and the associated company procedures very closely, since they are the leaders of the Company and represent it to employees, shareholders, creditors and the market. Indeed, to create and consolidate a company ethic based on the values of propriety, fairness and transparency, these values must to be embodied and respected above all by company decisionmakers, so that they set an example and act as inspiration for everyone who work in and for the Company at all levels.

Therefore, in the event of any violation by a ***director*** and/or ***statutory auditor*** of the principles and provisions of the Code of Ethics, General Anti-Corruption Guidelines, the Law 231 Compliance Programme and the associated company procedures, or if they take decisions as part of their duties that violate these provisions, then the competent company bodies will be responsible for adopting the most appropriate protective measures in each case, in accordance with current laws and regulations, including revocation of any delegated powers and/or mandates.

Whether or not any protective measures are invoked, the Company has the right to take the actions allowed under the Civil Code (actions for liability and/or compensation).

For violations by a senior manager who is also an employee, the relevant disciplinary actions applicable to Company employees will be invoked in addition to - and not instead of - the actions for liability and/or compensation.

Supervisory and Control Body

For members of Supervisory and Control Body, if they are employed by the Company then the provisions of the sections on *"employees"* and/or *"executives"* are applied; if, however, they are collaborators or consultants, then the provisions of the section on *"collaborators"* are applied.

2.7 Supervisory and Control Body

Article 6, paragraph 1, letters b) and d) of the Decree exempt the entity from liability if it adopts and effectively implements a Law 231 Compliance Programme suitable to prevent the commission of predicate crimes. These Articles also require the entity to establish a body with independent supervisory powers, allowing it to ensure that the Law 231 Compliance Programme functions and is observed, and autonomous powers of initiative, allowing it to ensure that the Compliance Programme is constantly updated.

As such, assigning these tasks to said body and their correct, timely and efficient performance are essential prerequisites for exempting the entity from liability. In any case, even the establishment of such a body must satisfy the principle of effectiveness: aside from its formal identification, the body must be able to actually complete the complex and sensitive tasks attributed to it by the Decree.

In order to ensure that the Law 231 Compliance Programme is effectively and efficiently implemented, the Body must have the following characteristics.

(i) *Autonomy* and *independence* - fundamental requisites to ensure that the body is not involved in the managerial activities that it monitors and inspects. The position of this body inside the entity must be such as to guarantee the independence of its control activities from all forms of interference and/or influence by any component whatsoever of the entity (especially the management body and senior managers). If the body has a mixed collegial composition (i.e. also including members from inside the entity), then the level of independence of the body can only be evaluated as a whole.

(ii) *Professionalism* - the necessary technical knowledge and skills to carry out the functions allocated to it adequately and effectively. The body must also have the necessary skills to inspect and analyse the control system, as required for its sensitive responsibilities, and in-depth knowledge of the corporate and business organisational structure. Together with its autonomy and independence, these characteristics guarantee the objectivity of its judgements.

(iii) *Continuity* - the body must be a dedicated structure with all the necessary inspection and control powers, able to continuously verify that the *Law 231 Compliance Programme* is respected, monitor its implementation and ensure that it is periodically updated.

* * *

Therefore, in accordance with Legislative Decree 231/01 and in view of the scale, organisational complexity and activities of the Company, the supervisory and control body (hereinafter the "**Supervisory and Control Body**") of **Mediaset Italia** is a collegial body appointed by the Board of Directors following the approach and rules described *below*. It has three members, at least two of whom must come from outside the Company.

This choice was deemed appropriate as it satisfies the need for the role and responsibility to be assigned to persons who can wholly guarantee the effective autonomy and independence of the Supervisory and Control Body. In any case, the appointed members must be periodically evaluated on the basis of the specific characteristics of the Company, changes in laws and regulations and case law, doctrine and industry associations.

Therefore, the Company did not deem it appropriate to entrust the functions of Supervisory and Control Body pursuant to Legislative Decree 231/2001 to the Board of Statutory Auditors.

Requirements

The members of Mediaset Italia's Supervisory and Control Body must meet the same integrity standards as directors of the Company and professional standards commensurate with the position they will hold. In addition they must not be ineligible for any reason or have conflicts of interest with other company departments and/or positions that could undermine their independence and freedom of action and judgement. The Company's Board of Directors must check, from time to time, that the members of Mediaset's Supervisory and Control Body meet these requirements, both before their appointment and periodically - at least once a year - throughout their term in office. If any member of the Supervisory and Control Body has been definitively convicted by judgment or plea bargain, in particular of one of the offences covered by the Decree, they will be found to be ineligible and dismissed from office for just cause.

Appointment, term in office, dismissal

The Board of Directors of Mediaset Italia appoints the Supervisory and Control Body, which normally remains in office for the term of the Board of Directors that appointed it or for a different term if so defined in the board resolution on its appointment.

To ensure its full autonomy and independence, the Supervisory and Control Body reports directly to the Board of Directors of the Company.

If even one of the integrity, professionalism, eligibility and/ or conflict of interest requirements referred to in the previous section is no longer met while still in office, then the member in question will be dismissed.

The Company Board of Directors is responsible for dismissing members of the Supervisory and Control Body. In the event of dismissal or forfeit, the Board of Directors promptly replaces the outgoing member, subject to prior verification of the subjective requirements indicated above. The term in office of the Supervisory and Control Body will expire in the event of dismissal or forfeit of all its members. In this case the Board of Directors of the Company will appoint a new Supervisory and Control Body without delay.

Duties and responsibilities

In carrying out its activities, the Supervisory and Control Body - under its direct supervision and responsibility - is mainly supported by the *Internal Auditing Department*, and may avail itself - where necessary - of the support of other corporate functions (such as, for example, the Legal Affairs

Department, the Compliance Director and the Law 231 Initiatives Director, the Corporate Affairs Department, the personnel and organisation functions, etc.), or of external consultants with specific professional skills.

The Supervisory and Control Body has the following responsibilities:

(i) to ensure that the rules of the Code of Ethics, the General Anti-Corruption Guidelines, the Law 231 Compliance Programme and/or the associated company procedures are observed by Addressees, detecting and reporting any violations and/or deviations from these rules and, in light of any violations, noting the sectors that are most at risk;

(ii) to check the effectiveness and actual ability of the Law 231 Compliance Programme to prevent the offences referred to in Legislative Decree 231/2001, with regard to individual company departments and the business activities performed;

(iii) to guarantee that Law 231 Compliance Programme remains robust, effective and functional as time passes;

(iv) to check if the Law 231 Compliance Programme needs to be updated, where it is found that should be amended and/or supplemented due to changes in regulations, the Company's organisational structure and/or how the Company carries on its business, or in the event of significant violations of the requirements of the Code of Ethics, the General Anti-Corruption Guidelines, the Law 231 Compliance Programme and/or associated company procedures;

(v) to obtain from all Addressees of the Law 231 Compliance Programme the company documents and information deemed useful for fulfilling its duties and responsibilities;

(vi) to verify that Addressees receive suitable information and training on the principles, values and rules of conduct set out in the Code of Ethics, the General Anti-Corruption Guidelines, the Law 231 Compliance Programme and associated company procedures, including on each occasion when it receives requests for clarifications and reports;

(vii) to verify the adequacy of the initiatives connected with providing information and training about the principles, values and rules of conduct contained in the Code of Ethics, the General Anti-Corruption Guidelines, the Law 231 Compliance Programme and the associated company procedures, as well as the level of knowledge of Addressees, with particular reference to individuals who work in "*areas of at-risk activities*";

(viii) to report periodically to the various company bodies;

(ix) to collect, elaborate and store reports and material information sent in by the various company departments in relation to the Law 231 Compliance Programme and the associated company procedures, and to store the results of this work and the relevant reports.

To undertake its responsibilities, the Supervisory and Control Body may, at any time whatsoever, at its own discretion and independently, verify the application of the Law 231 Compliance Programme and/or the associated company procedures. In doing so its members may act jointly or severally.

In particular these checks may include:

(i) checks on specific company operations: to this end the Supervisory and Control Body will periodically check the acts and/or contracts and in general the company documents relating to the "*areas of at-risk activities*" in the manner and frequency established by the Body itself;

(ii) checks on the procedures/rules of conduct adopted: to this end the Supervisory and Control Body will periodically check the effectiveness and implementation of the procedures/rules of conduct associated with the Law 231 Compliance Programme.

Following the aforementioned checks, periodic changes to legislation and/or the organisational structure, and/or the discovery of the existence of new *areas of at-risk activities*, or in the case of significant violations of the requirements of the Code of Ethics, the General Anti-Corruption Guidelines, the Law 231 Compliance Programme and/or the associated company procedures, the Supervisory and Control Body will inform the company departments involved of any adjustments and updates the Company intends to make to the Law 231 Compliance Programme and/or to the relative procedures, or takes corrective actions and/or initiatives.

The Supervisory and Control Body will carry out follow-up checks to ensure that the recommended corrective actions are implemented by the relevant company departments.

If the Addressees have any queries and/or problems understanding the Code of Ethics, the General Anti-Corruption Guidelines, the Law 231 Compliance Programme and/or associated company procedures, they can ask the Supervisory and Control Body for the necessary clarifications.

To carry out the specific supervisory and control activities assigned to it, the Supervisory and Control Body is provided with annual funding, which is periodically updated according to the specific needs that arise. The funds are designed to enable it to perform the responsibilities referred to above and to ensure that the Board has total financial and managerial independence.

Functioning of the Supervisory and Control Body

The Supervisory and Control Body meets as a rule once every two months and whenever any of its members deem it necessary.

Minutes must be kept for every meeting and signed by all members. Meetings of the Supervisory and Control Body are valid when all its members are present. The decisions of the Supervisory and Control Body are taken on the basis of a majority vote.

The Supervisory and Control Body can nominate a secretary, who can also be chosen from outside its members.

The Supervisory and Control Body can issue and approve specific regulations for all operational aspects concerning its functioning.

Information flows to company bodies

With reference to reporting activities vis-à-vis the corporate bodies, the Supervisory and Control Body reports at least every six months, preparing specific written reports, (i) the Board of Directors, regarding the implementation of the *Law 231 Compliance Programme*, (ii) the Mediaset ItaliaRisk Control and Sustainability Committee regarding the outcome of the checks carried out and the initiatives undertaken as well as (iii) the Board of Statutory Auditors.

At the end of its term in office, the Supervisory and Control Body may - where it deems appropriate - prepare an end-of-term report for the company bodies.

The Board of Directors may ask the Supervisory and Control Body at any time to report on the functioning of the Law 231 Compliance Programme or on specific situations; in cases of particular necessity, the Supervisory and Control Body can report directly to the company bodies on its own initiative.

Information flows to the Supervisory Body

The Addressees of the Law 231 Compliance Programme must provide information requested by the Supervisory and Control Body according to the contents, manner and frequency set by the Body. To this end, the Supervisory and Control Body prepares a specific document, called the "*Information Flow Document*" and sends it to the company departments concerned.

The obligation to provide information to the Supervisory and Control Body provides an effective way for it to supervise the effectiveness of the Law 231 Compliance Programme and to perform ex post checks of how an offence could have been committed.

Addressees must also immediately send the Supervisory and Control Body any information concerning measures taken by magistrates, the police or any other public body pertaining to investigations or legal proceedings involving any of the offences covered by Legislative Decree 231/2001 regarding the Company and/or the Addressees.

The storing of all information and reports gathered by the Supervisory and Control Body is the responsibility of the Body itself, in accordance with regulations, rules and conditions for access to the data that guarantee its integrity and privacy.

Any violation of reporting obligations to the Supervisory and Control Body by Addressees may result in the application of the penalties referred to in section 2.6 above.

For the above reporting purposes (as well as for clarification and/or information or for the reporting of violations or illegal conduct, as indicated in paragraph 2.8 below), the Supervisory and Control Body also has its own e-mail address (*odv.mediasetitalia@mediaset.it*), which is for the exclusive use of the members of the Board itself and, if nominated, the secretary.

2.8 Reports of violations and unlawful conduct under Legislative Decree 231/01

If Employees or Contract Staff[20], in the performance of their work and/or duties or function, become aware - based on precise and consistent factual elements - of violations of the Code of Ethics and/or the Law 231 Compliance Programmes pursuant to Legislative Decree 231/01 (and/or the procedures referring thereto), or of relevant illegal conduct pursuant to Legislative Decree 231/01, these may report it using a dedicated computer system accessible via a dedicated link (*segnalazioni.mediaset.it*), in accordance with the procedures and terms described in the "*Organizational Guidelines for reporting violations and illegal conduct relevant under Legislative Decree 231/01*" in place from time to time.

Alternatively, the specific e-mail address indicated in paragraph 2.7 above may also be used.

Other categories of Recipients (such as, for example, suppliers, customers) may also contact the Supervisory and Control Body to report violations of the Code of Ethics and/or the Law 231 Compliance Programme or illegal conduct relevant to Legislative Decree 231/01, again using the appropriate e-mail address mentioned above.

Any reports received are handled - without prejudice to legal obligations - ensuring absolute confidentiality on the identity of the whistleblowers, guaranteeing them the utmost protection, as provided for by current legislation[21], also in order to avoid retaliatory attitudes or any form of discrimination or penalisation

[20]These categories include the persons referred to in Article 5, paragraph 1, letters a) and b) of Legislative Decree 231/01, i.e., both *persons in a senior position* (or who in any case hold positions of representation, administration or management in the Company or in an organisational unit with financial and functional autonomy or who exercise, even de facto, the management or control thereof) and *persons subject to their management or supervision*.

[21]This refers to the already mentioned **Law no. 179 of 30 November 2017**.

against them. The disciplinary sanctions referred to in paragraph 2.6 above shall be applied against those who violate the measures for the protection of the confidentiality of the identity of whistleblowers or those who intentionally or with gross negligence make reports that prove to be groundless.

If the reports received are relevant, detailed and based on precise and consistent factual elements, investigation and assessment activities are initiated, through internal and/or external audits, as provided for in the specific "*Organisational Guidelines for reporting violations and illegal conduct relevant to Legislative Decree 231/01*," from time to time in force, so that appropriate corrective action can be taken (in particular in the areas and/or company processes affected by the reports), disciplinary proceedings can be initiated or other initiatives can be taken that, depending on the case, will be considered adequate.

With reference to each report, during the execution of all the activities provided for by the aforementioned Guidelines, the Supervisory and Control Body is ensured constant and adequate information. The Supervisory and Control Body is also provided - according to the periodicity provided for in the above Guidelines - with specific reporting containing the reports received and a series of information on their management, the results of the checks carried out and any action plans to be implemented.

2.9 Information and training

Since the Compliance Programme was first adopted, in accordance with the provisions of Legislative Decree 231/2001, Mediaset Italia has ensured that the principles and provisions of the Law 231 Compliance Programme are widely disseminated, also to ensure that it is effectively implemented.

The Mediaset Group regularly prepares a specific communication and training plan to ensure that the Addressees are made aware of the principles and provisions of the Code of Ethics, the Law 231 Compliance Programme (including the General Anti-Corruption Guidelines) and associated company procedures/rules of conduct. The Company also adopts specific measures to ensure that the Addressees are actually aware of the aforesaid principles and provisions, with sufficient diversification according to their roles, responsibilities and duties, and with due regard to the areas in which individual Addressees operate. This plan is managed by the competent company departments, coordinated by the Supervisory and Control Body.

* * *

Regarding *communications*, all Addressees are informed of any change and/or update to the Law 231 Compliance Programme. The Company has adopted specific procedures for disseminating the Law 231 Compliance Programme and associated company procedures/rules of conduct to the Addressees within the Company (e.g. employees). The Law 231 Compliance Programme is also published on the Mediaset Group website and on the company intranet (where the associated company procedures are also available).

Knowledge of the provisions on corporate administrative liability and compliance with the resulting rules must be an integral part of the professional culture of all Addressees (especially employees). Therefore, to make information on the Law 231 Compliance Programme even more accessible, internal Addressees can consult a special "***231 Portal***" accessible via the *company intranet system* and periodically updated. The portal contains the text of the Decree and the regulations that introduced the various predicate crimes, the Code of Ethics, the General Anti-Corruption Guidelines, the Law 231 Compliance Programme, judgments, doctrinal analyses, presentations, cases studies, etc. The adoption of the *Law 231 Compliance Programme* and updates to it are also communicated to external Addressees (collaborators, suppliers, etc.). These Addressees' formal commitment to comply with the principles of the Code of Ethics and the Law 231 Compliance Programme (including the General Anti-Corruption Guidelines) is documented by duly accepted and signed contractual clauses.

* * *

The Company organises Training to foster knowledge of the rules set out in the Decree, and to provide a comprehensive overview of the Decree and the resulting practical repercussions, as well as the content and principles underlying the *Law 231 Compliance Programme* (and the Code of Ethics and General Anti-Corruption Guidelines) among all who are required to know them, comply with them and adhere to them, thereby contributing to their implementation.

Since the initial adoption of the Law 231 Compliance Programme, Mediaset Italia has offered specific training programmes that take into consideration the many variables in the background situation. These include: **(i)** the characteristics of the recipients of the training, their level and role in the company; **(ii)** content (in particular, topics relating to the role of the people involved in the training sessions); **(iii)** the type of training environment (classroom, e-learning); **(iv)** the time involved in providing, carrying out (preparation and duration of sessions) and accessing the training (time commitment for recipients); **(v)** the actions necessary to ensure adequate support for the training (promotion, support from direct supervisors, etc.).

The courses are also organised according to the key aims of providing: (i) general information and awareness; (ii) *ad hoc* training on specific issues (e.g. new company procedures or updates to existing procedures).

The training deals, in general, with the law on corporate administrative liability (and therefore the consequences for the Company of any offences committed by persons/entities who act on its behalf), the essential characteristics of the offences set out in the Decree and, more specifically, with the principles of the Code of Ethics, the General Anti-Corruption Guidelines, the Law 231 Compliance Programme and the associated company procedures/rules of conduct, as well as the specific preventive aims of the Law 231 Compliance Programme in this area.

Training modules are structured according to the roles, duties and responsibilities of each individual Addressee, taking account of the level of risk in the areas where they work.

The training plan is implemented, according to individual cases and specific needs, through classroom courses (for general and technical/specific training) and/or through a periodically updated e-learning course delivered through the company intranet system. For individuals who work in "*areas of at-risk activities*", as identified in section 2.4, above, targeted sessions are held to spread awareness of the crimes, examples that could arise in the specific areas where they work, the controls in place in their specific areas, and to illustrate the procedures to be followed in daily activities. Training is highly interactive and use case studies to facilitate learning and understanding.

The *e-learning* support programme is attractive and easy to use, enabling fast and comprehensive delivery of training content common to all Addressees. It is also generally used for new recruits.

There is a final test for both the classroom courses and the e-learning courses, designed to check the level of learning (and if necessary propose additional, "*ad hoc*" training).

The training courses are updated to take account of changes to laws and regulations and the Law 231 Compliance Programme. Specifically, important changes (e.g. extending corporate administrative liability to new types of crimes that directly affect the company or internal organisational changes) are duly integrated into the training courses, ensuring that the Addressees are informed.

Training is managed and monitored by the competent Mediaset Group company department and suitably documented. Specifically, attendance at classroom session is formally recorded by requiring attendees to sign in.

The Supervisory and Control Body regularly checks the implementation of the training programme, including by reference to information periodically provided by the company department referred to above. If necessary, the Body can request specific checks on the implementation of training programmes and Addressees' knowledge and understanding of the contents of the Decree, the Code of Ethics, the General Anti-Corruption Guidelines, the Law 231 Compliance Programme, and their operational implications.

* * *

In line with the principles and values expressed in the Code of Ethics and the Law 231 Compliance Programme, Mediaset Italia recognises the relevance and importance of occupational health and safety when carrying out business activities. It is committed to constantly improving company performance in relation to regulations on preventing accidents and protecting health and safety at work.

In this context, the Company also provides *specific information* and *training initiatives* within the Mediaset Group on preventing work-related injuries and, in general, health and safety risks for workers.

In consideration of the Health and Safety At Work Management System (SGSS) of the Mediaset Group - currently in accordance with British Standard OHSAS 18001:2007 -, Mediaset Italia has a series of initiatives to improve basic knowledge and understanding of workplace procedures and conduct. The initiatives aim to ensure that workers (as defined in the amended Italian Safety Act - TUS) are aware of:

- the role and responsibilities of everybody in the workplace, including how to manage emergency situations;

- the risk of unwanted, dangerous effects for the health and safety of people and the surrounding environment deriving from their work activities and conduct;

- the potential consequences of failing to respect corporate procedures and operating instructions.

The Mediaset Group intranet also includes a specific "*Health and Safety*" section that illustrates its Health and Safety At Work Management System (SGSSL). This section also contains a series of documents with useful information on regulations in the sector, the company organisational chart for health and safety, and the current company procedures.

In accordance with legal requirements, the Company provides Addressees with role-specific documentation containing general health and safety measures for employees and details of how to deal with any related emergencies that may occur in the workplace (e.g. fire prevention and first aid). In addition there are specific manuals for certain categories of workers, such as working mothers and computer operators.

Companies who work for Mediaset Italia (e.g. under contract) are given a specific booklet, designed to inform them of the risks present at Company premises.

The Company organises special mandatory training courses, in accordance with current laws and regulations and the Agreements between the State and the regions and provinces of Trento and Bolzano pursuant to the Italian Safety Act[22]. This training covers prevention and protection from risks in the workplace in the area of health and safety, diversified according to the recipients (e.g.

[22]Specifically, the Agreements of 21 December 2011 (pursuant to Articles 34 and 37 of the Italian Safety Act), the Agreement on the use of work equipment (pursuant to Article 73, paragraph 5, of the Italian Safety Act), the Decree of the Ministry of Labour and Social Policies and the Ministry of Health dated 6 March 2013 (implementing Article 6(8), letter m-bis) of the Italian Safety Act) and the Agreement of 7 July 2016 (on training courses for the Head of the Prevention and Protection Service - HPPS - and prevention and protection system staff members).

managers and staff who work in the Prevention and Protection Service, people in charge of managing emergencies, workers' safety representatives, executives, supervisors). There are also additional training initiatives for workers who perform specific tasks as part of their everyday work duties.

An online course about the health and safety of workers in the workplace is also available on the Mediaset Group intranet which, as expressly referred to in Article 37 of the Italian Safety Act (as amended), illustrates: (i) the concepts of risk, damage, prevention, company prevention management, the rights and obligations of the various persons/entities in the company involved in the health and safety in the workplace, supervisory bodies for the sector, control and assistance; (ii) the risks relating to the specific jobs of workers and the possible harm, together with the main associated prevention and protection measures and procedures of the individual company sectors or departments.

ANNEX A

Legislative Decree 231 of 8 June 2001

Regulations on the administrative liability of legal entities, companies and associations with or without legal personality, pursuant to Article 11 of Law 300 of 29 September 2000

THE PRESIDENT OF THE REPUBLIC

- Having regard to Articles 76 and 87 of the Constitution;
- Having regard to Article 14 Law 400 of 23 August 1988;
- Having regard to Articles 11 and 14 of Law 300 of 29 September 2000, which authorises the Government to adopt, within eight months of its entry into force, a legislative decree governing the administrative liability of legal entities, companies, associations or entities without legal personality that do not carry out duties of constitutional relevance according to the principles and criteria policies contained in Article 11;
- Having regard to the preliminary resolution of the Council of Ministers adopted during the meeting of 11 April 2001;
- Having heard the opinions of the relevant permanent committees of the Senate of the Republic and of the Chamber of Deputies, in accordance with Article 14, paragraph 1, of the aforementioned Law 300 of 29 September 2000;
- Having regard to the resolution of the Council of Ministers adopted during the meeting of 2 May 2001;
- Following the proposal of the Minister for Justice in concert with the Minister for Industry, Trade and Craft and the Minister for Foreign Trade, with the Minister for EU Policies and the Minister for the Treasury;

I s s u e s

the following Legislative Decree:

(CHAPTER I)

CORPORATE ADMINISTRATIVE LIABILITY

SECTION I
General principles and criteria for attributing administrative liability

Article 1 - Subjects

1. The present legislative decree governs the liability of entities for administrative offences arising from crimes.
2. The provisions it contains apply to entities with legal personality and to companies and associations with or without legal personality.
3. It does not apply to the State, local public entities, non-economic public entities nor entities that perform constitutionally significant functions.

Article 2 - Principle of legality

1. An entity cannot be held liable for an action that constitutes a crime if its administrative liability for that offence and the relative penalties are not expressly envisaged in a law that came into force before the offence was committed.

Article 3 - Subsequent laws

1. An entity cannot be held liable for an action that according to a subsequent law no longer constitutes a crime or which no longer entails corporate administrative liability, and, if there has been a conviction, the said conviction will not be enforced and the legal effects will be cancelled.
2. If the law that existed when the offence was committed and the subsequent laws are different, the law that is more favourable is applied, unless definitive judgment has been made.
3. The provisions contained in paragraphs 1 and 2 are not applied if dealing with exceptional or temporary laws.

Article 4 - Crimes committed abroad

1. In the cases and under the conditions envisaged in Articles 7, 8, 9 and 10 of the Criminal Code, those entities that have their head offices in Italy are also liable to prosecution for crimes committed abroad, provided that the State where the offence was committed does not intend to prosecute.
2. In those cases where the law provides that the offender is punished on request by the Minister of Justice, the entity in question will only be prosecuted if the request from the Minister also involves the entity itself.

Article 5 - Liability of the entity

1. The entity is liable for the crimes committed in its interest or to its advantage:
   a) by individuals who hold the position of representatives, directors or managers of the entity or of one of its organisational units that enjoys financial and functional independence, in addition to individuals who are responsible for the management or control of the entity;
   b) by individuals subject to the management or supervision of one of the persons/entities referred to in letter a).
2. The entity is not responsible if the individuals referred to in paragraph 1 have acted exclusively in their own interests or in the interests of a third party.

Article 6 - Senior managers and the entity's compliance programmes

1. If the crime has been committed by an individual indicated in Article 5, paragraph 1, letter a), the entity is not liable if it can prove that:
   a) the management body has adopted compliance programmes designed to prevent the type of crimes committed;
   b) the task of ensuring that the compliance programmes function and are observed, and that they are kept up-to-date, has been allocated to a unit of the entity with autonomous powers of initiative and control;
   c) the persons committed the crime by fraudulently circumventing the compliance programmes;
   d) there was neither insufficient supervision nor a lack of supervision by the unit referred to in letter b).
2. In relation to the extension of delegated powers and the risk of committing crimes, the compliance programmes referred to in letter a) of paragraph 1 must meet the following requirements:
   a) identifying the activities within which crimes may be committed;
   b) setting out specific protocols designed to assist management in formulating and implementing the entity's decisions in relation to the crimes to be prevented;
   c) identifying methods for administrating the financial resources necessary for preventing such crimes;
   d) setting out obligations for sending information to the unit responsible for supervising the functioning and observance of the compliance programmes;
   e) introducing a suitable disciplinary system capable of penalising failure to comply with the measures set out in the compliance programme.

2-*bis*. The compliance programmes referred to in letter a) of paragraph 1 provide for[1].

   a) one or more channels that allow the persons indicated in article 5, paragraph 1, letters a) and b), to submit, for the protection of the integrity of the entity, detailed reports of illegal

[1]Paragraph introduced by **Law no. 179 of 30 November 2017** (containing *"Provisions for the protection of authors of reports of crimes or irregularities of which they have become aware in the context of a public or private employment relationship"*).

conduct, relevant for the purposes of this decree and based on precise and concordant facts, or of violations of the entity's compliance programme, of which they have become aware by reason of the functions performed; these channels ensure the confidentiality of the identity of the whistleblower in the reporting management activities;

b) at least one alternative reporting channel capable of ensuring the confidentiality of the identity of the whistleblower by computerised means;

c) the prohibition of retaliatory or discriminatory acts, whether direct or indirect, against the whistleblower for reasons directly or indirectly related to the report;

d) in the disciplinary system adopted pursuant to paragraph 2, letter e), sanctions against those who violate the measures for the protection of the whistleblower, as well as those who make, with intent or gross negligence, reports that prove to be unfounded.

2-*ter*. The adoption of discriminatory measures against persons who make the reports referred to in paragraph 2-bis may be reported to the Italian National Labour Inspectorate, for measures falling within its remit, not only by the whistleblower, but also by the trade union indicated by him/her[2].

2-*quater*. Retaliatory or discriminatory dismissal of the whistleblower shall be null and void. Any change of duties pursuant to Article 2103 of the Italian Civil Code, as well as any other retaliatory or discriminatory measure adopted against the whistleblower, is also null and void. In case of disputes over disciplinary sanctions, demotions, dismissals, transfers or other organisational measures negatively affecting, directly or indirectly the whistleblower's working conditions and following his/her report, it is up to the employer to prove that these measures are motivated by reasons other than the report[3].

3. Compliance programmes may be adopted, ensuring the requirements of paragraph 2, based on the codes of conduct drawn up by the associations representing the entities, communicated to the Ministry of Justice which, in agreement with the competent Ministries, may make, within thirty days, observations on the suitability of the programmes for preventing offences.

4. In small entities the duties referred to in letter b), paragraph 1, can be directly carried out by the management body.

4-*bis*. In corporations, the board of statutory auditors, the supervisory board and the management control committee may perform the functions of the supervisory body indicated in paragraph 1, letter b, above[4].

5. Any profit made by an entity as a result of a crime may be confiscated, including in the form of equivalent assets.

Article 7 - Individuals subject to management by others and compliance programmes for entities

1. In the case provided for in article 5, paragraph 1, letter b), the entity is liable if committing the offence was made possible by failure to comply with management or oversight obligations.

2. In any case, non-compliance with the obligation for management and supervision is excluded if the entity, before the commission of the crime, adopted and efficiently implemented a compliance programme suitable for preventing crimes of the type carried out.

3. In relation to the nature and size of the organisation, as well as the type of business conducted, the Compliance Programme contains suitable measures to ensure the business is conducted in compliance with the law and to detect and promptly eliminate situations of risk.

4. the effective implementation of the Compliance Programme requires:

a) periodic verification and eventual modification of the compliance programme when significant violations of the regulations are discovered or when the organisation or its business activities change;

b) a suitable disciplinary system capable of penalising failure to comply with the measures set out in the compliance programme;

---

[2]Paragraph introduced by Law no. 179 of 30 November 2017.

[3]Paragraph introduced by Law no. 179 of 30 November 2017.

[4]Paragraph added by Article 14, paragraph 12, of Law 183 of 12 November 2011.

Article 8 - Autonomy of the liability of the entity

1. an entity is also liable when:
   a) the perpetrator of the crime has not been identified or is cannot be charged;
   b) the crime is no longer punishable for a reason other than an amnesty.
2. Unless the law states differently, an entity is not prosecuted if an amnesty has been granted for a crime for which it is held liable and the individual in question has declined the application of the amnesty.
3. An entity can decline the application of an amnesty.

SECTION II
General penalties

Article 9 - Administrative penalties

1. The penalties for administrative offences arising from crimes are:
   a) financial penalty:
   b) prohibitory penalties;
   c) confiscation;
   d) publication of judgment.
2. The prohibitory penalties are:
   a) ban on conducting business;
   b) the suspension or withdrawal of authorisations, licences or permits enabling the commission of the offence;
   c) a ban on contracting with the public administration, other than to obtain a public service;
   d) the exclusion from concessions, loans, grants and subsidies and possible revocation of those already granted;
   e) ban on advertising goods or services.

Article 10 - Administrative fine

1. For administrative offences arising from a crime, financial penalties are always applied.
2. Financial penalties are applied of not less than a hundred units and not more than a thousand units.
3. The amount of a unit is not less than €258 (five hundred thousand lire) and not more than €1,549 (three million lire).
4. Reduced payment is not allowed.

Article 11 - Rules for proportioning for financial penalties

1. In proportioning financial penalties the judge determines the number of units by taking into account the gravity of the case, the extent of the entity's liability and what has been done to eliminate or mitigate the consequences of the offence and prevent the commission of similar offences.
2. The amount of each unit is based on the financial situation and earnings of the entity in order to ensure the effectiveness of the penalties.
3. In the cases envisaged in Article 12, paragraph 1, the amount of the unit is always €103 (two hundred thousand lire).

Article 12 - Reductions of financial penalties

1. Financial penalties are reduced by half and in any case cannot be more than €103,291 (two hundred million lire) if:
   a) the perpetrator of the crime committed the offence mainly in their own interests or in the interests of a third party and the entity did not receive any advantage or received a minimum advantage;
   b) the financial damage caused is particularly minor;
2. The penalties are reduced by between a third to a half if, before the first-instance court hearing begins:
   a) the entity has completely refunded the damage and has either eliminated the damaging or dangerous consequences of the crime or taken effective steps in this direction;

b) the entity has adopted and put into practice a Compliance Programme that is suitable for preventing crimes of the same type as the one in question.
3. In cases where both the conditions referred to in the letters of the previous paragraph are true, the sanctions are reduced by between a half and two-thirds.
4. In any case, financial penalties cannot be less than €10,329 (twenty million lire).

Article 13 - Prohibitory penalties

1. Prohibitory penalties are applied for those crimes for which they are expressly provided for, when at least one of the following conditions exists:
   a) the entity has gained a substantial profit and the crime was carried out by senior managers, or by persons subject to the management or supervision of another individual, if the crime resulted from or was facilitated by serious organisational shortcomings;
   b) in the event of repeat offending.
2. Without prejudice to the provisions of Article 25, paragraph 5, the disqualification sanctions shall have a duration of not less than three months and not more than two years.[5]
3. Prohibitory penalties are not applied for those cases referred to in Article 12, paragraph 1.

Article 14 - Criteria employed in applying prohibitory penalties

1. Prohibitory penalties are applied to the specific business to which the activity the offence committed by the entity refers The judge determines the type and duration of the penalties on the basis of the criteria indicated in Article 11, taking into consideration the suitability of each individual sanction for preventing the type of offence committed.
2. The ban on contracting with the public administration can also be limited to specific types of contract or to specific types of public administration. Prohibition to perform an activity involves the suspension or withdrawal of authorisations, licences or permits necessary to perform the activity.
3. If necessary, prohibitory penalties can be applied jointly.
4. Disqualification from carrying out an activity is only applied when other prohibitory penalties are inadequate.

Article 15 - Court-appointed administrator

1. If the conditions exist for applying prohibitory penalties that result in the interruption of an entity's business activities, the judge, when applying the penalties, will arrange for the entity's business activities to continue under a court appointed administrator for a period equal to the duration of the prohibitory penalty applied, when at least one of the following conditions applies:
   a) the entity provides a public service or an essential public service which if interrupted could cause serious harm to the general public;
   b) interruption to the entity's activity could cause important repercussions on employment, as a result of the dimension of the activity and the economic conditions in the area where it takes place.
2. In the judgment providing for the disqualification of the activity, the judge indicates the responsibilities and powers of the court appointed administrator, taking into account the specific activity in which the entity committed the offence.
3. In the context of the responsibilities and powers indicated by the judge, the court appointed administrator is entrusted with implementing compliance programmes suitable for preventing crimes of the type in question from being carried out. The court appointed administrator cannot carry out extraordinary administration operations without the authorisation of the judge.
4. Any profit deriving from the continuation of the activity will be confiscated.
5. A court appointed administrator cannot be assigned to continue an activity if the prohibitory penalty is definitive.

---

[5]Paragraph amended by article 1, paragraph 9 of law no. 3 of 9 January 2019, "*Measures to combat crimes against the public administration, as well as on the period of time bar of the crime in relation to the transparency of political parties and movements.*"

Article 16 - Prohibitory penalties applied definitively

1. Disqualification from carrying out an activity may be applied permanently if the entity has obtained a significant profit from the crime and has already been found guilty, at least three times in the last seven years, and sentenced to temporary disqualification from carrying out the activity.
2. The judge may sentence the entity to permanent disqualification from contracting with the public administration or publicising goods or services when the entity has already been sentenced to the same penalties at least three times in the last seven years.
3. If an entity or one of its organisational units is permanently used for the single or prevalent purpose of carrying out or helping to carry out crimes for which it is liable, disqualification from carrying out the activity is always definitive and the provisions contained in Article 17 do not apply.

Article 17 - Redressing the consequences of a crime

1. Without prejudice to the application of financial penalties, prohibitory penalties are not applied when the following conditions exist before the first-instance court hearing begins:
   a) the entity has completely refunded the damage and has either eliminated the damaging or dangerous consequences of the crime or taken effective steps in this direction;
   b) the entity has eliminated the organisational deficiencies that allowed the crime to be committed by adopting and implementing compliance programmes that are suitable for preventing crimes of the same type as the one in question;
   c) the entity has made available for confiscation the profit made from the offence.

Article 18 - Publication of the conviction

1. Publication of the conviction can be ordered when prohibitory penalties are applied to the entity.
2. Publication of the judgment pursuant to Article 36 of the Criminal Code and by public notice in the municipality where the entity has its head office[6].
3. The publication of the judgment is arranged by the clerk of the court and paid for by the entity.

Article 19 - Confiscation

1. If convicted, the entity will always be subject to confiscation of the price or profit from the crime (excluding the part to be returned to injured parties). Any third parties that have acquired rights in good faith are exempt from this.
2. If it is not possible to enforce confiscation pursuant to paragraph 1, then sums of money, goods or other assets of value equivalent to the price or of profit of the crime may be confiscated.

Article 20 - Repeat offending

1. Repeat offending occurs when an entity, having already been definitively found guilty for an offence arising from a crime, commits another within five years of the definitive judgment.

Article 21 - Multiple offences

1. When the entity is liable for multiple crimes due to one action or omission, or committed as part of the same activity, and before a judgment, either definitive or not, for one of these offences has been passed, the financial penalties provided for the most serious offence, increased by up to three times, are applied. As a result of this increase, the quantum of the financial penalty cannot in any case be more than the sum of the penalties applicable for each offence.
2. In the cases referred to in paragraph 1, if the conditions exist for the application of prohibitory penalties for one or more of the offences, then the sanction for the most serious offence is applied.

Article 22 - Prescription

1. There is a time bar of five years from the date of the crime being committed for administrative penalties.
2. A request to apply precautionary measures and charging an administrative offence in accordance with Article 59 interrupts the time bar.
3. If such an interruption takes place, a new five-year period for the time bar begins.

---

[6]Paragraph added by Article 2, paragraph 218, of Law 191 of 23 November 2009.

4. If the interruption was due to charging the administrative offence arising from the crime, the period for the time bar does not start until the judgment becomes final.

Article 23 - Non-compliance with prohibitory penalties

1. Anyone who, when carrying out an activity for an entity for which penalties or precautionary measures have been applied, ignores the obligations or prohibition inherent in the penalties or measures, shall be liable to imprisonment for a term of between six months and three years.
2. In the case referred to in paragraph 1, the entity for whose interest or advantage the crime was carried out is liable to an administrative fine of between two hundred and six hundred units and the confiscation of the profit in accordance with Article 19.
3. If the entity has made a significant profit from the crime referred to in paragraph 1, prohibitory penalties are applied.

SECTION III
Administrative liability arising from a crime[7]

Article 24 - Undue receipt of funds, fraud against the State or a public authority or to obtain public funds and computer fraud against the State or a public authority

1. In relation to the crimes referred to in Articles 316-*bis*, 316-*ter*, 640, paragraph 2, no. 1, 640-*bis* and 640-*ter* if committed against the State or other public bodies, of the Criminal Code, the entity is subject to a financial penalty of up to five hundred units.
2. If, as a result of the commission of the crimes referred to in paragraph 1, the entity makes a significant amount of profit or particularly serious damage is caused, then the financial penalty of two hundred to six hundred units is applied.
3. In the cases envisaged in the previous paragraphs, the prohibitory penalties referred to in Article 9, paragraph 2, letters c), d) and e) are applied.

Article 24-bis - Cybercrime and unlawful data processing[8]

1. In relation to commission of the crimes referred to in Articles 615-*ter*, 617-*quater*, 617-*quinquies*, 635-*bis*, 635-*ter*, 635-*quater* and 635-quinquies of the Criminal Code, the entity is subject to the financial penalty of one hundred to five hundred units[9].
2. In relation to the commission of crimes referred to in Articles 615-*quater* and 615-*quinquies* of the Criminal Code, an entity is punished with financial penalties of up to three hundred units.
3. In relation to the commission of crimes referred to in Articles 491-*bis* and 640-*quinquies* of the Criminal Code, with the exception of the provisions contained in Article 24 of the present decree referring to computer fraud against the State or another entity, financial penalties of up to four hundred units are applied.
4. In the case of a conviction for one of the crimes indicated in paragraph 1, the prohibitory penalties contained in Article 9, paragraph 2, letters a), b) and e) are applied. In the case of a conviction for one of the crimes indicated in paragraph 2, the prohibitory penalties contained in Article 9, paragraph 2, letters b) and e) are applied. In the case of a conviction for one of the crimes indicated in paragraph 3, the prohibitory penalties contained in Article 9, paragraph 2, letters c), d) and e) are applied.

Article 24-ter - Organised crime[10]

1. In relation to the commission of any of the crimes referred to in Articles 416, sixth paragraph, 416-*bis*, 416-*ter* and 630 of the Criminal Code, to crimes committed that come under the conditions referred to in the previously mentioned Article 416-*bis* (in order to facilitate the instances of criminal

---

[7] Heading replaced by Article 3, paragraph 1, of Legislative Decree 61 of 11 April 2002, effective as of 16 April 2002. Previously the heading was: "*Administrative liability for crimes under the Criminal Code*".

[8] Article added by Article 7, paragraph 1, of Law 48 of 18 March 2008, in force as of 5 April 2008.

[9] This paragraph was amended by Article 9, paragraph 2, of Decree-Law 93 of 14 August 2013; subsequently, this amendment was not confirmed by the ratifying law (Law 119 of 15 October 2013.

[10] Article added by Article 2, paragraph 29, of Law 94 of 15 July 2009.[11] Rubrica così modificata dall'art. 1, comma 77, lett. a), n. 1), L. 6 novembre 2012, n. 190.

association envisaged in the article in question), together with the crimes referred to in Article 74 of the Presidential Decree 309 of 9 October 1990, then the financial penalty of four hundred to one thousand units applies.
2. With regard to the commission of any of the crimes referred to in Article 416 of the Criminal Code, with the exclusion of those referred to in the sixth paragraph, or Article 407, paragraph 2, letter a), number 5) of the Code of Criminal Procedure), then the financial penalty of three hundred and eight hundred units will apply.
3. In cases of conviction for one of the crimes indicated in paragraphs 1 and 2, the prohibitory penalties envisaged in Article 9, paragraph 2 are applied for a period of not less than one year.
4. If the entity or one of its organisational units is regularly used for the sole or primary purpose of enabling or facilitating the commission of the crimes indicated in paragraphs 1 and 2, then the definitive ban from performing the activity is applied pursuant to Article 16, paragraph 3.

Article 25 - Extortion, illegal inducement to give or promise benefits, and corruption[11]

1. In relation to the commission of the crimes referred to in Articles 318, 321 and 322, paragraphs 1 and 3 346[12] of the Criminal Code, a financial penalty of up to two-hundred units is applied.
2. In relation to the crimes referred to in Articles 319, 319-*ter*, paragraph 1, 321, 322, paragraphs 2 and 4 of the Criminal Code, the entity is punished with financial penalties of between two hundred and six hundred units.
3. In relation to the crimes referred to in articles 317, 319, aggravated pursuant to article 319-*bis* when the entity has made a significant profit from the crime, 319-*ter*, paragraph 2, 319-*quater* and 321 of the Criminal Code, the entity is punished with a financial penalty of three hundred to eight hundred units[13].
4. The financial penalties for crimes envisaged in paragraphs 1 and 3 are also applied to the entity when the offences are committed by individuals indicated in Articles 320 and 322-*bis*.
5. In cases of conviction for one of the offences indicated in paragraphs 2 and 3, the disqualification sanctions provided for in Article 9, paragraph 2, are applied for a period of not less than four years and not more than seven years, if the offence was committed by one of the persons referred to in Article 5, paragraph 1, letter a), and for a period of not less than two years and not more than four, if the offence was committed by one of the persons referred to in Article 5, paragraph 1, letter b)[14].

5 *bis*. If, before the first instance sentence, the entity has effectively taken steps to prevent the criminal activity from having further consequences, to ensure the evidence of the offences and to identify the persons responsible, or to seize the sums or other benefits transferred and has eliminated the organisational deficiencies that led to the offence through the adoption and implementation of compliance programmes suitable for preventing the offences of the type that has occurred, the disqualification sanctions shall have the duration established by article 13, paragraph 2[15].

Article 25-*bis* - Forgery of money, public credit instruments, revenue stamps and distinctive signs and instruments[16]

1. In relation to the crimes envisaged by the Criminal Code regarding forgery of money, public credit instruments, revenue stamps and distinctive signs and instruments, the entity is subject to the following financial penalties:
   a) for the crime referred to in Article 453, the financial penalty of three hundred to eight hundred units;
   b) for the crimes referred to in Articles 454, 460 and 461, the financial penalty of up to five hundred units;

---

[11]Title amended by Article 1, paragraph 77, letter a), no. 1) of Law 190 of 6 November 2012.
[12]Paragraph thus modified by Law no. 3 of 9 January 2019.
[13]Paragraph amended by Article 1, paragraph 77, letter a), no. 2) of Law 190 of 6 November 2012.
[14]Paragraph thus amended by Law no. 3, paragraph 9, of 9 January 2019.
[15]Paragraph added by Law no. 3, paragraph 9, of 9 January 2019.
[16]Article added by Article 6, paragraph 1, of Decree-Law 350 of 25 September 2001, ratified with amendments by Law 409 of 23 November 2001.

c) for the crime referred to in Article 455, the financial penalties stated in letter a), in relation to Article 453, and in letter b), in relation to Article 454, reduced by a third to a half;
d) for the crimes referred to in Articles 457 and 464, second paragraph, financial penalties of up to two hundred units;
e) for the crime referred to in Article 459, the financial penalties stated in letters a), c) and d), reduced by a third;
f) for the crime referred to in Article 464, first paragraph, the financial penalty of up to three hundred units;

f-*bis*) for the crimes referred to in Articles 473 and 474, the financial penalty of up to five hundred units.

2. In cases of conviction for crimes referred to in Articles 453, 454, 455, 459, 460, 461, 473 and 474 of the Criminal Code, the prohibitory penalties referred to in Article 9, paragraph 2, are applied to the entity for a period of not more than one year.

Article 25-*bis*.1 - Crimes against industry and trade[17]

1. In relation to crimes against industry and trade provided for by the Criminal Code, the following financial penalties are applied to the entity:
   a) for the crimes referred to in Articles 513, 515, 516, 517, 517-*ter* and 517-*quater*, the financial penalty of up to five hundred units;
   b) for the crimes referred to in Articles 513-*bis* and 514, the financial penalty of up to eight hundred units.
2. In the case of conviction for crimes indicated in letter b) of paragraph 1, the prohibitory penalties to be applied are those envisaged in Article 9, paragraph 2.

Article 25-*ter* - Corporate crimes[18]

1. In relation to the corporate crimes envisaged by the Civil Code, the entity is subject to the following financial penalties:
   a) for the crime of false company statements envisaged by Article 2621 of the Civil Code, the financial penalty of two hundred to four hundred units;
   a-*bis*) for the crime of false company statements envisaged by Article 2621-*bis* of the Civil Code, the financial penalty of one hundred to two hundred units;
   b) for the crime of false company statements envisaged by Article 2622 of the Civil Code, the financial penalty of four hundred to six hundred units;
   c) for the crime of false company statements to the detriment of shareholders or creditors envisaged by Article 2622, third paragraph, of the Civil Code, the financial penalty of four hundred to eight hundred units;
   d) for the crime of false information in prospectuses set out in Article 2623, paragraph 1, of the Civil Code, a financial penalty of two hundred to two hundred and sixty units;
   e) for the crime of false information in prospectuses set out in Article 2623, paragraph 2, of the Civil Code, a financial penalty of four hundred to six hundred and sixty units;
   f) for the crime of false reporting or communications by external auditors set out in Article 2624, paragraph 1, of the Civil Code, a financial penalty of two hundred to two hundred and sixty units;
   g) for the crime of false reporting or communications by external auditors set out in Article 2624, paragraph 1, of the Civil Code, a financial penalty of two hundred to two hundred and sixty units;
   h) for the crime of impeding company controls set out in Article 2625, paragraph 2, of the Civil Code, a financial penalty of two hundred to three hundred and sixty units;
   i) for the crime of false creation of share capital set out in Article 2632 of the Civil Code, a financial penalty of one hundred to one hundred and thirty units;
   l) for the crime of unlawful return of capital set out in Article 2626 of the Civil Code, a financial penalty of one hundred to one hundred and thirty units;

---

[17] Article added by Article 15, paragraph 7, of Law 99 of 23 July 2009.

[18] Article added by Article 3, paragraph 2, of Legislative Decree 61 of 11 April 2002, effective as of 16 April 2002, with the procedures set out in Article 5 of Legislative Decree 61/2002. Subsequently amended, most recently by Legislative Decree 38 of 15 March 2017.

m) for the crime of illegal allocation of profits and reserves set out in Article 2627 of the Civil Code, a financial penalty of one hundred to one hundred and thirty units;
n) for the crime of unlawful transactions involving shares or stakes of the company or the parent company set out in Article 2628 of the Civil Code, a financial penalty of one hundred to one hundred and eighty units;
o) for the crime of transactions to the detriment of creditors set out in Article 2629 of the Civil Code, a financial penalty of one hundred and fifty to three hundred and thirty units;
p) for the crime of improper allocation of company assets by liquidators set out in Article 2633 of the Civil Code, a financial penalty of one hundred and fifty to three hundred and thirty units;
q) for the crime of unlawful influence over the shareholders' meeting set out in Article 2636 of the Civil Code, a financial penalty of one hundred and fifty to three hundred and thirty units;
r) for the crime of stock price manipulation set out in Article 2637 of the Civil Code and for the crime of failure to report a conflict of interests set out in Article 2629-bis of the Civil Code, a financial penalty of two hundred to five hundred units;
s) for the crimes of hindering public supervisory authorities from performing their functions set out in Article 2638, paragraphs 1 and 2, of the Civil Code, a financial penalty of two hundred to four hundred units;
s-*bis*) for the crime of corruption between private individuals, in the cases provided for by paragraph 3 of Article 2635 of the Civil Code, a financial penalty of four hundred to six hundred units and, in the cases of instigation as per the first paragraph of Article 2365 bis of the Civil Code, a financial penalty of two hundred to four hundred units. The disqualification sanctions provided for in article 9, paragraph 2, also apply.

2. If, as a result of the commission of the crimes referred to in paragraph 1, the entity obtains a significant profit, the financial penalties are increased by a third.

Article 25-*quater* - Crimes committed for the purposes of terrorism and subversion of democracy[19]

1. In relation to the commission of the crimes for the purposes of terrorism or subversion of democracy envisaged by the Criminal Code and special laws, the entity is subject to the following financial penalties:
   a) if the crime is punishable by imprisonment for less than ten years, the financial penalty of between two hundred and seven hundred units;
   b) if the crime is punishable by imprisonment of not less than ten years or by life imprisonment, the financial penalty of between four hundred and a thousand units.
2. In the case of a conviction for one of the crimes indicated in paragraph 1, the prohibitory penalties contained in Article 9, paragraph 2 are applied for a period of not less than one year.
3. If the entity or one of its organisational units is regularly used for the sole or primary purpose of enabling or facilitating the commission of the crimes indicated in paragraph 1, then the definitive ban from performing the activity is applied pursuant to Article 16, paragraph 3.
4. The provisions of paragraphs 1, 2 and 3 are applied for the commission of crimes other than those indicated in paragraph 1 that are in any case carried out in violation of the provisions of Article 2 of the International Convention for the Suppression of the Financing of Terrorism signed in New York on 9 December 1999.

Article 25-*quater*.1 - Female genital mutilation practices[20]

1. In relation to the commission of crimes referred to in Article 583-*bis* of the Criminal Code, an entity on whose premises the offence was committed is punished with financial penalties of between 300 and 700 units and the prohibitory penalties contained in Article 9, paragraph 2, are applied for a period of not less than one year. In cases where the entity is a private accredited entity, the accreditation is also revoked.

---

[19] Article added by Article 3, paragraph 1, of Law 7 of 14 January 2003.
[20] Article added by Article 8, paragraph 1, of Law 7 of 9 January 2006.

2. If the entity or one of its organisational units is regularly used for the sole or primary purpose of enabling or facilitating the commission of the crimes indicated in paragraph 1, then the definitive ban from performing the activity is applied pursuant to Article 16, paragraph 3.

Article 25-*quinquies* - Crimes against the individual[21]

1. In relation to the commission of the crimes envisaged by Book II, Title XII, Chapter III, Section I of the Criminal Code, the entity is subject to the following financial penalties:
   a) for the crimes referred to in Articles 600, 601, 602, and 603-*bis*, the financial penalty of four hundred to a thousand units;
   b) for the crimes referred to in Articles 600-*bis*, first paragraph, 600-*ter*, first and second paragraph, also if relative to the pornographic material referred to in Article 600-*quater*.1, and 600-*quinquies*, the financial penalty of three hundred to eight hundred units;
   c) for the crimes referred to in Articles 600-*bis*, second paragraph, 600-*ter*, third and fourth paragraph, and 600-*quater*, also if relative to the pornographic material referred to in Article 600-*quater*.1, and for the crime referred to in Article 609-*undecies*, the financial penalty of two hundred to seven hundred units;.
2. In cases of conviction for one of the crimes indicated in paragraph 1, letters a) and b), the prohibitory penalties contained in Article 9, paragraph 2 are applied for a period of not less than one year.
3. If the entity or one of its organisational units is regularly used for the sole or primary purpose of enabling or facilitating the commission of the crimes indicated in paragraph 1, then the definitive ban from performing the activity is applied pursuant to Article 16, paragraph 3.

Article 25-*sexies* - Market abuse[22]

1. In relation to crimes connected with insider dealing and the market manipulation envisaged in part V, title I-bis, chapter II of Legislative Decree 58 of 24 February 1998, the entity shall be liable to financial penalties of between four hundred and one thousand units.
2. If as a result of the crimes referred to in paragraph 1, the product or profit obtained by the entity is of a significant amount, the penalty is increased by up to ten times the value of said product or profit.

Article 25-*septies* - Manslaughter or serious or very serious personal injury through negligence, committed in breach of the rules on occupational health and safety[23]

1. In relation to the crime referred to in Article 589 of the Criminal Code, committed in violation of Article 55, paragraph 2, of the Legislative Decree implementing the delegated authority referred to in Law 123 of 3 August 2007 on occupational health and safety, a financial penalty of 1,000 units applies. In the case of conviction for the crime referred to in the previous clause, the prohibitory penalties set out in Article 9, paragraph 2 are applied for a period of not less than three months and not more than one year.
2. Without prejudice to the provisions of paragraph 1, for the crime referred to in Article 589 of the Criminal Code, committed in violation of the regulations on occupational health and safety, financial penalties are applied of not less than 250 units and not more than 500 units. In the case of conviction for the crime referred to in the previous clause, the prohibitory penalties set out in Article 9, paragraph 2 are applied for a period of not less than three months and not more than one year.
3. For the crime referred to in Article 590, third paragraph, of the Criminal Code, committed in violation of the regulations on occupational health and safety, a financial penalty of not more than 250 units is applied. In the case of conviction for the crime referred to in the previous clause, the prohibitory penalties set out in Article 9, paragraph 2 are applied for a period of not more than six months.

---

[21] Article added by Article 5, paragraph 1, of Law 228 of 11 August 2003.

[22] Article added by Article 9, paragraph 3, of Law 62 of 18 April 2005.

[23] Article added by Article 9, paragraph 1, of Law 123 of 3 August 2007 and, subsequently, replaced by Article 300, paragraph 1, of Legislative Decree 81 of 9 April 2008.

Article 25-*octies* - Receiving, laundering and using money, goods or benefits of unlawful origin, as well as[24]

1. In relation to the crimes referred to in Articles 648, 648-bis, 648-ter, 648-ter.1 of the Criminal Code, the entity is subject to a financial penalty of 200 to 800 units. If the money, goods or other benefits originate from a crime for which the penalty is imprisonment for a term of more than five years, then the financial penalty of four hundred to one thousand units is applied.
2. In the case of a conviction for one of the crimes indicated in paragraph 1, the prohibitory penalties contained in Article 9, paragraph 2 are applied for a period of not more than two years.
3. In relation to the offences referred to in paragraphs 1 and 2, the Ministry of Justice, after hearing the opinion of the Financial Information Unit (UIF), makes a decision in accordance with Article 6 of Legislative Decree 231 of 8 June 2001.

Article 25-*novies* - Copyright infringement and related crimes[25]

1. In relation to the commission of the crimes referred to in Articles 171, first paragraph, letter a-*bis*), and third paragraph, 171-*bis*, 171-*ter*, 171-*septies* and 171-*octies* of Law 633 of 22 April 1941, financial penalties of up to five-hundred units are applied.
2. In the case of a conviction for one of the crimes referred to in point 1, the prohibitory penalties referred to in Article 9, paragraph 2 are applied to the entity for a period of not more than one year, without in any way affecting the provisions contained in Article 174-*quinquies* of Law 633 of 1941.

Article 25-*decies* - Inducement to refrain from making statements or to make false statements to the legal authorities[26]

1. In relation to the commission of the crime referred to in Article 377-*bis* of the Criminal Code, the entity is subject to a financial penalty of up to five hundred units.

Article 25-*undecies* - Environmental crimes[27]

1. In relation to the commission of the crimes envisaged by the Criminal Code, the entity is subject to the following financial penalties:
   a) for the violation of Article 452-*bis*, the financial penalty of two hundred and fifty to six hundred units;
   b) for the violation of Article 452-*quater*, the financial penalty of four hundred to eight hundred units;
   c) for the violation of Article 452-*quinquies*, the financial penalty of two hundred to five hundred units;
   d) for the aggravated ancillary crimes referred to in Article 452-*octies*, the financial penalty of three hundred to a thousand units;
   e) for the crime of trafficking and abandonment of high-level radioactive material referred to in Article 452-*sexies*, the financial penalty of two hundred and fifty to six hundred units;
   f) for the violation of Article 727-*bis*, the financial penalty of up to two hundred and fifty units;
   g) for the violation of Article 733-*bis*, the financial penalty of one hundred and fifty to two hundred and fifty units;

1-*bis*. In cases of conviction for one of the crimes indicated in paragraph 1, letters a) and b), of this article, in addition to the financial penalties set out therein, the prohibitory penalties envisaged by Article 9 are applied for a period of not more than one year for the crime referred to in letter a).

2. In relation to the commission of the crimes referred to in Legislative Decree 152 of 3 April 2006, the entity is subject to the following financial penalties:
   a) for the crimes referred to in Article 137:
      1) for the violation of paragraphs 3, 5, first clause, and 13, the financial penalty of one hundred and fifty to two hundred and fifty units;
      2) for the violation of paragraphs 2, 5, second clause, and 11, the financial penalty of two hundred to three hundred units;

---

[24] Article added by Article 63, paragraph 3, of Legislative Decree 231 of 21 November 2007.

[25] Article added by Article 15, paragraph 7, letter c) of Law 99 of 23 July 2009.

[26] Article added by Article 4, paragraph 1, of Law 116 of 3 August 2009, as replaced by Article 2, paragraph 1, of Legislative Decree 121 of 7 July 2011.

[27] Article added by Article 2, paragraph 2, of Legislative Decree 121 of 7 July 2011.

b) for the crimes referred to in Article 256:
   1) for the violation of paragraphs 1, letter a), and 6, first clause, the financial penalty of up to two hundred and fifty units;
   2) for the violation of paragraphs 1, letter b), 3, first clause, and 5, the financial penalty of one hundred and fifty to two hundred and fifty units;
   3) for the violation of paragraph 3, second clause, the financial penalty of two hundred to three hundred units;
c) for the crimes referred to in Article 257:
   1) for the violation of paragraph 1, the financial penalty of up to two hundred and fifty units;
   2) for the violation of paragraph 2, the financial penalty of one hundred and fifty to two hundred and fifty units;
d) for the violation of Article 258, paragraph 4, second clause, the financial penalty of one hundred and fifty to two hundred and fifty units;
e) for the violation of Article 259, paragraph 1, the financial penalty of one hundred and fifty to two hundred and fifty units;
f) for the crime referred to in Article 260, the financial penalty of three hundred to five hundred units, in the case envisaged in paragraph 1, and from four hundred to eight hundred units in the case envisaged in paragraph 2;
g) for the violation of Article 260-bis, the financial penalty of one hundred and fifty to two hundred and fifty units in the case envisaged by paragraphs 6, 7, second and third clause, and 8, first clause, and the financial penalty of two hundred to three hundred units in the case envisaged by paragraph 8, second clause;
h) for the violation of Article 279, paragraph 5, the financial penalty of up to two hundred and fifty units.

3. In relation to the commission of the crimes referred to in Legislative Decree 150 of 7 February 1992, the entity is subject to the following financial penalties:
   a) for the violation of Articles 1, paragraph 1, 2, paragraphs 1 and 2, and 6, paragraph 4, the financial penalty of up to two hundred and fifty units;
   b) for the violation of Article 1, paragraph 2, the financial penalty of one hundred and fifty to two hundred and fifty units;
   c) for the crimes under the Criminal Code referred to in Article 3-*bis*, paragraph 1, of Law 150 of 1992:
      1) financial penalties of up to two hundred and fifty units, for the commission of crimes subject to the penalty of imprisonment for not more than a maximum of one year.
      2) financial penalties of between one hundred and fifty and two hundred and fifty units, for the commission of crimes subject to the penalty of imprisonment for not more than a maximum of two years.
      3) financial penalties of between two hundred and three hundred units, for the commission of crimes subject to the penalty of imprisonment for not more than a maximum of three years.
      4) the financial penalty of three hundred to five hundred units in the event of commission of crimes subject to the penalty of imprisonment for more than three years.
4. In relation to the commission of the crimes referred to in Article 3, paragraph 6 of Law 549 of 28 December 1993, the entity is subject to the financial penalty of one hundred and fifty to two hundred and fifty units.
5. In relation to the commission of the crimes referred to in Legislative Decree 202 of 6 November 2007, the entity is subject to the following financial penalties:
   a) for the crime referred to in Article 9, paragraph 1, the financial penalty of up to two hundred and fifty units;
   b) for the crimes referred to in Articles 8, paragraph 1, and 9, paragraph 2, the financial penalty of one hundred and fifty to two hundred and fifty units;
   c) for the crime referred to in Article 8, paragraph 2, the financial penalty of two hundred to three hundred units.
6. The penalties envisaged in paragraph 2, letter b, are reduced by half in the event of commission of a crime under Article 256, paragraph 4, of Legislative Decree 152 of 3 April 2006.

7. In the case of conviction for crimes indicated in paragraph 2, letters a), no. 2, b), no. 3, and f), and in paragraph 5 letters b) and c), the prohibitory penalties envisaged in Article 9, paragraph 2, of Legislative Decree 231 of 8 June 2001, for a duration of not more than six months.
8. If the entity or an organisational unit of the same is regularly used for the sole or main purpose of enabling or facilitating the commission of the crimes under Article 260 of Legislative Decree 152 of 3 April 2006, and Article 8 of Legislative Decree 202 of 6 November 2007, the definitive disqualifications envisaged in Article 16, paragraph 3, of Legislative Decree 231 of 8 June 2001, apply.

Article 25-*duodecies* - Employment of illegally staying third-country nationals[28]

1. In relation to the crime referred to in Article 22, paragraph 12-*bis* of Legislative Decree 286 of 25 July 1998, the entity is subject to a financial penalty of one hundred to two hundred units, up to a limit of €150,000.

1-*bis*. In relation to the crimes referred to in article 12, paragraphs 3, 3-*bis* and 3-*ter* and 5 of the Consolidated Act referred to in Legislative Decree no. 286 of 25 July 1998 and subsequent amendments, the entity is subject to a financial penalty of between four hundred and one thousand units.

1-*ter*. In relation to the crimes referred to in article 12, paragraph 5 of the Consolidated Act referred to in Legislative Decree no. 286 of 25 July 1998 as amended, the entity is subject to a financial penalty of one hundred to two hundred units.

1-*quater*. In cases of conviction for one of the crimes indicated in paragraphs 1-bis and 1-ter, the prohibitory penalties set out in Article 9, paragraph 2, are applied for a period of not less than one year.

Article 25-*terdecies* - Racism and xenophobia[29]

1. In relation to the crimes referred to in article 3, paragraph 3-*bis*, of Law no. 654 of 13 October 1975, a financial penalty sanction of two hundred to eight hundred units is applied to the entity.
2. In the case of a conviction for one of the crimes referred to in point 1, the prohibitory penalties referred to in Article 9, paragraph 2, are applied to the entity for a period of not more than one year,
3. If the entity or one of its organisational units is permanently used for the sole purpose of allowing or facilitating the crimes indicated in paragraph 1, the definitive prohibition from carrying out the activity as per article 16, paragraph 3, shall apply.

Article 25-*quaterdecies* - Fraud in sports competitions, illegal exercise of gambling or betting and games of chance by means of prohibited devices[30]

1. In relation to the commission of the crimes referred to in Articles 1 and 4 of Law 401 of 13 December 1989, the entity is subject to the following financial sanctions:
   a) for offences, a financial penalty of up to five hundred times the quota;
   b) for infringements, a financial penalty of up to two hundred and sixty times the quota.
2. In cases of conviction for one of the crimes indicated in paragraph 1, letter a), of this article, the prohibitory penalties contained in Article 9, paragraph 2, are applied for a period of not less than one year.

Article 25-*quinquiesdecies* - Tax crimes[31]

1. In relation to the commission of the offences referred to in Legislative Decree 74 of 10 March 2000, the entity is subject to the following financial penalties:
   a) for the offence of fraudulent statement by using invoices or other documents for non-existent operations as provided for in Article 2, paragraph 1, a financial penalty of up to five hundred times the quota;
   b) for the offence of fraudulent statement by using invoices or other documents for non-existent operations as provided for in Article 2, paragraph 2-bis, a financial penalty of up to four hundred times the quota;

---

[28] Article added by article 2, paragraph 1, of Legislative Decree no. 109 of 16 July 2012 and amended by Law no. 161 of 17 October 2017.
[29] Article added by Article 5, paragraph 2, of Legislative Decree 167 of 20 November 2017.
[30] Article added by Article 5, Law 39 of 3 May 2019.
[31] Article added by Article 39, Law 157 of 19 December 2019 "*Conversion into law of Decree Law 124 of 26 October on urgent provisions for taxation and requirements calling for immediate attention*".

c) for the offence of fraudulent statement by using other artifices as provided for in Article 3, a financial penalty of up to five hundred times the quota;
d) for the offence of issuing invoices or other documents for non-existent operations as provided for in Article 8, paragraph 1, a financial penalty of up to five hundred times the quota;
e) for the offence of issuing invoices or other documents for non-existent operations as provided for in Article 8, paragraph 2-bis, a financial penalty of up to four hundred times the quota;
f) for the offence of concealing or destroying accounting documents as provided for in Article 10, a financial penalty of up to four hundred times the quota;
g) for the offence of fraudulent detraction from tax payments as provided for in Article 11, a financial penalty of up to four hundred times the quota.

2. If, as a result of the commission of the offences stated in paragraph 1, the entity obtains a significant profit, the financial penalties are increased by a third. 3. In the cases provided for in paragraphs 1 and 2, the disqualification sanctions referred to in Article 9, paragraph 2, letters c), d) and e) apply.

Article 26 - Attempted crimes

1. The financial and disqualification penalties are reduced by between one third and a half if an attempt is made to commit one of the crimes indicated in the present chapter of this decree.
2. The entity is not liable when it voluntarily prevents the completion of the action or the occurrence of the event.

(CHAPTER II)

FINANCIAL LIABILITY AND MODIFICATIONS OF THE ENTITY

SECTION I
Financial liability of the entity

Article 27 - Financial liability of the entity

1. The entity alone is liable for the payment of the financial penalty, using its own assets or common funds.
2. State receivables deriving from administrative offences by the entity arising from crimes take priority over receivables deriving from crimes, as per the provisions Code of Criminal Procedure. For this purpose, administrative fines are the same as financial penalties.

SECTION II
Modifications to entities

Article 28 - Transformation of the entity

In the event of transformation, the entity remains liable for crimes committed before the date when the transformation took effect.

Article 29 - Merger of the entity

In the event of a merger, including through absorption, the entity resulting from the merger is liable for the crimes that the entities involved in the transaction were responsible for.

Article 30 - Demerger of the entity

1. In the event of partial demerger, the demerged entity remains liable for crimes committed before the date when the demerger took effect, without prejudice to the provisions of paragraph 3.
2. The beneficiaries of the demerger, whether total or partial, are jointly liable to pay the Financial penalties due from the demerged entity for crimes committed prior to the date on which the demerger took effect. This obligation is limited to the effective value of the net equity transferred to the individual entity, unless it is the entity which received even part of the business unit that committed the crime.

3. The prohibitory penalties relating to the crimes indicated in paragraph 2 apply to the entities where the business division within which the crime was committed is found or has been transferred even in part.

Article 31 - Calculation of penalties in the case of mergers or demergers

1. If the merger or demerger happened before the court case is concluded, the judge, when proportioning the amount of financial penalties on the basis of Article 11, paragraph 2, takes into account the financial situation and the assets of the entity that was originally liable.
2. Without prejudice to the provisions of Article 17, the entity that results from the merger and the entity which, in the case of a demerger, is responsible for the prohibitory penalties can request the judge to replace the prohibitory penalties with financial penalties if, following the merger or demerger, the conditions contained in letter b) of paragraph 1 of Article 17 are applicable and if the conditions contained in letters a) and c) of the same Article apply.
3. If the judge accepts the request, in the conviction he can replace the prohibitory penalties with financial penalties for a quantum equal to either one or two times the financial penalties originally imposed on the entity for the crime.
4. In cases of mergers or demergers after a court case has finished, the entity has the right to request any prohibitory penalties to be converted into financial penalties.

Article 32 - Relevance of mergers or demerger in case of repeat offending

1. In cases of the liability of the entity that results from a merger or benefits from a demerger for crimes committed after the date of the merger or demerger, the judge may consider that a repeat offending has taken place, in accordance with Article 20, if a conviction was obtained against the entities involved in the merger or the demerger for offences committed before the date.
2. In this context, the judge will take into consideration the nature of the offence and the activity involved as well as the characteristics of the merger or demerger.
3. With respect to the entities benefiting from the demerger, repeat offending can be considered, in accordance with paragraphs 1 and 2, only if they have been transferred, even in part, the business unit in which the offence for which the demerged entity was convicted was committed.

Article 33 - Disposals

1. In the case of the disposal of a company where a crime has been committed, the purchaser is obliged, except for the benefits from the examination estimate of the seller and within the limits of the value of the company, to pay the financial penalties.
2. The purchaser's obligations are limited to the financial penalties shown in the accounts, as a result of administrative offences which the purchaser was aware of.
3. The provisions of this article are also applied in the case of the transfer of a company.

(CHAPTER III)

ASSESSMENT PROCEDURES AND THE APPLICATION OF ADMINISTRATIVE PENALTIES

SECTION I
General provisions

Article 34 - Relevant trial procedures

For proceedings concerning administrative offences arising from a crime, the regulations of this chapter are observed together with, when compatible, the provisions of the Code of Criminal Procedure and Legislative Decree 271 of 28 July 1989.

Article 35 - Extension of the rules to which the accused party is subject

Where compatible, the trial procedures to which the accused party is subject as also applied to the entity.

SECTION II
Subjects, jurisdiction and competence

Article 36 - Powers of the criminal judge

1. The judges who are responsible for dealing with administrative offences committed by entities are those responsible for the crimes from which the offences arise.
2. The investigation proceedings for administrative offences committed by entities are based on the provisions on the competence of the courts and the related trial provisions relative to the crimes from which the administrative offences arise.

Article 37 - No proceedings

An investigation of an administrative offence committed by an entity does not proceed when the criminal proceedings can no longer begin or continue against the perpetrator of the crime due to one of the conditions for prosecution not being met.

Article 38 - Joining and separating proceedings

1. The proceedings for administrative offences committed by an entity are joined to the criminal proceedings against the perpetrator of the crime from which the offence arises.
2. Administrative offences committed by an entity are subject to separate proceedings only when:
   a) the proceedings have been suspended in accordance with Article 71 of the Code of Criminal Procedure;
   b) the proceedings have been settled by summary judgment an accelerated procedure or by the application of the penalty in accordance with Article 444 of the Code of Criminal Procedure, or a penalty order has been issued;
   c) observance of the procedural requirements make it necessary.

Article 39 - Representation of the entity

1. The entity is present at the criminal proceedings together with their legal representative, unless the legal representative is accused of the crime from which the administrative offence arises.
2. Entities intending to attend the proceedings enter an appearance by submitting a declaration to the clerk's office of the court in question. On penalty of inadmissibility, the declaration must contain the following information:
   a) the name of the entity and the details of its legal representative;
   b) the name and surname of the defence lawyer and information on the power of attorney;
   c) the signature of the defence lawyer;
   d) declaration or election of address for service.
3. The power of attorney, presented in the form contained in Article 100, paragraph 1 of the Code of Criminal Procedure, must be deposited in the secretariat of the public prosecutor or with the relevant clerk of the court or presented at trial together with the declaration referred to in paragraph 2.
4. When the legal representative does not appear, the entity is represented by a court-appointed lawyer.

Article 40 - Court-appointed lawyer

Any entity that does not nominate a lawyer or has not got a lawyer will be assisted by a lawyer appointed by the court.

Article 41 - Default of the entity

Any entity that does not appear at trial will be declared in default.

Article 42 - Changes to the entity during the proceedings

In the case of the transformation, merger or demerger of the entity originally liable, the proceedings will continue against the entities resulting from the modification or benefiting from the demerger, who are participating in the proceedings, in the form they are at the time, depositing the declaration referred to in Article 39, paragraph 2.

Article 43 - Summons of the entity

1. For the first summons of the entity, the provisions of Article 154, paragraph 3, of the Code of Criminal Procedure are observed.
2. Summons sent to the legal representative are also valid, even if the legal representative is accused of the crime from which the administrative offence arises.
3. If the entity has declared or elected an address for service in the declaration referred to in Article 39 or in another document consigned to the legal authorities, the summons are issued in accordance with Article 161 of the Code of Criminal Procedure.
4. If it is not possible to issue the summons in the manner referred to in the previous paragraphs, the legal authorities will use a different method. If this method does not prove successful, the judge, on request from the public prosecutor, will suspend proceedings.

SECTION III
Evidence

Article 44 - Incompatibility with the position of witness

1. The following cannot be accepted as witnesses:
   a) the person charged with the crime from which the administrative offence arises;
   b) the individual representing the entity indicated in the declaration referred to in Article 39, paragraph 2, and who held that position when the crime was committed.
2. In case of incompatibility the individual who represents the entity may be questioned and examined in the form, within the limits and with the effects provided for by law for the interrogation and examination of individuals involved in a connected case.

SECTION IV
Precautionary measures

Article 45 - Application of precautionary measures

1. When there is strong proof which suggests that an entity is responsible for an administrative offence arising from a crime and there are well-founded and specific elements that point to the concrete possibility of the danger that further offences of the same type will be committed, the public prosecutor can ask for the application as a precautionary measure of one of the prohibitory penalties envisaged in Article 9, paragraph 2, presenting the judge with the facts on which this request is based, including any elements in favour of the entity and any deductions and defence statements already submitted.
2. The judge will then make an order based on this request, indicating the method of applying the measure. The provisions of Article 292 Code of Criminal Procedure apply.
3. In the event of precautionary prohibitory measures, the judge may nominate a court-appointed administrator in accordance with Article 15 for a period equal to the duration of the precautionary measure.

Article 46 - Criteria for selecting measures

1. When ordering precautionary measures, the judge takes into account the specific suitability of each of the available measures in relation to the nature and the degree of the need for precautionary measures in the case in question.
2. Each precautionary measure must be proportional to the gravity of the fact and to the penalty that could be applied to the entity.
3. Disqualification from carrying out the activity can only be applied as a precautionary measure when all other measures are judged to be inadequate.
4. Precautionary measures cannot be applied jointly.

Article 47 - Competent judge and application procedure

1. The judge in the case is responsible for deciding on the application and revocation of precautionary

measures as well as for amending how they are enforced. The preliminary investigation judge is responsible during the investigation, and The provisions of Article 91 of Legislative Decree No 271 of 28 July 1989 also apply.

2. If a request for the application of precautionary measures is presented outside the hearing, the judge will fix a date for deciding on the request and will advise the public prosecutor, the entity and the defence lawyers. The entity and the defence lawyers are also advised that the request made by the public prosecutor and the elements the request is based on are available for inspection with the clerk of the court.
3. In the hearing envisaged under paragraph 2, the provisions of Article 127, paragraphs 1, 2, 3, 4, 5, 6 and 10 of the Code of Criminal Procedure apply; the terms envisaged in paragraphs 1 and 2 of the aforementioned Article are reduced respectively to five and three days. No more than fifteen days must elapse between the request being deposited and the date of the hearing.

Article 48 - Enforcement obligations

The public prosecutor is responsible for notifying the entity of a ruling concerning the application of a precautionary measure.

Article 49 - Suspension of precautionary measures

1. Precautionary measures can be suspended if the entity requests to be able to invoke the obligations with which the law regulates the exclusion of prohibitory penalties in accordance with Article 17. In this case, the judge, after conferring with the public prosecutor, and if the request is granted, establishes an amount of money as security, suspends the measures and indicates the terms for the reparatory actions as envisaged in article 17.
2. The security consists of depositing an amount of money with the court that must not be inferior to half the minimum financial penalty for the offence in question. Instead of the deposit, a guarantee can be provided by mortgage or joint and several guarantee.
3. In case of incomplete, ineffective or failure to perform the activity in accordance with the established terms, the precautionary measure is reinstated and the deposit or guarantee will be kept by the court.
4. If the conditions referred to in Article 17 are met, the judge will revoke the precautionary measure and return the security or cancel the mortgage; the guarantee therefore lapses.

Article 50 - Revocation and substitution of precautionary measures

1. The precautionary measures are revoked if the conditions for applying them envisaged in Article 45 no longer apply, including for unexpected reasons, or when provisions contained in Article 17 apply.
2. If the need for precautionary measures diminishes or if the measures applied are no longer proportional to the gravity of the offence or to the penalties that could be definitively applied, the judge, on request from the public prosecutor or the entity, may substitute the measure with another, less serious measure or order it to be applied less severely, including by setting a shorter duration.

Article 51 - Maximum duration of precautionary measures[32]

1. When ordering precautionary measures, the judge also decides on the duration.
2. After conviction at first instance, the duration of the precautionary measure may be as long as the corresponding sanction applied with the same judgment. In any case, the duration of the precautionary measure may not exceed one year and four months.
3. The term of the precautionary measure begins from the date on which the ruling is given.
4. The duration of the precautionary measure is calculated on the duration of the penalties definitively applied.

[32] Article 51 was amended by Law no. 3, paragraph 9, of 9 January 2019.

Article 52 - Appealing rulings that apply precautionary measures

1. The public prosecutor and the entity, in the person of its defence lawyer, can appeal against all rulings pertaining to precautionary measures, indicating the treasons for the appeal. The provisions contained in Article 322-*bis*, paragraphs 1-*bis* and 2 of the Code of Criminal Procedure are observed.
2. The public prosecutor and the entity, in the person of its defence lawyer, can appeal for the ruling made in accordance with paragraph 1 to be annulled for violation of the law. The provisions referred to in Article 325 of the Code of Criminal Procedure are observed.

Article 53 - Preventive seizure

1. The judge can order the seizure of assets permitted for confiscation in accordance with Article 19. The provisions contained in Articles 321, paragraphs 3, 3-*bis* and 3-*ter*, 322, 322-*bis* and 323 of the Code of Criminal Procedure are observed, if applicable.

1-*bis*. If the seizure, carried out for the purposes of equivalent confiscation envisaged by paragraph 2 of Article 19, concerns companies, businesses or assets, including securities, equities or cash even if on deposit, the court-appointed administration allows the corporate bodies to use and manage them solely to ensure business continuity and development, exercising the powers of supervision and reporting back to the legal authorities. In the event of breach of the aforesaid purpose, the legal authorities shall take the consequent decisions and can appoint an administrator to exercise shareholder powers. This appointment fulfils the obligations under Article 104 of the implementing, coordination and transitional provisions of the Code of Criminal Procedure, referred to in Legislative Decree 271 of 28 July 1989. In the event of seizure to the detriment of companies operating establishments of national strategic interest and their subsidiaries, the provisions of Decree-Law 61 of 4 June 2013, ratified with amendments by Law 89 of 3 August 2013, apply[33].

Article 54 - Precautionary seizure

If there is good reason to believe that there is no collateral for the payment of financial penalties, the cost of the proceedings or any other amount due to tax authorities, or that this collateral may be lost, the public prosecutor, at any stage of the case including during any eventual appeal proceedings, may request the precautionary seizure of movable goods and real estate belonging to the entity or of money or goods due to the entity. The provisions of Articles 316, paragraphs 4, 317, 318, 319 and 320 of the Code of Criminal Procedure are observed where applicable.

SECTION V
Preliminary investigations and hearings

Article 55 - Registration of administrative offence

1. The public prosecutor who collects the information about the administrative offence (arising from a crime) committed by the entity immediately enters, in the register referred to in Article 335 of the Code of Criminal Procedure, the identifying details of the entity together with, if possible, the personal details of its legal representative and the crime from which the offence arises.
2. The entry referred to in paragraph 1 is disclosed to the entity or its defence lawyer, on their request, within the same limitations as for disclosing the details of a crime to the person alleged to have committed it.

Article 56 - Time limit for verifying administrative offences in preliminary investigations

1. The public prosecutor carries out a verification of the administrative offence within the same time limits as those provided for the preliminary investigation for the crime from which the administrative offence arises.
2. The time limit for verifying administrative offences committed by the entity begins from the date of the registration referred to in Article 55.

---

[33]Paragraph added by Article 12, paragraph 5-*bis*, of Decree-Law 101 of 31 August 2013, ratified with amendments by Law 125 of 30 October 2013.

Article 57 - Notice of investigation
The notice of investigation sent to the entity must contain an invitation to declare or elect an address for service and a warning that in order to participate at the proceedings it must deposit the declaration referred to in Article 39, paragraph 2.

Article 58 - Dismissal
If the administrative offence is not charged in accordance with Article 59, the public prosecutor issues a decree containing the dismissal of the action and sends a copy to the attorney general at the appeal court. The attorney general can carry out further necessary verifications and, if he believes there is a case to answer, he can - within six months of receiving the copy - charge the entity of having committed administrative offences arising from a crime.

Article 59 - Charging an administrative offence
1. When a dismissal has not been decided on, the public prosecutor notifies the entity that it is accused of an administrative offence arising from a crime. An offence is charged by using one of the documents indicated in Article 405, paragraph 1, of the Code of Criminal Procedure.
2. The charge contains the identifying details of the entity and a statement, written in a clear, precise way, describing the fact that may lead to the application of administrative penalties, with an indication of the crime from which the offence arises, the relative Articles of law and the source of the evidence.

Article 60 - Expiry of charge
It is not possible to proceed with the charge referred to in Article 59 when the crime from which the administrative offence arises is no longer valid because it is time-barred.

Article 61 - Rulings issued during the preliminary hearing
1. The judge in the preliminary hearing may rule not to proceed with the case because of a time bar or because the offence does not exist or the proof collected is insufficient, inconsistent or unsuitable for making a judicial case for the liability of the entity. The provisions of Article 426 of the Code of Criminal Procedure apply.
2. The order that, following the preliminary hearing, commits the entity for trial must contain, otherwise it is void, the charge relating to the administrative offence arising from a crime, with a statement, written in a clear, precise way, containing the fact that may lead to the application of administrative penalties, with an indication of the crime from which the offence arises, the relative Articles of law and the source of the proof, together with the identification of the entity.

SECTION VI
Special proceedings

Article 62 - Summary judgment
1. The provisions of title I of the sixth book of the Code of Criminal Procedure are observed in the case of a summary judgment, as applicable.
2. If the preliminary hearing is not held, the provisions of articles 555, paragraph 2, 557 and 558, paragraph 8, apply, as the case may be.
3. The reduction referred to in Article 442, paragraph 2, of the Code of Criminal Procedure is applied to the duration of prohibitory penalty and to the quantum of the financial penalty.
4. In any case, summary judgment is not permitted when an administrative offence is subject to a definitive prohibitory penalty.

Article 63 - Application of penalty on request
1. It is possible to apply a penalty on request if judgment of the accused is (or can be) decided in accordance with Article 444 of the Code of Criminal Procedure and in all the cases where only a financial penalty is applied for the administrative offence. The provisions of title II of the sixth book of the Code of Criminal Procedure are observed where applicable.

2. In cases where a penalty on request can be applied, the reduction referred to in Article 444, paragraph 1, of the Code of Criminal Procedure is applied for the duration of the prohibitory penalty and to the quantum of the financial penalty.
3. If the judge considers that a definitive prohibitory penalty should be applied, the request is refused.

Article 64 - Penalty orders

1. When the public prosecutor decides that only financial penalty should be applied, he can provide the judge responsible for the preliminary hearing - within six months of the administrative offence being entered in the register referred to in Article 55 and having already submitted the file - with a reasoned request for an order to be issued applying a financial penalty, indicating the quantum thereof.
2. The public prosecutor may request the application of a financial penalty reduced by up to half of the minimum applicable quantum.
3. If the judge does not accept the request and if he does not have to exclude the entity from liability, he returns the documents to the public prosecutor.
4. The provisions of title V of the sixth book and Article 557 of the Code of Criminal Procedure are observed where applicable.

SECTION VII
Judgement

Article 65 - Deadline for redressing the consequences of a crime

Before the first-instance court case opens, the judge can suspend proceedings if the entity requests to make use of the measures contained in Article 17 and demonstrates that it was impossible for it to do so before. In this case, if the judge accepts the request he calculates the amount of money to be paid into the court as security. The provisions of Article 49 are observed.

Article 66 - Judgment excluding the liability of the entity

If the administrative offence of which the entity is accused has not been committed, the judge issues a judgment containing the reason for this. The same procedure is used when there is no evidence, insufficient or inconsistent evidence for the administrative offence.

Article 67 - Judgment of no grounds to proceed

The judge issues a judgment of no grounds to proceed in the cases referred to in Article 60 and if the penalty is not applicable having been time-barred.

Article 68 - On precautionary measures

When the judge pronounces one of the judgments referred to in Articles 66 and 67, he declares that any precautionary measures that may have been decided on to be null and void.

Article 69 - Conviction

1. If the entity is responsible for committing the administrative offence it is accused of, the judge applies the penalties provided by law and sentences it to the payment of costs.
2. In the case of prohibitory penalties, the judgment must always indicate the activity or structures to which the penalty applies.

Article 70 - Judgment in the event of modifications to the entity

1. In the case of transformation, merger or division of the entity responsible for the offence, the judge clarifies in the ruling that the judgment applies to the entities that result from the transformation or merger or which benefit from the division, indicating the entity that was originally responsible.
2. The judgment handed down to the entity originally liable for the offence also applies to the entities indicated in paragraph 1.

SECTION VIII
Appeals

Article 71 - Appeals of judgments on corporate administrative liability

1. Entities may decide to appeal judgments that apply administrative penalties other than prohibitory penalties in the cases and according to the procedures applicable to the person accused of the crime from which the administrative offence arises.
2. For judgments that apply one or more prohibitory penalties, the entity can in any case appeal even if this is not permitted for the person accused of the crime from which the administrative offence arises.
3. For judgments that concern administrative offences, the public prosecutor may appeal in the same ways admitted for the crime from which the administrative offence arises.

Article 72 - Extension of appeals

Appeals by the individual charged with the crime from which the administrative offence arises also apply, respectively, to the entity and the charged individual, provided they are not based on exclusively personal grounds.

Article 73 - Review of judgments

When a judgment is passed on an entity, the provisions contained in title IV of the ninth book of the Code of Criminal Procedure are applied, if compatible, except for Articles 643, 644, 645, 646 and 647.

SECTION IX
Enforcement

Article 74 - Enforcement judge

1. The judge indicated in Article 665 of the Code of Criminal Procedure is responsible for recognising the enforcement of the penalties for administrative penalties arising from crimes.
2. The judge indicated in paragraph 1 is also responsible for the rulings concerned with:
   a) the cessation of the enforcement of the penalties in the cases envisaged by Article 3;
   b) the cessation of enforcement in cases of prescription of the crime due to amnesty;
   c) determination of the administrative sanction applicable in the cases envisaged by Article 21, paragraphs 1 and 2;
   d) confiscation and return of seized items.
3. The provisions of Article 666 of the Code of Criminal Procedure are observed in the enforcement process, as applicable. In the cases referred to in paragraph 2, letters b) and d), the provisions of Article 667, paragraph 4, of the Code of Criminal Procedure are observed.
4. When disqualification from carrying out an activity is applied, the judge, on request from the entity, can authorise ordinary administration that does not include the prohibited activity. The provisions of Article 667, paragraph 4, of the Code of Criminal Procedure apply.

Article 75 - Enforcement of financial penalties[34]

[1. Orders to pay administrative fines are enforced in the same ways as for the enforcement of financial penalties.
2. For instalment payments, deferred payments and suspended collection of administrative fines, the provisions of Articles 19 and 19-bis of Presidential Decree 602 of 29 September 1973, as amended by Article 7 of Legislative Decree 46 of 26 February 1999, are observed.]

Article 76 - Publication of conviction

The publication of the conviction is paid for by the entity to which the sanctions apply. The provisions of Article 694, paragraphs 2, 3, and 4 of the Code of Criminal Procedure apply.

---

[34] Article abrogated by Article 299, paragraph 1, of Presidential Decree 115 of 30 May 2002.

Article 77 - Enforcement of prohibitory penalties

1. The abstract of a judgment that contains the application of a prohibitory penalty is notified to the entity by the public prosecutor.
2. The duration of the prohibitory penalties commence from the date of the notification.

Article 78 - Conversion of prohibitory penalties

1. Any entity which is late in adopting the conduct referred to in Article 17 can request the conversion of administrative prohibitory penalties into financial penalties within twenty days of the notification of the judgment abstract.
2. Such a request is presented to the enforcement judge and must contain the documents attesting to the enforcement of the obligations referred to in Article 17.
3. Within ten days of submission of the request, the judge schedules a hearing in chambers and advises the parties involved and the defence; if the request does not appear manifestly unfounded, the judge can suspend the enforcement of the penalty. The suspension is issued in a revocable order that includes explanations.
4. If the request is granted, the judge issues an order converting the prohibitory penalties, establishing the amount of the financial penalty at a sum not less than the amount applied in the judgment and not more than double that amount. In determining the quantum, the judge takes into account the seriousness of the offence as set out in the judgment and the reasons for late compliance with the conditions referred to in Article 17..

Article 79 - Nomination of court-appointed administrator and confiscation of profits

1. When a judgment includes an entity being disqualified from carrying out its activity in accordance with Article 15, the enforcement judge is requested by the public prosecutor to nominate a court-appointed administrator, who does so without delay.
2. The administrator reports to the enforcement judge and the public prosecutor every three months on performance and, once the engagement has ended, sends the judge a report on the activities carried out, the amount of profit to be confiscated and how the compliance programmes were implemented.
3. The judge decides on confiscation in accordance with Article 667, paragraph 4, of the Code of Criminal Procedure.
4. The costs due for the activities carried out by the court appointed administrator and his remuneration are paid for by the entity.

Article 80 - National registry of administrative penalties[35]

Article 81 - Registry certificates[36]

Article 82 - Disputes concerning records and certificates[37]

(CHAPTER IV)

PROVISIONS FOR IMPLEMENTATION AND COORDINATION

Article 83 - Concurrent penalties

1. Only the prohibitory penalties contained in the present legislative decree are applied to entities, even when different laws provide, as a consequence of conviction for the crime, for the application to the entity of administrative penalties of either identical or similar content.

[35]Article abrogated by Article 52, paragraph 1, of Presidential Decree no. 313 of 14 November 2002.
[36]Article abrogated by Article 52, paragraph 1, of Presidential Decree no. 313 of 14 November 2002.
[37]Article abrogated by Article 52, paragraph 1, of Presidential Decree no. 313 of 14 November 2002.

2. If, as a consequence of an offence, an administrative penalty of identical or similar content to the prohibitory penalty provided for by the present legislative decree is applied to the entity, the duration of the penalty already in force is taken into account when calculating the duration of the administrative penalty arising from crime.

Article 84 - Communications to the control and supervisory authorities

Rulings that apply precautionary measures and irrevocable convictions are disclosed by the clerk of the court where the judge issued them to the authorities responsible for the control and supervision of the entity.

Article 85 - Regulatory provisions

1. As per the regulations issued in accordance with Article 17, paragraph 3, of Law 400 of 23 August 1988, within sixty days from the date of publication of this legislative decree, the Minister of Justice will adopt regulatory provisions on the procedures for assessing administrative offences involving:
   a) the procedures for compiling and keeping the files of the judicial offices;
   [b) the responsibilities and functioning of the National Registry][38];
   c) the other activities necessary for implementing the present legislative decree.
2. The opinion of the Council of State on the regulations envisaged in paragraph 1 will be given within thirty days of the request.

This decree, with the seal of state duly affixed, will be added to the Official Compendium of Regulatory Documents of the Italian Republic. All those whom it addresses must observe it and ensure it is observed.

[38] Article abrogated by Article 52, paragraph 1, of Presidential Decree no. 313 of 14 November 2002.

ANNEX B

Predicate crimes

1) CRIMES AGAINST THE PUBLIC ADMINISTRATION

Articles 24 and 25 of Legislative Decree 231/01

Article 316-*bis* of the Criminal Code - Embezzlement of funds from the State

Anyone, from outside the public administration, who - after having obtained grants, subsidies or funding from the State or another public body or the European Communities to promote initiatives aimed at carrying out work or performing activities of public interest - does not use them for those purposes, shall be liable to imprisonment for a term of from six months to four years.

This crime occurs when, after receiving loans, subsidies or grants from the Italian Government or another public entity or the European Communities for works or activities in the public interest, a party does not use the funds so obtained for the purposes for which they were intended. Taking into account the fact that the time of committing the crime coincides with the executive phase, the offence itself can also refers to finances obtained in the past which are not used for carrying out the aims for which they were allocated. Even using part of the money received for a use other than the stated aim constitutes a crime, even without having to ascertain if the planned activity has been carried out.

Financial penalties: from €25,800 to €774,500. If, as a result of the crime committed, the entity obtained a significant profit or suffered particularly serious harm, then the financial penalty of €51,600 to €929,400 is applied
Prohibitory penalties: from 3 to 24 months

Article 316-*ter* of the Criminal Code - Unlawful receipt of public grants to the detriment of the State

1. *Unless the offence constitutes the crime envisaged in Article 640-bis, anyone who - by using or submitting false statements or documents or stating things that are not true, or by omitting information required - unduly obtains grants, financing, subsidised loans or other similar funds, for themselves or for others, granted or issued by the State, by other public bodies or by the European Communities without being entitled to them, shall be liable to imprisonment for a term of six months to three years. The penalty is imprisonment of one to four years if the offence is committed by a public official or a public service officer, in abuse of their position or their powers.*[1]
2. *When the amount unduly received is €3,999.96 or less, only the administrative penalty is imposed of payment of a sum of money of €5,164 to €25,822. This penalty may never exceed three times the benefit obtained.*

The crime consists in a party using or submitting false statements or documents or stating things that are not true or omitting information required, in order to unduly obtain grants, financing, subsidised loans or other similar funds, howsoever named, granted or issued by the State, by other public bodies or by the European Communities.

Financial penalties: from €25,800 to €774,500. If, as a result of the crime committed, the entity obtained a significant profit or suffered particularly serious harm, then the financial penalty of €51,600 to €929,400 is applied
Prohibitory penalties: from 3 to 24 months

[1]Sentence added by article 1, paragraph 1, letter (l of Law no. 3 of 9 January 2019 (in force since 31 January 2019).

Article 317 of the Criminal Code - Extortion

A public official or public service officer who abuses their powers, compelling or inducing someone to give or unduly promise money or other benefits to them or to a third party, shall be liable to imprisonment for a term of four to twelve years [2].

The crime consists in cases where a public official abuses their position or power to compel or induce an individual to wrongfully give or promise money or other goods, either to themselves or to a third party.

Financial penalties: from €77,400 to €1,239,200

Prohibitory penalties:

- from 4 years to 7 years if the offence was committed by one of the persons referred to in Article 5, paragraph 1, letter a);[3]
- from 2 years to 4 years if the offence was committed by one of the persons referred to in Article 5, paragraph 1, letter b);[4]
- from 3 months to 24 months, if, before the first instance sentence, the entity has effectively taken steps to prevent the criminal activity from having further consequences, to ensure the evidence of the offences and to identify the persons responsible, or to seize the sums or other benefits transferred and has eliminated the organisational deficiencies that led to the offence through the adoption and implementation of compliance programmes suitable for preventing the offences of the type that has occurred. [5]

Article 318 of the Criminal Code - Corruption in the performance of duties

A public official who, in exercising their functions or powers, unduly receives, for themselves or for a third party, money or other benefits, or accepts a promise thereof, shall be liable to imprisonment for a term of three to eight years.[6]

The crime consists in a public official or a public service officer receiving, either for themselves or for a third party, unjustified money or other goods, or the promise of such benefits, for carrying out actions that are part of their duties.

Financial penalties: from 25,800 to €309,800

Article 319 of the Criminal Code - Corruption in an action contrary to official duties

A public official who receives money or other benefits (or accepts a promise thereof) for themselves or for a third party, in order to omit or delay (or for having omitted or delayed) an official act, or in order to perform (or for having performed) an act contrary to official duties, shall be liable to imprisonment for a term of six to ten years.[7]

The crime consists of a public official or public service officer (Article 320 Criminal Code) who receives or is promised, for themselves or for a third party, money or other benefits in order to omit or delay (or for having omitted or delayed) an official act contrary to their official duties. Aggravating circumstances (Article 319-bis Criminal Code) are deemed to apply if the offence refers to the allocation of public jobs, salaries or pensions or to the stipulation of contracts involving the public administration.

---

[2] Article replaced by Article 3 Law 69 of 27 May 2015. The text of the Article, as most recently replaced by Article Article 1, paragraph 75, letter d), Law 190 of 6 November 2012, was as follows: «*A public official who abuses their powers, compelling someone to give or unduly promise money or other benefits to them or to a third party, shall be liable to imprisonment for a term of six to twelve years.*»

[3] According to the provisions of article 25, paragraph 5, of Legislative Decree no. 231 of 8 June 2001, as amended by article 1, paragraph 9, letter b) no. 2 of Law no. 3 of 9 January 2019.

[4] According to the provisions of article 25, paragraph 5, of Legislative Decree no. 231 of 8 June 2001, as amended by article 1, paragraph 9, letter b) no. 2 of Law no. 3 of 9 January 2019.

[5] According to the provisions of article 25, paragraph 5, of Legislative Decree no. 231 of 8 June 2001, as amended by article 1, paragraph 9, letter b) no. 3 of Law no. 3 of 9 January 2019.

[6] The words «*from one to six years*» were replaced by the words «*from three to eight years*» by Article 1, paragraph 1, letter n) of Law 3 of 9 May 2019.

[7] The words «*from one to ten years*» were replaced by the words «*from one to eight years*» by Article 1, paragraph 1, letter e) of Law 69 of 27 May 2015.

Financial penalties: from €51,600 to €929,400
Prohibitory penalties:
- from 4 years to 7 years if the offence was committed by one of the persons referred to in Article 5, paragraph 1, letter a);[8]
- from 2 years to 4 years if the offence was committed by one of the persons referred to in Article 5, paragraph 1, letter b);[9]
- from 3 months to 24 months, if, before the first instance sentence, the entity has effectively taken steps to prevent the criminal activity from having further consequences, to ensure the evidence of the offences and to identify the persons responsible, or to seize the sums or other benefits transferred and has eliminated the organisational deficiencies that led to the offence through the adoption and implementation of compliance programmes suitable for preventing the offences of the type that has occurred.[10]

Article 319-*bis* of the Criminal Code - Aggravating circumstances
The penalty is increased if the offence referred to in Article 319 relates to the allocation of public jobs, salaries or pensions or to the stipulation of contracts involving the public administration to which the public official belongs or the payment or reimbursement of taxes.

Financial penalties: from €77,400 to €1,239,200
Prohibitory penalties:
- from 4 years to 7 years if the offence was committed by one of the persons referred to in Article 5, paragraph 1, letter a);[11]
- from 2 years to 4 years if the offence was committed by one of the persons referred to in Article 5, paragraph 1, letter b);[12]
- from 3 months to 24 months, if, before the first instance sentence, the entity has effectively taken steps to prevent the criminal activity from having further consequences, to ensure the evidence of the offences and to identify the persons responsible, or to seize the sums or other benefits transferred and has eliminated the organisational deficiencies that led to the offence through the adoption and implementation of compliance programmes suitable for preventing the offences of the type that has occurred.[13]

Article 319-*ter* of the Criminal Code - Bribery in judicial proceedings
1. *If the offences identified in Articles 318 and 319 are committed to favour or damage a party in civil, criminal or administrative proceedings, the penalty shall be imprisonment for a term of from six to twelve years.*[14]
2. *If the offence results in the unjust conviction of another individual to imprisonment not exceeding five years, the penalty shall be imprisonment for a term of six to fourteen years*[15]*; if it results in the unjust conviction to imprisonment for more than five years or a life sentence, the penalty shall be imprisonment for a term of eight to twenty years.*[16]

---

[8]According to the provisions of article 25, paragraph 5, of Legislative Decree no. 231 of 8 June 2001, as amended by article 1, paragraph 9, letter b) no. 2 of Law no. 3 of 9 January 2019.

[9]According to the provisions of article 25, paragraph 5, of Legislative Decree no. 231 of 8 June 2001, as amended by article 1, paragraph 9, letter b) no. 2 of Law no. 3 of 9 January 2019.

[10]According to the provisions of article 25, paragraph 5, of Legislative Decree no. 231 of 8 June 2001, as amended by article 1, paragraph 9, letter b) no. 3 of Law no. 3 of 9 January 2019.

[11]According to the provisions of article 25, paragraph 5, of Legislative Decree no. 231 of 8 June 2001, as amended by article 1, paragraph 9, letter b) no. 2 of Law no. 3 of 9 January 2019.

[12]According to the provisions of article 25, paragraph 5, of Legislative Decree no. 231 of 8 June 2001, as amended by article 1, paragraph 9, letter b) no. 2 of Law no. 3 of 9 January 2019.

[13]According to the provisions of article 25, paragraph 5, of Legislative Decree no. 231 of 8 June 2001, as amended by article 1, paragraph 9, letter b) no. 3 of Law no. 3 of 9 January 2019.

[14]The words «*from six to twelve years*» were replaced by the words «*from four to ten years*» by Article 1, paragraph 1, letter g), no. 1, of Law 69 of 27 May 2015.

[15]The words «*from six to fourteen years*» were replaced by the words «*from five to twelve years*» by Article 1, paragraph 1, letter g) no. 2, of Law 69 of 27 May 2015.

[16]The words «*from eight to twenty years*» were replaced by the words «*from six to twenty years*» by Article 1, paragraph 1, letter g), no. 2 of Law 69 of 27 May 2015.

The aim of the law is to ensure that judicial activities are carried out impartially.
The crime consists in the actions described in Articles 318 and 319 (corruption in official acts or contrary to official duties) committed to favour or damage a party in civil, criminal or administrative proceedings.

For the first paragraph
Financial penalties: from €51,600 to €929,400
Prohibitory penalties:
- from 4 years to 7 years if the offence was committed by one of the persons referred to in Article 5, paragraph 1, letter a);[17]
- from 2 years to 4 years if the offence was committed by one of the persons referred to in Article 5, paragraph 1, letter b);[18]
- from 3 months to 24 months, if, before the first instance sentence, the entity has effectively taken steps to prevent the criminal activity from having further consequences, to ensure the evidence of the offences and to identify the persons responsible, or to seize the sums or other benefits transferred and has eliminated the organisational deficiencies that led to the offence through the adoption and implementation of compliance programmes suitable for preventing the offences of the type that has occurred.[19]

For the second paragraph
Financial penalties: From €77,400 to €1,239,200
Prohibitory penalties:
- from 4 years to 7 years if the offence was committed by one of the persons referred to in Article 5, paragraph 1, letter a);[20]
- from 2 years to 4 years if the offence was committed by one of the persons referred to in Article 5, paragraph 1, letter b);[21]
- from 3 months to 24 months, if, before the first instance sentence, the entity has effectively taken steps to prevent the criminal activity from having further consequences, to ensure the evidence of the offences and to identify the persons responsible, or to seize the sums or other benefits transferred and has eliminated the organisational deficiencies that led to the offence through the adoption and implementation of compliance programmes suitable for preventing the offences of the type that has occurred.[22]

Article 319-*quater* of the Criminal Code - Illegal inducement to give or promise benefits
1. *Unless the offence constitutes a more serious crime, a public official or public service officer who abuses their powers, inducing someone to give or unduly promise money or other benefits to them or to a third party, shall be liable to imprisonment for a term of six years to ten years and six months.* [23]
2. *In the cases envisaged in the first paragraph, those who give or promise money or other benefits, shall be liable to imprisonment for a term of up to three years*[24].

---

[17]According to the provisions of article 25, paragraph 5, of Legislative Decree no. 231 of 8 June 2001, as amended by article 1, paragraph 9, letter b) no. 2 of Law no. 3 of 9 January 2019.
[18]According to the provisions of article 25, paragraph 5, of Legislative Decree no. 231 of 8 June 2001, as amended by article 1, paragraph 9, letter b) no. 2 of Law no. 3 of 9 January 2019.
[19]According to the provisions of article 25, paragraph 5, of Legislative Decree no. 231 of 8 June 2001, as amended by article 1, paragraph 9, letter b), No. 3 of Law no. 3 of 9 January 2019.
[20]According to the provisions of article 25, paragraph 5, of Legislative Decree no. 231 of 8 June 2001, as amended by article 1, paragraph 9, letter b) no. 2 of Law no. 3 of 9 January 2019.
[21]According to the provisions of article 25, paragraph 5, of Legislative Decree no. 231 of 8 June 2001, as amended by article 1, paragraph 9, letter b) no. 2 of Law no. 3 of 9 January 2019.
[22]According to the provisions of article 25, paragraph 5, of Legislative Decree no. 231 of 8 June 2001, as amended by article 1, paragraph 9, letter b) no. 3 of Law no. 3 of 9 January 2019.
[23]The words «*from six years to ten years and six months*» were replaced by the words «*from three to eight years*» by Article 1, paragraph 1, letter h) of 69 of 27 May 2015.
[24]Article added by Article 1, paragraph 75, letter i), of Law 190 of 6 November 2012.

Article 319-*quater* of the Criminal Code, titled "*Illegal inducement to give or promise benefits*" is structured in two paragraphs. Unless the offence constitutes a more serious crime, the first paragraph punishes a public official or public service officer who "*abuses their powers, inducing someone to give or unduly promise money or other benefits to them or to a third party*" with imprisonment for a term of six years to ten years and six months. The second paragraph introduces a new approach, making those who "*give or promise money or other benefits*" in the cases envisaged in the first paragraph liable to imprisonment for a term of up to three years.

The addition of this case to the criminal justice system has resulted in a restructuring of the rules on the subject. The crime of extortion, as per Article 317 Criminal Code, has seen a narrowing of its scope and is now limited to the mere fact of a public official (or longer a public service officer) compelling a private individual into unlawfully giving or promising money or other benefits. Mere inducement is therefore excluded and is now subsumed into the new and less serious crime regulated by Article 319-quater of the Criminal Code.

Financial penalties: From €77,400 to €1,239,200
Prohibitory penalties:
- from 4 years to 7 years if the offence was committed by one of the persons referred to in Article 5, paragraph 1, letter a);[25]
- from 2 years to 4 years if the offence was committed by one of the persons referred to in Article 5, paragraph 1, letter b);[26]
- from 3 months to 24 months, if, before the first instance sentence, the entity has effectively taken steps to prevent the criminal activity from having further consequences, to ensure the evidence of the offences and to identify the persons responsible, or to seize the sums or other benefits transferred and has eliminated the organisational deficiencies that led to the offence through the adoption and implementation of compliance programmes suitable for preventing the offences of the type that has occurred.[27]

Article 320 of the Criminal Code - Bribery of a public service officer
1. *The provisions of Articles 318 and 319 also apply to public service officers.*
2. *In any case, penalties are reduced by not more than a third.*

The crime consists in a public service officer receiving, either for themselves or for a third party, unjustified money or other goods, or the promise of such benefits, for carrying out actions that are part of their duties or contrary to their duties, or for delaying an official act.

Financial penalties: From €25,800 to €309,800 (in relation to the crimes referred to in Articles 318, 321 and 322, paragraphs 1 and 3, Criminal Code)
Financial penalties: From €51,600 to €929,400 ((in relation to the crimes referred to in Articles 319, 319-ter, paragraph 1, 321 and 322, paragraph 2 and paragraph 4, Criminal Code)
Financial penalties: From €77,400 to €1,239,200 (in relation to the crimes referred to in Articles 317, 319, aggravated pursuant to Articles 319-bis, 319-ter, paragraph 2, 319-quater and 321 Criminal Code)

Article 321 of the Criminal Code - Penalties for the corruptor
The penalties envisaged in the first paragraph of Article 318, Article 319, Article 319-bis, Article 319-ter and Article 320 in relation to the aforementioned provisions contained in Articles 318 and 319, also apply to those who give or promises money or other benefits to a public official or public service officer.

---

[25]According to the provisions of article 25, paragraph 5, of Legislative Decree no. 231 of 8 June 2001, as amended by article 1, paragraph 9, letter b) no. 2 of Law no. 3 of 9 January 2019.

[26]According to the provisions of article 25, paragraph 5, of Legislative Decree no. 231 of 8 June 2001, as amended by article 1, paragraph 9, letter b) no. 2 of Law no. 3 of 9 January 2019.

[27]According to the provisions of article 25, paragraph 5, of Legislative Decree no. 231 of 8 June 2001, as amended by article 1, paragraph 9, letter b) no. 3 of Law no. 3 of 9 January 2019.

With reference to Article 318 of the Criminal Code
Financial penalties: From €25,800 to €309,800

With reference to Article 319 and 319-ter, paragraph 1, of the Criminal Code
Financial penalties: From €51,600 to €929,400
Prohibitory penalties:
- from 4 years to 7 years if the offence was committed by one of the persons referred to in Article 5, paragraph 1, letter a);[28]
- from 2 years to 4 years if the offence was committed by one of the persons referred to in Article 5, paragraph 1, letter b);[29]
- from 3 months to 24 months, if, before the first instance sentence, the entity has effectively taken steps to prevent the criminal activity from having further consequences, to ensure the evidence of the offences and to identify the persons responsible, or to seize the sums or other benefits transferred and has eliminated the organisational deficiencies that led to the offence through the adoption and implementation of compliance programmes suitable for preventing the offences of the type that has occurred.[30]

With reference to Article 317, 319-bis and 319-ter, paragraph 2
Financial penalties: From €77,400 to €1,239,200
Prohibitory penalties:
- from 4 years to 7 years if the offence was committed by one of the persons referred to in Article 5, paragraph 1, letter a);[31]
- from 2 years to 4 years if the offence was committed by one of the persons referred to in Article 5, paragraph 1, letter b);[32]
- from 3 months to 24 months, if, before the first instance sentence, the entity has effectively taken steps to prevent the criminal activity from having further consequences, to ensure the evidence of the offences and to identify the persons responsible, or to seize the sums or other benefits transferred and has eliminated the organisational deficiencies that led to the offence through the adoption and implementation of compliance programmes suitable for preventing the offences of the type that has occurred.[33]

Article 322 of the Criminal Code - Incitement to bribery
1. *Anyone who offers or unduly promises money or other benefits to a public official or a public service officer, for exercising their functions or powers, shall be liable, when the offer or promise is not accepted, to the penalty established in the first paragraph of Article 318, reduced by one third.*
2. *If the offer or promise are made to induce a public official or a public service officer to omit or delay an official duty, or to perform an act contrary to his/her duties, the offender is subject, where the offer or the promise is not accepted, to the penalty laid down in Article 319, reduced by one third.*
3. *The penalty specified in the first paragraph shall apply to a public official or a public service officer who solicits a promise or transfer of money or other benefit for exercising their functions or powers.*
4. *The penalty referred to in the preceding paragraph shall apply to a public official or an individual responsible for a public service that calls for a promise or a gift of money or other benefits from a private party for the purposes indicated in article 319.*

---

[28]According to the provisions of article 25, paragraph 5, of Legislative Decree no. 231 of 8 June 2001, as amended by article 1, paragraph 9, letter b) no. 2 of Law no. 3 of 9 January 2019.

[29]According to the provisions of article 25, paragraph 5, of Legislative Decree no. 231 of 8 June 2001, as amended by article 1, paragraph 9, letter b) no. 2 of Law no. 3 of 9 January 2019.

[30]According to the provisions of article 25, paragraph 5, of Legislative Decree no. 231 of 8 June 2001, as amended by article 1, paragraph 9, letter b) no. 3 of Law no. 3 of 9 January 2019.

[31]According to the provisions of article 25, paragraph 5, of Legislative Decree no. 231 of 8 June 2001, as amended by article 1, paragraph 9, letter b) no. 2 of Law no. 3 of 9 January 2019.

[32]According to the provisions of article 25, paragraph 5, of Legislative Decree no. 231 of 8 June 2001, as amended by article 1, paragraph 9, letter b) no. 2 of Law no. 3 of 9 January 2019.

[33]According to the provisions of article 25, paragraph 5, of Legislative Decree no. 231 of 8 June 2001, as amended by article 1, paragraph 9, letter b) no. 3 of Law no. 3 of 9 January 2019.

The crime consists in cases where unjustified money or other goods are offered to a public official or to a public service officer in order to induce them to carry out their duties or not to carry out their duties or to delay carrying out their duties or to carry out an action that is contrary to their duties, and the public official or public service employee refuses the wrongful offer or promise of money or other goods.

First and third paragraph
Financial penalties: From €25,800 to €309,800

Second and fourth paragraph
Financial penalties: From €51,600 to €929,400
Prohibitory penalties:
- from 4 years to 7 years if the offence was committed by one of the persons referred to in Article 5, paragraph 1, letter a);[34]
- from 2 years to 4 years if the offence was committed by one of the persons referred to in Article 5, paragraph 1, letter b);[35]
- from 3 months to 24 months, if, before the first instance sentence, the entity has effectively taken steps to prevent the criminal activity from having further consequences, to ensure the evidence of the offences and to identify the persons responsible, or to seize the sums or other benefits transferred and has eliminated the organisational deficiencies that led to the offence through the adoption and implementation of compliance programmes suitable for preventing the offences of the type that has occurred.[36]

Article 322-*bis* of the Criminal Code - Embezzlement, extortion, illegal inducement to give or promise benefits, bribery and incitement to bribery of international Courts or of the bodies of the European Communities or of international parliamentary assemblies or international organisations and officials of the European Communities and foreign countries[37]

1. *The provisions of Articles 314, 316, 317 to 320 and 322, third and fourth paragraph, also apply to:*
   1) members of the European Commission, the European Parliament, the Court of Justice of the European Communities and the European Court of Auditors;
   2) officials and agents employed by contract under the Staff Regulations of officials of the European Communities and the Conditions of Employment of other servants of the European Communities;
   3) persons delegated by Member States or by any public or private body to the European Communities, who perform functions corresponding to those of officials or servants of the European Communities;
   4) members and employees of entities constituted in accordance with the treaties establishing the European Communities;
   5) people who, within the Member States of the European Union, carry out duties or activities that correspond to those of public officials and public service officers.
   5-bis) judges, prosecutors, deputy prosecutors, officials and agents of the International Criminal Court, people directed by the States who are party to the Treaty establishing the International Criminal Court who perform functions corresponding to those of officials or servants of the Court, and members and employees of entities constituted under the Treaty establishing the International Criminal Court.
   5-ter) persons who perform functions or activities corresponding to those of public officials and persons in charge of a public service within the framework of international public organisations;[38]
   5-quater) members of international parliamentary assemblies or of an international or supranational organisation and to judges and officials of international courts.[39]

---

[34]According to the provisions of article 25, paragraph 5, of Legislative Decree no. 231 of 8 June 2001, as amended by article 1, paragraph 9, letter b) no. 2 of Law no. 3 of 9 January 2019.

[35]According to the provisions of article 25, paragraph 5, of Legislative Decree no. 231 of 8 June 2001, as amended by article 1, paragraph 9, letter b) no. 2 of Law no. 3 of 9 January 2019.

[36]According to the provisions of article 25, paragraph 5, of Legislative Decree no. 231 of 8 June 2001, as amended by article 1, paragraph 9, letter b) no. 3 of Law no. 3 of 9 January 2019.

[37]Heading as last amended by article 1, paragraph 1, letter o), no. 1, of Law no. 3 of 9 January 2019.

[38]Sentence added by article 1, paragraph 1, letter o), no. 2, of Law no. 3 of 9 January 2019.

[39]Sentence added by article 1, paragraph 1, letter o), no. 2, of Law no. 3 of 9 January 2019.

2. *The provisions of Articles 319-quater, second paragraph, 321 and 322, first and second paragraph, are applicable also if the money or other benefits are given, offered or promised to:*
   1) *the people indicated in the first paragraph of this article;*
   2) *persons carrying out functions or activities corresponding to those of public officials and persons in charge of a public service within other foreign States or international public organisations.*[40]
3. *The people indicated in the first paragraph are considered to be public officials, when they perform similar functions, and public service officers in all other instances.*

The crime consists of corruption and extortion involving: members of the European Commission, the European Parliament, the Court of Justice of the European Communities and the European Court of Auditors; officials and agents employed by contract under the Staff Regulations of officials of the European Communities and the Conditions of Employment of other servants of the European Communities; persons delegated by Member States or by any public or private body to the European Communities, who perform functions corresponding to those of officials or servants of the European Communities; members and employees of entities constituted in accordance with the treaties establishing the European Communities; people who, within the Member States of the European Union, carry out duties or activities that correspond to those of public officials and public service officers. judges, deputy prosecutors, officials and agents of the International Criminal Court, people directed by the States who are party to the Treaty establishing the International Criminal Court who perform functions corresponding to those of officials or servants of the Court, and members and employees of entities constituted under the Treaty establishing the International Criminal Court.

Financial penalties: From €25,800 to €309,800 (in relation to the crimes referred to in Articles 318, 321 and 322, paragraphs 1 and 3, Criminal Code)
Financial penalties: From €51,600 to €929,400 ((in relation to the crimes referred to in Articles 319, 319-ter, paragraph 1, 321 and 322, paragraph 2 and paragraph 4, Criminal Code)
Financial penalties: From €77,400 to €1,239,200 (in relation to the crimes referred to in Articles 317, 319, aggravated pursuant to Articles 319-bis, 319-ter, paragraph 2, and Article 321 of the Criminal Code)

Article 346 *bis* of the Criminal Code - Trafficking in illicit influences[41]

1. *Whoever, with the exception of cases of complicity in the offences referred to in articles 318, 319, and 319-ter and in the corruption offences referred to in article 322-bis, exploiting or boasting existing or alleged relations with a public official or with a person in charge of a public service or one of the other persons referred to in article 322-bis, unduly causes money or other benefits to be given or promised, to him/herself or others, as the price of his or her own illicit mediation towards a public official or person in charge of a public service or to remunerate him or her, in relation to the exercise of his or her functions or powers, shall be punished by imprisonment of one year to four years and six months.*
2. *The same penalty applies to those who unduly give or promise money or other benefits.*
3. *The penalty is increased if the person who unduly causes money or other benefits to be given or promised to him/herself or to others is a public official or a person in charge of a public service.*
4. *Penalties are also increased if the acts are committed in the exercise of judicial activities or to remunerate the public official or the person in charge of a public service or one of the other subjects referred to in article 322-bis in relation to the performance of an act contrary to the duties of the office or the omission or delay of an act of his or her office.*
5. *If the facts are particularly negligible, the penalty is reduced.*

Financial penalties: From 25,800 to €309,800

---

[40] The wording: «*if the act is committed in order to procure for oneself or for others an undue advantage in international economic transactions or in order to obtain or maintain an economic and financial activity*» was deleted from Article 1, paragraph 1, letter o), no. 3, of Law no. 3 of 9 January 2019.

[41] Article included in the list of offences set out by Article 25 of Legislative Decree no. 231 of 8 June 2001, Article 1, paragraph 9, letter b) of Law no. 3 of 9 January 2019.

Article 640, paragraph 2, no. 1, of the Criminal Code - Fraud against the State or other public bodies

1. *Anyone who, by artifice or deception, misleads someone, or procures an unfair profit, for themselves or for others, to the detriment of third parties, shall be liable to imprisonment for a term of six months to three years and a fine of €51 to €1,032.*
2. *The penalty is imprisonment for a term of one to five years if:*
   1) *the offence is committed against the State or another public body or on the pretext of exempting someone from military service.*

This crime is traditional fraud (misleading someone by providing a distorted representation of reality, to gain an undue benefit and causing harm to others) and is characterised by the entity deceived: the State or another public body.

The crime therefore occurs when, in order to make an unfair profit, causing damage to others, ploys or fraud are used to mislead or to cause damage to the State or to another public body (this offence could involve, for example, providing a public administration or such like with incorrect information contained in the documents or data necessary for participating in tenders in order to win the tender in question).

Financial penalties: From €25,800 to €774,500 If, as a result of the crime committed, the entity obtained a significant profit or suffered particularly serious harm, then the financial penalty of €51,600 to €929,400 is applied.
Prohibitory penalties: From 3 to 24 months

Article 640-*bis* of the Criminal Code - Aggravated fraud for the purpose of obtaining public funds
The penalty is imprisonment from two to seven years if the act referred to in Article 640 covers grants, loans, subsidised loans or other funds of the same type, however named, granted or paid by the State, other public authorities or the European Communities.[42]

The crime consists of the fraud mentioned in Article 640 Criminal Code if committed to unduly obtain grants, financing, subsidised loans or other funds of the same type, however named, granted or issued by the State, other public bodies or the European Communities. It is considered to have been committed at the time and in the place where the agent materially consigns the availability of the funds.

Financial penalties: From €25,800 to €774,500. If, as a result of the crime committed, the entity obtained a significant profit or suffered particularly serious harm, then the financial penalty of €51,600 to €929,400 is applied.
Prohibitory penalties: From 3 to 24 months

Article 640-*ter* of the Criminal Code - Computer fraud against the State or other public entity

1. *Whoever, by altering in any way whatsoever the operation of an information or computer system or by unduly interfering in any way with data, information or the programmes contained in a computer system or relevant to it, procures for himself/herself or for others unfair profits that cause damage to others, shall be liable to imprisonment for a term of from six months to three years and a fine ranging from €51 to €1,032.*
2. *The penalty is imprisonment from one to five years and a fine ranging from €309 to €1,549 if one of the circumstances envisaged in Article 640, second paragraph, no.1 occurs, or if the act is committed by abusing the role of system operator.*
3. *If the offence is committed by theft or unauthorised use of digital identity to the detriment of one or more persons, the penalty is imprisonment for a term of two to six years and a fine of €600 to €3,000.*[43]

---

[42]The words «*from two to seven years*» were replaced by the words «*from one to six years*» by Article 30, paragraph 1, of Law 161 of 10 October 2017.

[43]Paragraph added by Article 9, paragraph 1, letter a) Decree-Law 93 of 14 August 2013, ratified with amendments by Law 119 of 15 October 2013.

4. *The crime is punishable upon complaint by the injured party, unless any of the circumstances occur that are referred to in the second or third paragraph*[44] *or another aggravating circumstance envisaged by Article 61, first paragraph, no. 5, limited to having profited from personal circumstances, including with regard to age, and number 7.*[45]

The crime consists in altering the operation of an information or computer system - or any form of unauthorised handling of data, information or programs stored in an information or computer system or relating to such system - in order to procure an unfair profit for themselves or for others to the detriment of third parties (having received financing, one specific example of the felony in question would involve violating a computerised system in order to change the amount of the finance obtained to a higher amount).

Financial penalties: From €25,800 to €774,500. If, as a result of the crime committed, the entity obtained a significant profit or suffered particularly serious harm, then the financial penalty of €51,600 to €929,400 is applied.
Prohibitory penalties: From 3 to 24 months

[44]Paragraph amended by Article 9, paragraph 1, letter b) Decree-Law 93 of 14 August 2013, ratified with amendments by Law 119 of 15 October 2013. The text previously in effect was as follows: «*The crime is punishable upon complaint by the injured party, unless any of the circumstances referred to in second paragraph or another aggravating circumstance occur.*»

[45]The words «*or another aggravating circumstance envisaged by Article 61, first paragraph, no. 5, limited to having profited from personal circumstances, including with regard to age, and number 7*» were added by Article 9, paragraph 1, of Legislative Decree 36 of 10 April 2018.

2) CORPORATE CRIMES
Article 25-ter of Legislative Decree 231/01

The original formulation of this provision contain a clarification in the incipit regarding the criteria for the imputation of the entity's liability that did not entirely coincide with the provisions of the 'general section' of Legislative Decree 231/2001. This raised doubts over the effectiveness - as regards corporate crimes - of the exemption from liability provided by compliance programmes as described in Articles 5 and 6 of the Decree. Intervening on this issue, the Court of Cassation stated that, "*the objective criteria for imputation set out in general by Article 5, paragraph 1, Legislative Decree 231 of 2001 also apply to the corporate crimes listed in subsequent Article 25-ter of the Decree*" (Criminal Court of Casssation, Section V, 28 November 2013, 10265).

This ruling has been implemented by lawmakers, which through Law 69/2015 eliminated the aforementioned preamble from Article 25-*ter*, realigning the structure of this provision - also in formal terms - to the general pattern used in Legislative Decree 231/2001.

Article 2621 of the Civil Code - False company statements

1. *Apart from the cases referred to in Article 2622, the directors, general managers, financial reporting officers, statutory auditors and liquidators who, in order to gain unfair profit for themselves or for others, knowingly present material facts that are untrue or omit material facts whose disclosure is required by law in financial statements, reports or other company documents addressed to shareholders or the public, in accordance with law, concerning the earnings, financial position and cash flows of the company or the group they belong to, in a way capable of misleading others, shall be liable to imprisonment for a term of one to five years.*
2. *This penalty also applies even if the false statements or omissions relate to assets held or managed by the company on behalf of third parties.*

The offence consists of the directors, general managers, financial reporting officers, statutory auditors and liquidators presenting material facts that are untrue or omit material facts whose disclosure is required by law in financial statements, reports or other company documents addressed to shareholders or the public, in accordance with law, concerning the earnings, financial position and cash flows of the company or the group to which they belong. The false or omitted facts must therefore be significant and such as to alter to a notable extent earnings, financial position and cash flows of the company or the group to which it belongs. Besides the financial statements, the subject matter of the crime only consists of communications that are required by law and aimed at the shareholders or the public. It does not include inter-body communications (between different company bodies) and communications addressed to one recipient, either public or private.

The law was thus replaced by Article 9, paragraph 1 of Law 69 of 27 May 2015 (Regulations concerning crimes against the Public Administration, mafia-type associations and false accounting).

Side-by-side comparison with the previous text shows how in 2015 the legislature expunged the phrase "*even when still being evaluated*" in relation to the presentation of material facts that are untrue. This resulted in an intense legal and doctrinal debate about whether or not deliberate misstatement was still a criminal offence after the legislative amendment. In particular, there were immediately disagreements between those who said that the elimination from the law of the aforesaid clause was indicative of a clear legislative wish to bring about a partially abrogative effect in relation to deliberate misstatements and those, on the other hand, who believed that amendment essentially had no effect on the issue, considering the clause to be nothing more than a mere ad abundantiam description of the crime. Given the irreconcilable dispute that arose in particular within Section V of the Court of Cassation, the issue was referred to the Joint Bench, which in judgment 22474 of 2016 pronounced itself in favour of retaining the criminality of deliberate misstatement,

even after the amendments made by Law 69 of 2015, specifying that: "*the crime of false company statements, with regard to the presentation or omission of measurements if, in the presence of legally established measurement rules or generally accepted technical rules, the actor knowingly diverges from these rules without providing adequate justification, in such a way that is clearly liable to mislead the recipients of the communications.*".

Financial penalties: From €51,600 to €619,600

Article 2621-*bis* of the Civil Code - Minor instances

1. *Unless they constitute a more serious crime, the penalty is imprisonment for a term of six months to three years if the offences referred to in Article 2621 are minor in extent, in view of the nature and size of the company and the manner and effects of the conduct.*
2. *Unless they constitute a more serious crime, the penalty stated in the paragraph above shall be applied when the offences referred to in Article 2621 relate to companies that do not exceed the limits specified in the second paragraph of Article 1 of Royal Decree 267 of 16 March 1942. In such case, the crime is prosecutable upon complaint by the company, its shareholders, creditors or other addressees of the corporate communication.*

This provision was added by Article 10, 1st paragraph, of Law 69 of 27 May 2015, reducing the sanction for minor instances.

For the sake of completeness, it is noted that Article 2621-*ter* of the Civil Code (non-punishability for particularly minor offences) instead provides for full exemption from punishment of particularly minor offences (as defined by Article 31-*bis* of the Criminal Code), specifying that for the purposes of this assessment the judge must mainly consider the level of any damage caused to the company, its shareholders or creditors.

Financial penalties: From €25,800 to €309,800

Article 2622 of the Civil Code - False company statements by listed companies

1. *Directors, general managers, financial reporting officers, statutory auditors and liquidators of companies that issue financial instruments admitted for trading in Italy or another European Union country who, in order to gain unfair profit for themselves or for others, knowingly present material facts that are untrue or omit material facts whose disclosure is required by law in financial statements, reports or other company documents addressed to shareholders or the public, in accordance with law, concerning the earnings, financial position and cash flows of the company or the group they belong to, in a way capable of misleading others, shall be liable to imprisonment for a term of three to eight years.*
2. *The following are considered to qualify as the companies referred to in the paragraph above:*
   1) *companies that issue financial instruments admitted to trading in a regulated market in Italy or another European Union country;*
   2) *companies that issue financial instruments admitted to trading in an Italian multilateral trading facility;*
   3) *companies that control companies that issue financial instruments admitted to trading in a regulated market in Italy or another European Union country;*
   4) *companies that solicit or otherwise manage public savings.*
3. *The provisions of the preceding paragraphs also apply if the false statements or omissions relate to assets held or managed by the company on behalf of third parties.*

Financial penalties: From €103,200 to €929,400

The provision, which differs from Article 2621 Civil Code essentially due to the type of company to which it applies, was replaced as follows by Article 11, 1st paragraph, of Law 69 of 27 May 2015.

The offence involves directors, general managers, financial reporting officers, statutory auditors and liquidators of companies that issue financial instruments admitted for trading on a regulated market in Italy or another European Union country who, in order to gain unfair profit for themselves or for others, present material facts that are untrue or omit material facts whose disclosure is required by law in financial statements, reports or other company documents addressed to shareholders or the public, in accordance with law, concerning the earnings, financial position and cash flows of the company or the group they belong to, in a way capable of misleading others.

As regards the issue of the elimination of the clause "*even when still being evaluated*" from the new formulation of the law and, therefore, the question of the criminality of 'deliberate misstatement', refer to the comment relating to Article 2621 of the Civil Code.

Compared to the previous formulation the reference to damage for the company has been removed, as the crime has been structured as a 'mere conduct' offence, which is always automatically prosecuted.

[Article 2623 of the Civil Code - False information in prospectuses - abrogated in 2005 and replaced by:]

Article 173 *bis* of the Legislative Decree 58 of 24 February 1998 ("TUF") - False information in prospectuses

Anyone who, in order to obtain unfair profit for themselves or for others, declares false information or conceals data or information in the prospectuses required when offering financial products to the public or for issuing shares on regulated stock markets, or in documents required to be published as part of public share purchase or exchange offers, with the intention to mislead the readers, shall be liable to imprisonment for a term of between one and five years.

The offence occurs when, in order to obtain unfair profit for themselves or for others, a party declares false information or conceals data or information in the prospectuses required when offering financial products to the public or for issuing shares on regulated stock markets, or in documents required to be published as part of public share purchase or exchange offers, with the intention to mislead the readers.

This rule - originally contained in the Civil Code - was included in the TUF as a result of the reform contained in Law 262 of 28 December 2005. It should be noted that no change was made to Article 25-ter of Legislative Decree 231/2001, which therefore continues to refer to a provision (Article 2623, Civil Code) that formally no longer exists.

Pending regulatory and case law clarification, then, the possibility of continuing to include false information in prospectuses (as now covered by Article 173-bis of the TUF) in the list of liability predicate crimes depends on whether the reference contained in Article 25-*ter* is understood as referring to a so-called "flexible" postponement, or is in fact already applicable, along with subsequent modifications.

Financial penalties: From €51,600 to €402,740 (with reference to the now abrogated Article 2623 paragraph 1 Civil Code, mainly reprised by Article 24, Legislative Decree 58 of 24 February 1998)
Financial penalties: From €103,200 to €1,022,340 (with reference to the now abrogated Article 2623 paragraph 2 Civil Code, mainly reprised by Article 24, Legislative Decree 58 of 24 February 1998)

[Article 2624 - False reporting or communications by external auditors - abrogated in 2010 and replaced, cf. now replaced by:]

Article 27 of Legislative Decree 39 of 27 January 2010 - False reporting or communications by external audit managers

1. *External audit managers who, in order to obtain for themselves or for others unfair profit, certify false information or conceal information about the earnings, financial position and cash flows of the company, organisation or entity being audited, in reports or in other communications, being aware of the falsity and*

with the intention of deceiving the recipients of the information, in such a way as to mislead the readers of the information about the aforementioned situation, shall be liable to imprisonment up to one year punished if their conduct does not cause financial damage.

2. *If the action referred to in paragraph 1 caused financial damage to the recipients of the communications, the penalty is imprisonment from one to four years.*
3. *If the action referred to in paragraph 1 is committed by the person responsible for auditing a public-interest entity, the penalty is imprisonment of one to five years.*
4. *If the offence under paragraph 1 is committed by the person responsible for auditing a public-interest entity or an organisation subject to the mixed regulatory system for money or other benefit, received or promised, or in conspiracy with the directors, general managers or statutory auditors of the audited company, the penalty at paragraph 3 is increased by up to half.*
5. *The penalty referred to in paragraphs 3 and 4 applies to those who give or promise benefits, as well as general managers and members of the management board and of the supervisory board of a public-interest entity or organisation subject to the mixed regulatory system subject to the statutory audit, who participated in the deed.*[46]

The crime of false reporting or communications by external auditors, formerly envisaged under Article 2624 of the Civil Code was initially 'transferred' to Article 174-*bis* of Legislative Decree 58/1998 and, latterly, to Article 27 of Legislative Decree 39/2010. However, these amendments were not reflected by a change to Article 25-ter Legislative Decree 231/200, which continues to refer to the now abrogated Article 2624 Civil Code. As a result of this lack of coordination, when asked to decide on whether the felony in question is still included in the list of predicate crimes for corporate liability, the Joint Bench of the Court of Cassation established that *"the entity is not liable for the crime, in reference to instances of false reporting and communications by external auditors, since the abrogation of the rules contained in Article 2624 of the Civil Code and 174-bis of Legislative Decree 58/1998 by Legislative Decree 39/2010, which reformulated the offence of false reporting by external auditors*" (Judgment 34476 of 23 June 2011)

Financial penalties: From €51,600 to €402,740 (with reference to the now abrogated Article 2624 paragraph 1 Civil Code, mainly reprised by Article 27, paragraph 1, Legislative Decree 39 27 January 2010)
Financial penalties: From €103,200 to €1,022,340 (with reference to the now abrogated Article 2624 paragraph 2 Civil Code, mainly reprised by Article 27, paragraph 2, Legislative Decree 39 27 January 2010)

Article 2625, second paragraph, of the Civil Code - Impeding company controls

1. *Directors who, by concealing documents or by other artifices, prevent or otherwise hinder the performance of controls legally attributed to shareholders or other company bodies, shall be liable to an administrative fine of up to €10,329.*[47]
2. *If the conduct has caused damage to shareholders, the penalty is imprisonment for a term of up to one year and is prosecuted upon complaint by the injured party.*
3. *The penalty is doubled if the companies involved have issued securities listed on regulated markets in Italy or other European Union Member States or widely distributed among the public pursuant to Article 116 Legislative Decree 58 of 24 February 1998.*

The crime consists in directors impeding or obstructing controls legally attributed to shareholders and other company bodies.

Financial penalties: From €51,600 to €557,640

---

[46] The article was amended by Article 21 paragraph 1 of Legislative Decree 135 of 17 July 2016, which added the part referring to the «*organisation subject to the mixed regulatory system*.»

[47] Paragraph modified by Article 37, paragraph 35, Legislative Decree 39 of 27 January 2010. The previous text stated: «*Directors who, by concealing documents or by other artifices, prevent or otherwise hinder the performance of controls or audits legally attributed to shareholders, other company bodies or external auditors, shall be liable to an administrative fine of up to €10,329.*»

Article 2626 of the Civil Code - Unlawful return of capital

Directors who, except in cases of legitimate reduction of the share capital, return, or pretend to return, capital to shareholders or free them from the obligation provide it, shall be liable to imprisonment for a term of up to one year.

The crime refers to cases where directors repay contributions made by shareholders, also simultaneously, or free them from the obligation to make them, except in the case of the legitimate reduction of a company's share capital.

This is a general provision designed to safeguard the integrity and effectiveness of share capital.

Financial penalties: From €51,600 to €557,640

Article 2627 of the Civil Code - Illegal allocation of profits and reserves

1. *Unless the act constitutes a more serious crime, directors who allocate profits or advances on profits not actually earned or which by law are to be allocated to a reserve, or distribute reserves, including those not established with profits, which cannot legally be distributed, shall be punished by imprisonment up to one year.*
2. *If profits are returned or the reserves are reinstated before the deadline for approval of the financial statements, then the crime no longer exists.*

The criminal offence, which is designed to protect the integrity of capital and reserves, consists of directors allocating profits or advances on profits not actually realised or assigned by law to reserves, or who distribute reserves, including those not formed by profits, that cannot by law be distributed. The crime no longer exists if the profits are restored or if the reserves are reconstituted before the deadline for the approval of the financial statements.

Financial penalties: From €51,600 to €402,740

Article 2628 of the Civil Code - Unlawful transactions involving shares or quotas of the company or the parent company

1. *Directors who, except in the cases permitted by law, buy or subscribe company shares or quotas, thereby damaging the integrity of the share capital or reserves that are non-distributable by law, shall be liable to imprisonment for a term of up to one year.*
2. *The same penalty shall be imposed on directors who, except in the cases permitted by law, buy or subscribe shares or quotas thereby prejudicing the integrity of the share capital or the reserves that are non-distributable by law.*
3. *If the share capital or reserves are replenished before the deadline for approving the financial statements for the year in relation to which the offence was committed, the crime shall be extinguished.*

The crime consists in the purchase or underwriting of shares or quotas of the parent company by directors, apart from those cases allowed by law, causing damage to the integrity of the company's share capital and legally non-distributable reserves.

Financial penalties: From €51,600 to €557,640

Article 2629 of the Civil Code - Transactions to the detriment of creditors

1. *The directors who, in violation of the provisions of law protecting creditors, carry on capital reductions or mergers with other companies or demergers, causing damage to creditors, are punished, upon complaint of the injured party, by imprisonment from six months to three years.*
2. *Payment of damages to creditors before a court ruling extinguishes the crime.*

The crime, prosecuted upon complaint by the injured party, exists if the directors, in breach of the legal provisions protecting creditors, reduce the share capital or undertake mergers with other companies or demergers, causing damage to creditors.

Financial penalties: From €77,400 to €1,022,340

Article 2629-*bis* of the Civil Code - Failure to disclose a conflict of interest

1. *A director or a member of the board of directors of a company with securities listed on regulated markets in Italy or another European Union country or widely circulated among the public pursuant to Article 116 of the Consolidated Act in Legislative Decree 58 of 24 February 1998, as amended, or of an entity subject to supervision pursuant to the consolidated act in Legislative Decree 385 of 1 September 1993, of the cited Legislative Decree 58/1998, Legislative Decree 209 of 7 September 2005, and Legislative Decree 124 of 21 April 1993, who breaches the obligations established in Article 2391, first paragraph, shall be liable to imprisonment for a term of one to three years, if the breach results in harm to the company or third parties.*[48]

The crime consists of directors or the members of a board of directors of a company listed on the Italian stock exchange or on markets in other member states of the European Union, or if a substantial number of shares are held by the public in accordance with Article 116 of the TUF (Italian Finance Act) violate the obligations contained in Article 2391 Civil Code (e.g. fail to communicate correctly their interests in specific company operations and - if the individual concerned holds the position of chief executive officer - does not withdraw from the operation).

Financial penalties: From €103,200 to €1,549,000

Article 2632 of the Civil Code - False creation of share capital

The directors and contributing shareholders who, partially or otherwise, falsely create or increase share capital by allocating shares or quotas that exceed the total share capital, by mutually subscribing shares, or by significantly overvaluing contributions of assets in kind or of loans and receivables or assets of the company in the event of company transformations, shall be liable to imprisonment for a term of up to one year[49].

The crime, which is automatically prosecuted, refers to cases where directors and contributing shareholders, either in part or in total, fictitiously create or increase the share capital by allocating shares or quotas for an amount greater than the amount of share capital, reciprocally subscribe shares/quotas or significantly over-value contributions in kind or receivables or company assets in the event of transformation of the company.

Financial penalties: From €51,600 to €557,640

Article 2633 of the Civil Code - Improper allocation of company assets by liquidators

1. *The liquidators that, by allocating company assets to shareholders before payment is made to the company's creditors or the amounts necessary to pay them are set aside, cause damage to creditors, shall, upon complaint by the injured party, be liable to imprisonment for a term of six months to three years.*
2. *Payment of damages to creditors before a court ruling extinguishes the crime.*

The provision is intended to protect creditors in the event of liquidation. The crime consists of liquidators of a company distributing company assets among shareholders before company creditors have been paid or before allocating provisions for the amount necessary to satisfy them.

Financial penalties: From €77,400 to €1,022,340

---

[48] Article added by article 31 of Law no. 262 of 28 December 2005 and then amended by article 6 ofLegislative Decree no. 303 of 29 December 2006. The text previously in force was the following: «*The director or the member of the management board of a company with securities listed on regulated markets in Italy or in other EU Member States or widely distributed among the public pursuant to article 116 of the consolidated text referred to in Legislative Decree no. 58 of 24 February 1998, and subsequent amendments, or a subject under supervision pursuant to the consolidated act referred to in Legislative Decree no. 385 of 1 September 1993, of the aforementioned single text referred to in Legislative Decree no. 58 of 1998, of the Law no. 576 of 12 August 1982 or of Legislative decree no. 124 of 21 April 1993, who which violates the obligations set out in the first paragraph of Article 2391, is punished with imprisonment from one to three years, if damage to the company or third parties derives from the violation.*»

[49] Article thus replaced, with effect from January 1, 2004, by Article 111-quinquies of the provisions for the implementation of the Civil Code, added by Article 9 of Legislative Decree 6 of 17 January 2003. The text of the Article in force before the change ordered by the aforementioned Article 111-quinquies was as follows: «2632. *False creation of share capital. The directors and contributing shareholders who, partially or otherwise, falsely create or increase share capital by allocating shares or quotas that exceed the total share capital, by mutually subscribing shares, or by significantly overvaluing contributions of assets in kind or of loans and receivables or assets of the company in the event of company transformations, shall be liable to imprisonment for a term of up to one year.*»

Article 2635, third paragraph, of the Civil Code - Private-to-private corruption

1. *Unless the offence constitutes a more serious crime, the directors, general managers, financial reporting officers, statutory auditors and liquidators of companies or private organisations who, including via an intermediary, solicit or receive money or other undue benefits for themselves or for others or agree to a promise thereof to commit or fail to carry out acts in breach of the obligations arising from their office or duties of loyalty, shall be liable to imprisonment for a term of one to three years. The same penalty shall apply if the offence is committed by those persons who, within the organisation of the company or private organisation, perform managerial functions other than those of the persons referred to in the previous clause.*
2. *The penalty of imprisonment up to one year and six months shall be imposed if the offence is committed by those who are subject to the direction or supervision of one of the parties indicated in the first paragraph.*
3. *Anyone who, via intermediary, gives or promises money or other benefits to the persons specified in the first and second paragraph shall be liable to the penalties envisaged therein.*
4. *The penalties established in the paragraphs above are doubled for companies listed on regulated markets in Italy or other European Union countries or widely circulated among the public pursuant to Article 116 of Legislative Decree 58 of 24 February 1998 as amended.*

[5. This offence is prosecuted upon complaint by the injured party, unless the offence results from distortion of competition in the purchase of goods and services].[50]

6. *Without prejudice to the provisions of Article 2641, the confiscation by equivalent value cannot be less than the value of the benefits, promises or offers given.*[51]

"Private-to-private corruption" was introduced by Law 190 on 6 November 2012, which amended the previous text of Article 2635 Civil Code ("*Disloyalty as a result of giving or promising benefits*") and was amended by Legislative Decree 38 of 15 March 2017 on "*Implementation of Framework Decision 2003/568/JHA on combating corruption in the private sector.*" The new wording extends the list of perpetrators, de facto including all the workers of a given organisation (and therefore not only those who exercise management and control functions, but also normal employees).

The changes also represented an opportunity to include private corruption among the crimes that can give rise to corporate liability (see new letter s-bis of Article 25-ter Legislative Decree 231/2001), naturally in the case where a manager/employee has been engaged in private corruption causing damage to another company.

Put otherwise: Under the terms of the law, the company in whose interests (or to whose benefit) someone has paid/solicited/promised/offered money/benefits to the persons referred to in paragraphs 1 and 2 may be held liable. Legislative Decree 58/2017 also raised the financial penalties applicable to this offence and introduced the application of the prohibitory penalties referred to in art. 9 paragraph 2 of Legislative Decree 231/01.

Under the terms of Legislative Decree 231 there are no consequences for the company where the corrupted party works, provided that he - by definition - is harmed by the corrupt conduct, which excludes (also logically) the possibility of any reproach against the company to the detriment of which he acted.

Financial penalties: From €103,200 to €929,400
Prohibitory penalties: From 3 to 24 months

Article 2635-*bis*, first paragraph, of the Civil Code - Incitement to private-to-private corruption

1. *Anyone who offers or promises money or other undue benefits to directors, general managers, financial reporting officers, statutory auditors and liquidators of companies or private organisations, as well as those who work in them with the exercise of managerial functions, so that they perform or omit an act in violation of the obligations inherent in their office or loyalty obligations, is subject, if the offer or promise is not accepted, to the penalty established in the first paragraph of article 2635, reduced by one third.*

---

[50] Paragraph 5 of Article 2635 of the Civil Code was repealed by Article 1, paragraph 5, letter a) of Law no. 3 of 9 January 2019.

[51] Article most recently amended by Article 3 of Legislative Decree 38 of 15 March 2017, entitled «*Implementation of Framework Decision 2003/568/JHA on combating corruption in the private sector.*»

2. *The penalty referred to in the first paragraph applies to directors, general managers, financial reporting officers, statutory auditors and liquidators of companies or private organisations, as well as those who work in them with managerial functions, who solicit for themselves or others, even through an intermediary, a promise or donation of money or other benefits, to perform or to omit an act in violation of the obligations inherent to their office or loyalty obligations, if the solicitation is not accepted.*

[3. This offence is prosecuted upon complaint by the injured party][52]

Article was introduced by Legislative Decree 38 of 15 March 2017, entitled "*Implementation of Framework Decision 2003/568/JHA on combating corruption in the private sector*" and added to the list of predicate crimes of Legislative Decree 231/01.

Financial penalties: From €51,600 to €619,600
Prohibitory penalties: From 3 to 24 months

Article 2635-*ter* of the Civil Code - Ancillary penalties
Conviction for the crime referred to in the first paragraph of Article 2635, in all cases, implies temporary disqualification from the management of legal entities and companies referred to in Article 32-bis Criminal Code against those who have already been convicted for the same crime or for the crime referred to in Article 2635-bis, second paragraph.[53]

Article 2636 of the Civil Code - Unlawful influence on the shareholders' meeting
Anyone who produces the majority in shareholders' meetings by artifice or deception in order to obtain an unfair profit for themselves or for others, shall be liable to imprisonment for a term of six months to three years.

The unlawful act refers to cases where any individual irregularly forms a majority that otherwise would not have existed by carrying out fake or fraudulent actions.

Financial penalties: From €77,400 to €1,022,340

Article 2637 of the Civil Code - Stock price manipulation
Anyone who disseminates false information or performs simulated transactions or other artifices likely to cause a significant change in the price of unlisted financial instruments or whose admission to trading in a regulated market has not been requested, or have a significant impact on public faith in the capital strength of banks or banking groups, shall be liable to imprisonment for a term of one to five years.

The crime consists of the dissemination of false information (by any person/entity) or the performance of simulated transactions or other artifices likely to cause a significant change in the price of listed or unlisted financial instruments, or for which no request for admission to trading in a regulated market has been made. The crime is classified as a tangible danger, since it is necessary for the false information or the simulated transactions or other artifices to actually be able to cause effective damage or have a significant effect on the trust the public has in the stability of the assets of a bank or banking group.

Financial penalties: From €103,200 to €1,549,000

Article 2638, first and second paragraph, of the Civil Code - Hindering public supervisory authorities from performing their functions
1. *Directors, general managers, financial reporting officers, statutory auditors and liquidators of companies or entities and other persons subject by law to public supervisory authorities or accountable to them, who in communications to the above-mentioned authorities required by law, in order to hinder the exercise*

[52] Paragraph 3 of Article 2635-bis of the Civil Code was repealed by Article 1, paragraph 5, letter b) of Law no. 3 of 9 January 2019.
[53] Article introduced by Article 5, paragraph 1, of Legislative Decree 38 of 15 March 2017.

of supervisory functions, present material facts that are untrue, even when still being evaluated, about the earnings, financial position and cash flows of the entities subject to supervision or, for the same purpose, hide with other fraudulent means, in whole or in part, facts they should have disclosed on the aforementioned situation, are punishable by imprisonment of one to four years. Punishment shall extend to cases where the information concerns assets held or managed by the company on behalf of third parties.

2. *The same penalty shall also be imposed on directors, general managers, financial reporting officers, statutory auditors and liquidators of companies or entities and other individuals that are subject by law to the public supervisory authorities, or to the obligations towards them, who in any way knowingly hinder their work, including by failing to make the communications due to those authorities.*

This crime consists of directors, general managers, statutory auditors and liquidators of companies or organisations and other persons/entities that are subject by law to the public supervisory authorities, or to the obligations towards them, in order to obstruct the exercise of their supervisory functions, present material facts that are untrue, even when still being evaluated, in legally-required communications to those authorities or, for the same purpose, conceal facts in whole or in part, by other fraudulent means, that should have been communicated concerning this situation. They are felonies due to how and when they are conducted: the first concentrates on deceit designed to obstruct supervisory duties; the second concentrates on the intentionality of the obstruction through any type of act or omission.

Financial penalties: From €103,200 to €1,239,200

3) FORGERY OF MONEY, PUBLIC CREDIT INSTRUMENTS, REVENUE STAMPS AND DISTINCTIVE SIGNS AND INSTRUMENTS

Article 25-bis of Legislative Decree 231/01

Article 453 of the Criminal Code - Forgery of money, and spending and import into Italy, through intermediaries, of forged money

1. *A penalty of imprisonment for a term of three to twelve years and a fine of €516 to €3,098 shall be imposed on anyone who:*
   1) forges Italian or foreign money, which is legal tender in Italy or outside Italy;
   2) forges genuine money in any way, to give it the appearance of having a higher value;
   3) does not take part in the counterfeiting or forging, but acts in concert with those that carried it out, or through an intermediary, imports into Italy or possesses or spends or otherwise puts into circulation counterfeit or forged money;
   4) in order to put them into circulation, acquires or otherwise receives counterfeit or forged money from those who have forged it, or from an intermediary.
2. *The same penalty applies to those who, having been legally authorised, improperly produce quantities of coins in excess of the requirements, misusing the instruments or materials available.*[54]
3. *The penalty is reduced by one third when the conduct referred to in the first and second paragraphs relate to coins that are not yet legal tender and the start time has been set.*[55]

The crime consists in:

a) forging Italian or foreign money, which is legal tender in Italy or outside Italy;
b) altering genuine money in any way, to give it the appearance of having a higher value;
c) introducing into the State, possessing, spending or putting into circulation forged or altered money;
d) buying or receiving forged or altered money from forgers or intermediaries in order to put it into circulation.

The same penalty also currently applies to anyone who, although legally authorised to produce coins, unduly produces excess quantities, misusing the instruments or materials available.

Paragraph 3, recently introduced, provides for a reduction in penalty when the unlawfully manufactured currency does not yet have legal tender status, but when the start date on which it will become legal has been set.

Financial penalties: From €77,400 to €1,239,200
Prohibitory penalties: From 3 to 12 months

Article 454 of the Criminal Code - Forging money

Anyone who forges money of the kind indicated in the Article above, by altering its value in any way, compared to the money forged in that manner, shall be guilty of committing one of the offences indicated in numbers 3 and 4 of said Article and shall be liable to imprisonment for a term of one to five years and fine of €103 to €516.

The crime consists in cases where Italian or foreign money that is legally valid either inside or outside the State is altered to change its value in any way or the introduction into the State of such money or keeping, spending or putting into circulation such money including through purchase or receipt by third parties.

Financial penalties: From €25,800 to €774,500
Prohibitory penalties: From 3 to 12 months

---

[54]Paragraph introduced by Article 1, paragraph 1, letter a) of Legislative Decree no. 125 of 21 June 2016.
[55]Paragraph introduced by Article 1, paragraph 1, letter a) of Legislative Decree no. 125 of 21 June 2016.

Article 455 of the Criminal Code - Spending and import into Italy, without intermediaries, of forged money

Anyone, except in the cases envisaged in the two Articles above, who imports into Italy, acquires or possesses counterfeit or forged money in order to put it into circulation, or spends or otherwise circulates it, shall be liable to the penalties established in those Articles reduced by a third to a half.

The crime consists in the introduction into the State, the purchase or keeping or spending or putting into circulation forged or altered money in order to put it into circulation, in the cases not covered by the two previous Articles.

Financial penalties: From €38,700 to €826,133.33 (in relation to Article 453 Criminal Code)
Financial penalties: From €12,900 to €516,333.33 (in relation to Article 454 Criminal Code)
Prohibitory penalties: From 3 to 12 months

Article 457 of the Criminal Code - Spending of forged money received in good faith

Anyone who spends or otherwise puts into circulation counterfeit or forged money, which they have received in good faith, shall be liable to imprisonment for a term of up to six months or a fine of up to €1,032.

The crime consists in cases where an individual spends or puts into circulation forged or altered money received in good faith.

Financial penalties: From €25,800 to €309,800

Article 459 of the Criminal Code - Forging of revenue stamps, and importing into Italy, purchasing, possessing or circulating of forged revenue stamps

1. *The provisions of Articles 453, 455 and 457 shall also apply to counterfeiting or forging of revenue stamps and the import into Italy, or the purchase, possession and circulation of forged revenue stamps; but the penalties are reduced by one third.*
2. *For the purposes of criminal law, revenue stamps are understood to be stamped paper, duty stamps, postage stamps and other instruments identified as equivalent to these by specific laws.*

The crime consists in counterfeiting or forging of revenue stamps and the import into Italy, or the purchase, possession and circulation of forged revenue stamps.

Financial penalties: From €51,600 to €826,133.33 (in relation to Article 453 Criminal Code)
Financial penalties: From €25,800 to €550,755.55 (in relation to Article 455 Criminal Code with reference to Article 453 Criminal Code)
Financial penalties: From €8,600 to €344,222.22 (in relation to Article 455 Criminal Code with reference to Article 454 Criminal Code)
Financial penalties: From €17,200 to €206,533.33 (in relation to Article 457 and Article 464, paragraph 2, Criminal Code)
Prohibitory penalties: From 3 to 12 months

Article 460 of the Criminal Code - Forgery of watermarked paper used to produce public credit instruments or revenue stamps

Anyone who forges the watermarked paper used to produce public credit instruments or revenue stamps, or purchases, possesses or sells such forged paper, shall be liable, if the offence does not constitute a more serious crime, to imprisonment for a term of two to six years and a fine of €309 to €1,032.

The crime consists in cases of forging watermarked paper used for making public credit notes or revenue stamps and to the purchase, keeping or disposal of such forged paper.

Financial penalties: From €25,800 to €774,500
Prohibitory penalties: From 3 to 12 months

Article 461 of the Criminal Code - Manufacture or possession of watermarks or instruments intended for forging money, revenue stamps or watermarked paper

1. *Anyone who forges, purchases, possesses or sells watermarks, computer programs and data or instruments designed for counterfeiting or forging money, revenue stamps or watermarked paper shall be liable, if the offence does not constitute a more serious crime, to imprisonment for a term of one to five years and a fine of €103 to €516.*[56]
2. *The same penalty applies if the conduct envisaged in the first paragraph involves holograms or other components of the money designed to ensure their protection against counterfeiting or forgery.*

The crime consists in fabricating, purchasing, keeping or disposing of watermarks, computer programs and data or instruments used for forging or altering money, revenue stamps or watermarked paper.

Financial penalties: From €25,800 to €774,500
Prohibitory penalties: From 3 to 12 months

Article 464 of the Criminal Code - Use of counterfeit or forged revenue stamps

1. *Anyone, not party to the counterfeiting or forgery, who makes use of counterfeit or forged revenue stamps shall be liable to imprisonment for a term of up to three years and a fine of up to €516.*
2. *If the instruments have been received in good faith, the penalty established in Article 457 is imposed, reduced by one third.*

The crime consists in cases where an individual uses forged or altered revenue stamps even though they were not involved in forging or altering them.

Financial penalties: First paragraph from €25,800 to €464,700
Financial penalties: Second paragraph from €25,800 to €309,800

Article 473 of the Criminal Code - Counterfeiting, forging or use of trademarks, distinctive marks or patents, models and designs

1. *Anyone, able to know the existence of the industrial property right, who counterfeits or forges trademarks or distinctive marks, both Italian and foreign, of industrial products, or anyone who, without being party to the counterfeiting or forgery, uses those counterfeited or forged marks or signs, shall be liable to imprisonment for a term of six months to three years and a fine of €2,500 to €25,000.*
2. *Anyone who counterfeits or forges patents, designs or industrial models, both Italian and foreign, or anyone who, without being party to the counterfeiting or forgery, uses those counterfeited or forged patents, designs or models, shall be liable to imprisonment for a term of one to four years and a fine of €3,500 to €35,000.*
3. *The crimes envisaged in the first and second paragraphs are punishable if the provisions of Italian laws, community regulations and international conventions on the protection of intellectual or industrial property have been complied with.*

The assets safeguarded by the two examples of crimes are commonly identified in public trust and, more precisely, in the interests of consumers in distinguishing the source of products available on the market. The public trust safeguarded by Article 473 Criminal Code can only be jeopardised by the manufacture of signs that are difficult to distinguish from the original due to the presence of "similar characters of notable importance", so that the parameters for recognising the presence of a punishable imitation is represented by an accurate examination on the part of consumers.

Financial penalties: From €25,800 to €774,500
Prohibitory penalties: From 3 to 12 months

[56]The words «*and data*» have been inserted and the word «*exclusively*» after «*designed*» were eliminated by Article 1, paragraph 1, letter b), of Legislative Decree 125 of 21 June 2016.

Article 474 of the Criminal Code - Import into Italy and sale of products with false signs

1. *Except for the cases of aiding and abetting in crimes envisaged in Article 473, anyone who, for profit, imports counterfeit or forged industrial products with trademarks or other distinctive marks, both Italian and foreign, into Italy shall be liable to imprisonment for a term of one to four years and a fine of €3,500 to €35,000.*
2. *Except for cases of counterfeiting, forgery, and import into Italy, anyone who, for profit, possesses for sale, offers for sale or otherwise puts into circulation the products referred in the first paragraph shall be liable to imprisonment for a term of to two years and a fine of up to €20,000.*
3. *The crimes envisaged in the first and second paragraphs are punishable if the provisions of Italian laws, community regulations and international conventions on the protection of intellectual or industrial property have been complied with.*

The crime referred to in Article 474 Criminal Code is logically predicated on the contents of Article 473 Criminal Code and, in the interests of safeguarding public trust, represents its natural development. The falsification of distinguishing signs is characterised by two phases: The moment a false trademark is applied to the product (the more serious offence as per Article 473 Criminal Code) and the moment the product bearing a false trademark is put on sale (a less serious offence as per Article 474 Criminal Code).

Financial penalties: From €25,800 to €774,500
Prohibitory penalties: From 3 to 12 months

4) MARKET ABUSE
Article 25-sexies of Legislative Decree 231/01

Article 184 of Legislative Decree 58 of 24 February 1998 ("TUF" or "Italian Finance Act") - Insider dealing

1. *Imprisonment for between one and six years and a fine of between twenty thousand and three million euro shall be imposed on any person who, possessing inside information[57] by virtue of his membership of the administrative, management or supervisory bodies of an issuer, his holding in the capital of an issuer or the exercise of his employment, profession, duties, including public duties, or position:*
   a) *directly or indirectly buys, sells or carries out other transactions involving financial instruments using such information, either on own their account or for a third party;*
   b) *discloses this information to others outside their normal work activities, profession, duties or position or a market survey carried out in accordance with article 11 of Regulation (EU) No 596/2014[58];*
   c) *recommends or induces others, based on the information, to carry out the transactions indicated letter a).*
2. *The penalty referred to in paragraph 1 shall apply to anyone who, being in possession of inside information, by reason of the preparation or execution of criminal activities, carries out any of the actions referred to in paragraph 1.*
3. *The court may increase the fine up to three times or, if greater, up to the amount of ten times the product or profit gained from the crime when, owing to the seriousness of the crime, the personal situation of the offender or the amount of the proceeds or profit obtained through the crime, the original fine seems inadequate even if the maximum is applied.*

3-bis. In the case of transactions relating to the financial instruments referred to in article 180, paragraph 1, letter a), numbers 2), 2-bis) and 2-ter), limited to financial instruments whose price or value depends on the price or value of a financial instrument referred to in numbers 2) and 2-bis) or has an effect on such price or value, or relating to auctions on an auction platform authorised as a regulated market for emission allowances,[59] the criminal penalty is that of a fine of up to one hundred and three thousand two hundred and ninety-one euros and imprisonment of up to three years.

---

[57] Legislative Decree no. 107 of 10 August 2018 repealed Article 181, which contains the definition of "***inside information***." This concept is now defined in the new letter b-*ter* of article 180, which also refers to paragraphs 1 to 4 of article 7 of Regulation (EU) No. 596/2014, which reads as follows:

«*1. For the purposes of this Regulation, inside information shall comprise the following types of information:*
   a) information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments;
   b) in relation to commodity derivatives, information of a precise nature, which has not been made public, relating, directly or indirectly to one or more such derivatives or relating directly to the related spot commodity contract, and which, if it were made public, would be likely to have a significant effect on the prices of such derivatives or related spot commodity contracts, and where this is information which is reasonably expected to be disclosed or is required to be disclosed in accordance with legal or regulatory provisions at the Union or national level, market rules, contract, practice or custom, on the relevant commodity derivatives markets or spot markets;
   c) in relation to emission allowances or auctioned products based thereon, information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more such instruments, and which, if it were made public, would be likely to have a significant effect on the prices of such instruments or on the prices of related derivative financial instruments;
   d) for persons charged with the execution of orders concerning financial instruments, it also means information conveyed by a client and relating to the client's pending orders in financial instruments, which is of a precise nature, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments, the price of related spot commodity contracts, or on the price of related derivative financial instruments.

2. For the purposes of paragraph 1, information shall be deemed to be of a precise nature if it indicates a set of circumstances which exists or which may reasonably be expected to come into existence, or an event which has occurred or which may reasonably be expected to occur, where it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of the financial instruments or the related derivative financial instrument, the related spot commodity contracts, or the auctioned products based on the emission allowances.

3. An intermediate step in a protracted process shall be deemed to be inside information if, by itself, it satisfies the criteria of inside information as referred to in this Article.

4. For the purposes of paragraph 1, information which, if it were made public, would be likely to have a significant effect on the prices of financial instruments, derivative financial instruments, related spot commodity contracts, or auctioned products based on emission allowances shall mean information a reasonable investor would be likely to use as part of the basis of his or her investment decisions.

In the case of participants in the emission allowance market with aggregate emissions or rated thermal input at or below the threshold set in accordance with the second subparagraph of Article 17(2), information about their physical operations shall be deemed not to have a significant effect on the price of emission allowances, of auctioned products based thereon, or of derivative financial instruments.»

[58] The words «*or of a market survey carried out pursuant to article 11 of Regulation (EU) no. 596/2014*» were introduced by article 4, paragraph 7, letter a) of Legislative Decree no. 107 of 10 August 2018.

[59] The wording «*numbers 2), 2-bis) and 2-ter), limited to financial instruments whose price or value depends on the price or value of a financial instrument referred to in numbers 2) and 2-bis) or has an effect on that price or value, or relating to auctions on an auction platform authorized as a regulated market for emission allowances*» were introduced by Article 4, paragraph 7, letter b) of Legislative Decree no. 107 of 10 August 2018.

The crime concerns individuals who, as a result of their position, acquire or dispose of financial instruments when they reasonably know that the information they have is of a privileged nature (individuals who obtain the information occasionally or by chance are excluded). The crime is characterised by its immediacy, which is independent - in the cases referred to in letters b) and c) - both from the acceptance of the recommendation and the completion of the transaction; its unlawful purpose, in violating the protected interests of transparency and proper functioning of the financial markets, must be assessed in light of the specific circumstances at the time the transaction is carried out.

Financial penalties: From €103,200 to €1,549,000 (may be increased up to ten times the product or profit, where this is of significant amount). If as a result of the commission of crimes referred to in paragraph 1, the product or profit obtained by the entity is of a significant amount, the penalty is increased by up to ten times the value of said product or profit.

Article 185 of Legislative Decree 58 of 24 February 1998 ("TUF") - Market Manipulation

1. *Anyone who disseminates false information or performs simulated transactions or other artifices likely to cause a significant change in the price of financial instruments shall be liable to imprisonment for a term of between one and six years and a fine of between twenty thousand euro and five million euro.*

1 bis. A person who committed the act by means of orders to trade or transactions carried out for legitimate reasons and in accordance with accepted market practices within the meaning of Article 13 of Regulation (EU) No 596/2014 shall not be punished.[60]

2. *The court may increase the fine up to three times or, if greater, up to the amount of ten times the product or profit gained from the crime when, owing to the seriousness of the crime, the personal situation of the offender or the amount of the proceeds or profit obtained through the crime, the original fine seems inadequate even if the maximum is applied.*

2 bis. In the case of transactions relating to the financial instruments referred to in article 180, paragraph 1, letter a), numbers 2), 2-bis) and 2-ter), limited to financial instruments whose price or value depends on the price or value of a financial instrument referred to in numbers 2) and 2-bis) or has an effect on such price or value, or relating to auctions on an auction platform authorised as a regulated market for emission allowances, the criminal penalty is that of a fine of up to one hundred and three thousand two hundred and ninety-one euros and imprisonment of up to three years.[61]

2 ter. The provisions of this Article shall also apply to:

a) the facts concerning spot commodity contracts which are not wholesale energy products, likely to cause a significant change in the price or value of the financial instruments referred to in Article 180, paragraph 1, letter a);

b) facts concerning financial instruments, including derivative contracts or derivative instruments for the transfer of credit risk, which are likely to cause a significant change in the price or value of a spot commodity contract, where the price or value depends on the price or value of those financial instruments;

c) the facts concerning the reference indices (benchmarks)[62].

The offence is classified as a common crime (it can be committed by "anyone") which when committed, independently of the characteristics of the individual who commits it, becomes a criminal offence. Recklessness is envisaged in this offence; this involves the liability for any disclosure of information while being aware that it could be false, without performing the possible checks and therefore being aware of a potentially unjust result, which is accepted.

Financial penalties: From €103,200 to €1,549,000 (may be increased up to ten times the product or profit, where this is of significant amount

---

[60] Paragraph introduced by article 4, paragraph b, letter a) of Legislative Decree no. 107 of 10 August 2018.

[61] The wording «*numbers 2), 2-bis) and 2-ter), limited to financial instruments whose price or value depends on the price or value of a financial instrument referred to in numbers 2) and 2-bis) or has an effect on that price or value, or relating to auctions on an auction platform authorized as a regulated market for emission allowances*» were introduced by Article 4, paragraph 8, letter b) of Legislative Decree no. 107 of 10 August 2018.

[62] Paragraph 2-*ter* was introduced by Article 4, paragraph 8, letter c) of Legislative Decree no. 107 of 10 August 2018.

Article 187 *bis* of Legislative Decree 58 of 24 February 1998 ("TUF" or "Italian Finance Act") - Abuse and disclosure of inside information[63]

1. *Without prejudice to criminal sanctions when the act constitutes a crime, a pecuniary administrative sanction ranging from twenty thousand to five million euros shall be applied to anyone who violates the prohibition of insider dealing and illegal communication of insider information set forth in Article 14 of Regulation (EU) No. 596/2014.*[64]
2. *paragraph repealed.*[65]
3. *paragraph repealed.*[66]
4. *paragraph repealed.*[67]
5. *The administrative fines provided for in this article shall be increased up to three times or up to the greater amount of ten times the product or profit achieved or the losses avoided as a result of the offence when, taking into account the criteria listed in article 194-bis and the extent of the product or profit of the offence, they appear inadequate even if applied to the maximum.*[68]
6. *For the cases envisaged in this article, attempting to commit the offence is equivalent to the commission of the offence.*

This is an administrative offence which, by express provision of law, can be treated under the terms of the Criminal Code, which specifies some of the possible methods in which it may be performed and repeats, almost verbatim, its characteristic elements. The main difference lies in the fact that the administrative offence also covers the so-called secondary insider, i.e. someone who, having come into possession of inside information (for reasons other than those referred to in paragraphs 1 and 2), commits any of the actions indicated in the law. (1)

Administrative fine for the agent: From €20,000 to €3,000,000 for the agent (increased up to three times or up to the higher amount of ten times the product or profit obtained)
Financial penalties for the organisation: From €103,200 to €1,549,000 (may be increased up to ten times the product or profit, where this is of significant amount)

Article 187 *ter* of Legislative Decree 58 of 24 February 1998 ("TUF" or "Italian Finance Act") - Market manipulation

1. *Without prejudice to criminal sanctions when the act constitutes a crime, a pecuniary administrative sanction ranging from twenty thousand to five million euros shall be applied to anyone who violates the prohibition of market manipulation set forth in Article 15 of Regulation (EU) No. 596/2014.*[69]
2. *Article 187-bis, paragraph 5, shall apply.*[70]
3. *paragraph repealed.*[71]
4. *No administrative sanction under this Article may be imposed on a person who proves that he or she has acted for legitimate reasons and in accordance with accepted market practices in the market concerned.*[72]

5.-6.-7. comma abrogato.[73]

This is an administrative offence which, by express provision of law, can be treated under the terms of the Criminal Code, which more specifically describes some possible modes of market manipulation.

---

[63]This heading has been modified by article 4, paragraph 9, letter a) of Legislative Decree no. 107 of 10 August 2018.
[64]Paragraph 1 was thus amended by Article 4, paragraph 9, letter b) of Legislative Decree 107 of 10 August 2018.
[65]Paragraph 2 was repealed by Article 4, paragraph 9, letter c) of Legislative Decree no. 107 of 10 August 2018.
[66]Paragraph 3 was repealed by Article 4, paragraph 9, letter c) of Legislative Decree no. 107 of 10 August 2018.
[67]Paragraph 4 was repealed by Article 4, paragraph 9, letter c) of Legislative Decree no. 107 of 10 August 2018.
[68]Paragraph thus amended by Article 4, paragraph 9, letter b) of Legislative Decree 107 of 10 August 2018.
[69]Paragraph 1 was thus amended by Article 4, paragraph 10, letter a) of Legislative Decree 107/2018.
[70]Paragraph 1 was thus amended by Article 4, paragraph 10, letter a) of Legislative Decree 107/2018.
[71]Paragraph 3 was repealed by Article 4, paragraph 10, letter b) of Legislative Decree 107/2018.
[72]Paragraph thus constituted by Article 4, paragraph 10, letter c) of Legislative Decree 107/2018.
[73]Paragraphs 5, 6 and 7 have been repealed by Article 4, paragraph 10, letter d) of Legislative Decree 107/2018.

Administrative fines: From €20,000 to €5,000,000 for the agent (increased up to three times or up to the higher amount of ten times the product or profit obtained)
Financial penalties for the organisation: From €103,200 to €1,549,000 (may be increased up to ten times the product or profit, where this is of significant amount)

The administrative offences envisaged by Articles 187-bis and 187-ter of the TUF ("Italian Finance Act") entail the administrative liability of the entity in accordance with Article 187-quinquies TUF), according to which

"*1. The entity is punished with an administrative fine ranging from twenty thousand euros up to fifteen million euros, or up to fifteen percent of the turnover, when this amount is greater than fifteen million euros and the turnover can be determined pursuant to Article 195, paragraph 1-bis, if a violation of the prohibition set forth in Article 14 or of the prohibition set forth in Article 15 of Regulation (EU) No. 596/2014 is committed in its interest or to its advantage:*[74]

a) by individuals who hold the position of representatives, directors or managers of the entity or of one of its organisational units that enjoys financial and functional independence, in addition to individuals who are responsible for the management or control of the entity;

b) by individuals subject to the management or supervision of one of the persons/entities referred to in letter a).

2. If as a result of the commission of offences referred to in paragraph 1, the product or profit obtained by the entity is of a significant amount, the penalty is increased by up to ten times the value of said product or profit.

3. The entity is not liable if it demonstrates that the persons indicated in paragraph 1 acted exclusively in their own interests or the interests of third parties.

4. In relation to the offences referred to in paragraph 1, the Articles 6, 7, 8 and 12 Legislative Decree 231 of 8 June 2001 apply insofar as compatible. The Ministry of Justice formulates the observations referred to in Article 6 Legislative Decree 231 of 8 June 2001, upon consultation with Consob, regarding the offences under this title".

If such conduct is punishable both as a criminal offence and an administrative offence - given the substantial homogeneity and overlapping nature of the matters covered by Articles 184 and 187-bis and those covered by Articles 185 and 187-ter of the TUF - the penalties set out in Article 25-sexies of Legislative Decree 231/01 will be added to those set out in the combined provisions of Article 187-bis and 187-ter and Article 187-quinquies of the TUF.

The legitimacy of such compatibility between criminal and administrative penalties (which, regardless of the different labels, substantially results in double punishment), is current the subject of intense debate, including at supranational level.

[74] Paragraph 1 was thus amended by Article 4, paragraph 13, of Legislative Decree 107/2018.

5) CRIMES COMMITTED FOR THE PURPOSES OF TERRORISM AND SUBVERSION OF DEMOCRACY

Article 25-quater of Legislative Decree 231/01

Article 25-*quater* of Legislative Decree 231/01 does not specifically list the crimes for the purposes of terrorism or the subversion of democracy for which an entity may be held liable, instead limiting itself to indicating, in paragraph 1, the offences envisaged by the Criminal Code and special laws and, in paragraph 3, offences that differ from those referred to in the first paragraph but carried out in violation of the contents of the International Convention for the Suppression of the Financing of Terrorism signed in New York on 9 December 1999.

These crimes carry a financial penalty from €51,600 to €1,084,300 if the predicate crime is liable to imprisonment for a term of less than 10 years. If, however, the predicate crime carries is liable to imprisonment for a term of not less than 10 years or life imprisonment, the financial penalty ranges from €103,200 to €1,549,000.

In the event of conviction, prohibitory penalties are also applied for a period of not less than 12 months. However, if the entity or its organisational units is permanently used for the sole or main purpose of enabling or facilitating the commission of one of these crimes, it is disqualified from conducting business in accordance with Article 16, paragraph 3, Legislative Decree 231/2001.

Article 270 of the Criminal Code - Subversive associations

1. *Anyone who, in the territory of the State, promotes, sets up, organises or leads associations aimed at and suitable for violently subverting the economic or social order that exists in the State or violently suppressing the political and juridical order of the State, shall be liable to imprisonment for a term of between five and ten years.*
2. *Whoever is part of the associations referred to in the first paragraph is liable to imprisonment for a period of between one and three years.*
3. *The penalty is increased for individuals who re-constitute, including under a false name or false form, the associations referred to in the first paragraph that have been ordered to be closed down.*

Article 270 *bis* of the Criminal Code - Crimes for the purposes of terrorism, international terrorism[75] or subversion of democracy

1. *Anyone who promotes, establishes, organises, directs or finances associations that seek to carry out acts of violence for the purposes of terrorism or subversion of democracy shall be liable to imprisonment for a term of seven to fifteen years.*
2. *Anyone who participates in those associations shall be liable to imprisonment for a term of five to ten years.*
3. *Under criminal law, the purposes of terrorism also apply when the acts of violence are aimed against a foreign country, an institution or an international organisation.*
4. *The offender shall always be subject to compulsory confiscation of the property that helped or was used to commit the crime and the property constituting the proceeds, product and profit from the crime or constitute use thereof.*

Article 270 *ter* of the Criminal Code - Assisting association members

1. *Anyone, other than in cases of complicity in the crime or aiding and abetting, who provides shelter or food, hospitality, means of transport, means of communication to any individual participating in the associations referred to in Articles 270 and 270-bis shall be liable to imprisonment for a term of up to four years.*
2. *The penalty is increased if the assistance is provided on a continuous basis.*
3. *Those who commit the offence in favour of a close relative are not liable to punishment.*

---

[75] The words «*international terrorism*» were added b Article 1 paragraph 1 of Decree-Law 374 of 18 October 2001, ratified with amendments by Law 438 of 15 December 2001.

Article 270-*quater* - Recruitment for the purposes of terrorism, including international terrorism

1. *Anyone, except in the cases envisaged in Article 270-bis, who recruits one or more people to carry out acts of violence or of sabotage of essential public services, for the purposes of terrorism, even if directed against a foreign government, an institution or an international organisation, shall be liable to imprisonment for a term of seven to fifteen years.*
2. *Outside the cases set out in Article 270-bis and without prejudice to the case of training, the recruited person is subject to the penalty of imprisonment for five to eight years.*[76]

Article 270-*quater*. 1 - Travel organisation for terrorist purposes

Except in the cases envisaged in Articles 270-bis and 270-quater, anyone who organises, finances or promotes travel in foreign countries aimed at carrying out the conduct for the purposes of terrorism identified in Article 270-sexies, shall be liable to imprisonment for a term of five to eight years.

Article 270-*quinquies* - Training in activities for the purposes of terrorism, including international terrorism

1. *Anyone, except in the cases envisaged in Article 270-bis, who trains or otherwise provides instructions on the preparation and use of explosives, firearms and other weapons, and harmful or hazardous chemical bacteriological substances, as well as any other technique or method for carrying out acts of violence or of sabotage of essential public services, for the purposes of terrorism, even if directed against a foreign government, an institution or an international organisation, shall be liable to imprisonment for a term of five to ten years. The same penalty applies to the trained person, as well as to the person who, having acquired, even autonomously, the instructions for carrying out the acts referred to in the first clause, engages in conduct unequivocally aimed at the commission of the conduct referred to in Article 270-sexies.*[77]
2. *The penalties provided for in this article are increased if the person who carries out the training or instruction does so through computerised or online tools.*[78]

270-*quinquies*.1 - Financing of conduct for the purposes of terrorism

1. *Anyone who, outside of the cases referred to in Articles 270-bis and 270-quater.1, collects, provides or makes available goods or money, in any way, destined to be used in whole or in part for performing actions for the purposes of terrorism as referred to in Article 270-sexies shall be liable to imprisonment for a term of seven to fifteen years, regardless of whether the funds are actually used to perform the aforesaid actions.*
2. *Anyone who deposits or keeps the goods or money referred to in the first paragraph shall be liable to imprisonment for a term of five to ten years.*

270-*quinquies*.2 - Removal of goods or money subject to seizure

1. *Anyone who removes, destroys, disperses, suppresses or deteriorates goods or money seized to prevent the financing of actions for the purposes of terrorism described in Article 270-sexies shall be liable to imprisonment for a term of two to six years and a fine of €3,000 to €15,000.*

Article 270-sexies - Conduct for the purposes of terrorism

Conduct is considered to be for terrorism purposes that, due to its nature or context, can cause serious harm to a country or an international organisation and is carried out with the aim of intimidating the population or compelling a State or international organisation to perform or refrain from performing any act, or seriously destabilising or destroying the fundamental political, constitutional, economic or social structures of a country or an international organisation, as well as the other conduct defined as terrorist conduct or committed for the purposes of terrorism by conventions or other provisions of international law that are binding for Italy.

---

[76] Article added by Article 1, paragraph 1, Decree-Law 7 of 18 February 2015, ratified with amendments by Law 43 of 17 April 2015.

[77] The words from «*as well as to the person*» to «*in Article 270-sexies*» were added by Article 1 paragraph 3 letter a) Decree-Law 7 of 18 February 2015, as above; the word "*unequivocally*" was added at ratification of the aforementioned decree into law.

[78] Article added by Article 1, paragraph 3, letter b) Decree-Law 7 of 18 February 2015 above. The words «*the person who carries out the training or instruction*» were added at ratification into law of the said decree.

Article 280 of the Criminal Code - Attack for terrorist purposes or subversion

1. *Anyone who for the purposes of terrorism or subversion of democracy makes an attack against the life or safety of another person, shall be liable, in the first case, to imprisonment for a term of not less than twenty years and, in the second case, to imprisonment for a term of no less than six years.*
2. *If the attack against the safety of a person results in grievous bodily harm, the penalty of imprisonment for a term of no less than eighteen years is imposed; if it results in serious injury, the penalty of imprisonment for a term of no less than twelve years is imposed.*
3. *If the offences referred to in the paragraphs above are directed against people who perform judicial or penitentiary functions or functions of public safety in carrying out or as a result of their duties, the penalty is increased by one third.*
4. *If the offences referred to in the paragraphs above result in the death of the person a life sentence is imposed, for attacks against life, and a term of imprisonment of thirty years, for attacks against safety.*
5. *Mitigating circumstances, other than those envisaged in Articles 98 and 114, that are concomitant with the aggravating circumstances identified in the second and fourth paragraph, cannot be considered equivalent or predominant with respect to the aggravating circumstances and the penalty reductions are applied on the penalties resulting from the increase due to the aggravating circumstance.*

Article 280-*bis* - Act of terrorism with deadly or explosive devices

1. *Unless the offence constitutes a more serious crime, anyone who for terrorism purposes carries out any act aimed at someone else's movable or immovable property, through the use of explosives or deadly devices, shall be liable to imprisonment for a term of two to five years.*
2. *For the purposes of this article, explosive or deadly device means the weapons and similar materials identified in Article 585, capable of causing significant material damage.*
3. *If the offence is directed against the seat of the Presidency of the Republic, the legislative assemblies, the Constitutional Court, Government bodies or bodies established by the Constitution or constitutional laws, the penalty is increased by up to half.*
4. *If the offence results in danger to public safety or serious harm to the Italian economy, a term of imprisonment of five to ten years is imposed.*
5. *Mitigating circumstances, other than those envisaged in Articles 98 and 114, that are concomitant with the aggravating circumstances identified in the third and fourth paragraph, cannot be considered equivalent or predominant with respect to the aggravating circumstances and the penalty reductions are applied on the penalties resulting from the increase due to the aggravating circumstance.*

Article 280-*ter* - Acts of nuclear terrorism[79]

1. *Anyone who carries out the following acts for the purposes of terrorism as referred to in Article 270-sexies is subject to imprisonment for not less than fifteen years:*
   1) *procures radioactive material for himself or for others;*
   2) *create a nuclear device or otherwise is in possession of it.*
2. *Anyone who carries out the following acts for the purposes of terrorism as referred to in Article 270-sexies is subject to imprisonment for not less than twenty years:*
   1) *uses radioactive material or a nuclear device;*
   2) *uses or damages a nuclear plant in order to release - or so as to pose a real danger of releasing - radioactive material.*
3. *The penalties referred to in the first and second paragraphs shall also apply when the conduct described therein relates to chemical or bacteriological materials or attacks.*

Article 289 *bis* of the Criminal Code - Kidnapping for the purposes of terrorism or subversion

1 *Anyone who kidnaps someone for the purposes of terrorism or subversion of democracy shall be liable to imprisonment for a term of twenty-five to thirty years.*

---

[79] Article added by Article 4, paragraph 1, letter c) of Law 153 of 28 July 2016.

2. *If the kidnapping results in death of the kidnapped person, as an unintended result of the offence, the offender shall be liable to imprisonment for a term of thirty years.*
3. *A penalty of life imprisonment is imposed if the offender causes the death of the kidnapped person.*
4. *Co-offenders who, by dissociating themselves from the others, act so that the victim regains their freedom shall be liable to imprisonment for a term of two to eight years; if the victim dies as a result of the kidnapping, after being freed, the penalty is imprisonment for a term of eight to eighteen years.*
5. *When there is a mitigating circumstance, the penalty established in the second paragraph is replaced by imprisonment for a term of twenty to twenty-four years; the penalty established in the third paragraph is replaced by imprisonment from twenty-four to thirty years. If there are several extenuating circumstances, the penalty to be applied as a result of the reductions cannot be less than ten years, in the case envisaged in the second paragraph, and fifteen years, in the case envisaged in the third paragraph.*

Article 289-*ter* of the Criminal Code - Kidnapping for the purposes of terrorism or subversion[80]

1. *Anyone, except in the cases indicated in articles 289-bis and 630, kidnaps a person or keeps him in his power threatening to kill her, to hurt her or to keep her kidnapped in order to force a third party, be it a state, an international organisation of multiple governments, a natural or legal person or a group of natural persons, to perform any act or to refrain from it, making the release of the person kidnapped subject to such action or omission, is punished with imprisonment from twenty-five to thirty years.*
2. *The second, third, fourth and fifth paragraphs of Article 289-bis apply.*
3. *If the offence is minor, the penalties provided for in Article 605 shall be applied, increased from half to two thirds.*

Article 302 of the Criminal Code - Incitement to commit any of the crimes identified in the first and second sections

1. *Anyone who incites someone else to commit one of the, intentional, crimes identified in the first and second sections of this title, for which the law establishes a life sentence or imprisonment, shall be liable, if the incitement is not accepted, or the incitement is accepted but the crime is not committed, to imprisonment for a term of one to eight years. The penalty is increased if the offence is committed through IT or online tools.*[81]
2. *However, the penalty to be imposed shall always be less than half the penalty established for the crime that the incitement relates to.*

Article 304 of the Criminal Code - Political conspiracy through agreement

1. *When a number of individuals come to an agreement in order to commit one of the crimes indicated in Article 302, the individuals who participate in the agreement are liable, if the crime is not committed, to imprisonment for a period of between one and six years.*
2. *The penalty is increased for the promoters.*
3. *However, the penalty to be imposed shall always be less than half the penalty established for the crime that the agreement relates to.*

Article 305 of the Criminal Code - Political conspiracy through association

1. *When three or more persons conspire to commit one of the crimes indicated in Article 302, those who promote, constitute or organise the association shall be liable, for that reason alone, to imprisonment for a term of five to twelve years.*
2. *For merely participating in the association, the penalty is imprisonment for a term of two to eight years.*
3. *The heads of the association are liable to the penalty established for the promoters.*
4. *The penalty is increased if the aim of the association is to commit two or more of the crimes indicated above.*

---

[80] Article introduced by Article 2, paragraph 1, letter a) of Legislative Decree no. 21 of 1 March 2018.

[81] Clause added by Article 2, paragraph 1, Decree-Law 7 of 18 February 2015, ratified with amendments by Law 43 of 17 April 2015.

Article 306 of the Criminal Code - Armed gangs: forming and participation

1. *When an armed gang is formed in order to commit one of the crimes indicated in Article 302, those who promote, join or organise it are liable for this reason alone to imprisonment for a period of between five and fifteen years.*
2. *For merely participating in the gang, the penalty is imprisonment for a term of three to nine years.*
3. *The heads or financers of the armed gang are liable to the same penalty established for the promoters.*

Article 307 of the Criminal Code - Assistance to participants in conspiracy or armed gang

1. *Anyone, other than in cases of complicity in the crime or aiding and abetting, who provides shelter or food, hospitality, means of transport, means of communication to any individual participating in the associations or gangs referred to in the two preceding Articles shall be liable to imprisonment for a term of up to two years.*
2. *The penalty is increased if the assistance is provided on a continuous basis.*
3. *Those who commit the offence in favour of a close relative are not liable to punishment.*
4. *As far as criminal law is concerned, the term close relations refers to ancestors, descendants, spouse, the parties of a civil union between people of the same sex, brothers, sisters, relatives by marriage, aunts and uncles and nieces and nephews, while the term does not refer to relatives by marriage if the spouse or consort is dead and there are no children.*[82]

[82] The words «*the parties of a civil union between people of the same sex*» were added by Article 1 paragraph 1 letter a) Legislative Decree 6 of 19 January 2017.

6) FEMALE GENITAL MUTILATION PRACTICES

Article 25-*quater* of Legislative Decree 231/01

Article 583-*bis* of the Criminal Code - Female genital mutilation practices

1. *Anyone who, in the absence of therapeutic reasons, causes mutilation of female genital organs shall be liable to imprisonment for a term of four to twelve years. For the purposes of this article, female genital mutilation practices shall be understood to include clitoridectomy, excision and infibulation and any other practice which causes similar effects.*
2. *Anyone who, in the absence of therapeutic reasons and in order to diminish sexual function, causes injury to female genital organs other than those indicated in the first paragraph, which result in illness of the body or mind, shall be liable to imprisonment for a term of three to seven years. The penalty is reduced by up to two thirds if the injury is minor.*
3. *The penalty is increased by a third when the practices referred to in the first and second paragraphs are committed against a minor or if the offence is committed for profit.*
4. *The conviction or application of a penalty on request of the parties pursuant to Article 444 Code of Criminal Procedure for the crime under this article shall, when the offence is committed by a parent or guardian, result respectively in:*
   1) termination of the exercise of parental responsibility;
   2) permanent exclusion from any office relating to protection, guardianship and provision of support.
5. *The provisions of this article shall also apply when the offence is committed abroad by an Italian citizen or a foreigner residing in Italy, or against an Italian citizen or a foreigner residing in Italy. In such case, the offender is punished at the request of the Minister of Justice.*

Financial penalties: From €77,400 to €1,084,300
Prohibitory penalties: From 12 to 24 months (in the case of an accredited private body the accreditation is also revoked).

If the entity or one of its organisational units is regularly used for the sole or primary purpose of enabling or facilitating the commission of the said crime, then the definitive ban from performing the activity is applied pursuant to Article 16, paragraph 3, of Legislative Decree 231/2001.

7) CRIMES AGAINST THE INDIVIDUAL
Article 25-*quinquies* of Legislative Decree 231/01

Article 600 of the Criminal Code - Enslaving or holding in slavery or servitude

1. *Anyone who exercises powers over a person corresponding to those of ownership or anyone one forces into or keeps a person in a state of continuous subjection, compelling them to work or provide sexual services or to beg or in any case to perform unlawful acts that involve exploitation, or to undergo the removal of organs shall be liable to imprisonment for a term of eight to twenty years* [83].
2. *Forcing into or keeping in a state of subjugation takes place when the conduct is carried out through violence, threats, deceit, abuse of authority or taking advantage of a situation of physical or psychological vulnerability, inferiority or a situation of need, or by promising or giving sums of money or other advantages to whoever has authority over the person*[84].

Financial penalties: From €103,200 to €1,549,000
Prohibitory penalties: From 12 to 24 months (If the entity, or an organisational unit of the same, is regularly used for the sole purpose of enabling or facilitating the abovementioned crime, the activity will be permanently disqualified pursuant to Article 16, paragraph 3, Legislative Decree 231/2001)

Article 600-*bis* of the Criminal Code - Child prostitution

1. *A penalty of imprisonment for a term of six to twelve years and a fine of €15,000 to €150,000 shall be imposed on anyone who:*
   1) *induces or recruits a person under the age of eighteen into prostitution;*
   2) *promotes, uses, manages, organises and controls the prostitution of a person under the age of eighteen, or otherwise profits from this.*

Financial penalties: from €77,400 to €1,239,200. Prohibitory penalties: From 12 to 24 months (If the entity, or an organisational unit of the same, is regularly used for the sole purpose of enabling or facilitating the abovementioned crime, the activity will be permanently disqualified pursuant to Article 16, paragraph 3, Legislative Decree 231/2001)

2. *Unless the offence constitutes a more serious crime, any person engaging in sexual activities with a child between the ages of fourteen and eighteen, in exchange for payment in money or other benefits, even only promised, shall be liable to imprisonment for a term of one to six years and a fine of €1,500 to €6,000.*

Financial penalties: From €51,600 to €1,084,300
Prohibitory penalties: If the entity or one of its organisational units is regularly used for the sole or primary purpose of enabling or facilitating the commission of the said crime, then the definitive ban from performing the activity is applied pursuant to Article 16, paragraph 3, of Legislative Decree 231/2001

Article 600-*ter* of the Criminal Code - Child pornography

1. *A penalty of imprisonment for a term of six to twelve years and a fine of €24,000 to €240,000 shall be imposed on anyone who:*
   1) *by using people under the age of eighteen, puts on pornographic performances or shows or produce pornographic material;*
   2) *recruits or induces people under the age of eighteen to participate in pornographic performances or shows or otherwise gains profit from those shows.*
2. *The same penalty is imposed on anyone who sells the pornographic material referred to in the first paragraph.*

---

[83] Paragraph as amended by Article 2, paragraph 1, a), 1) Legislative Decree 24 of 4 March 2014. The text previously in effect was as follows: «*Anyone who exercises powers over a person corresponding to those of ownership or anyone one forces into or keeps a person in a state of continuous subjection, compelling them to work or provide sexual services or to beg or otherwise perform activities that involve exploitation, shall be liable to imprisonment for a term of eight to twenty years.*»

[84] Paragraph as amended by Article 2, paragraph 1, a), 2) of Legislative Decree 24 of 4 March 2014. The text previously in effect was as follows: «*Forcing into or keeping in a state of subjugation takes place when the conduct is carried out through violence, threats, deceit, abuse of authority or taking advantage of a situation of physical or psychological inferiority or a situation of need, or by promising or giving sums of money or other advantages to whoever has authority over the person.*»

Financial penalties: From €77,400 to €1,239,200
Prohibitory penalties: From 12 to 24 months (If the entity, or an organisational unit of the same, is regularly used for the sole purpose of enabling or facilitating the abovementioned crime, the activity will be permanently disqualified pursuant to Article 16, paragraph 3, Legislative Decree 231/2001)

3. *Anyone, except in the cases mentioned in the first and second paragraphs, who with any means, including by computer, distributes, disseminates, circulates or publicises the pornographic material referred to in the first paragraph, or disseminates news or information aimed at grooming or sexually exploiting people under the age of eighteen, shall be liable to imprisonment for a term of one to five years and a fine of €2,582 to €51,645.*
4. *Anyone, except in the cases mentioned in the first, second and third paragraphs, who, either free of charge or for payment, offers or sells to others the pornographic material referred to in the first paragraph, shall be liable to imprisonment for a term of up to three years and a fine of €1,549 to €5,164.*

Paragraph 7 of Article 600-ter, introduced by Law 172 of 1 October 2012, brought in an express definition of "pornographic material", clarifying that: "*For the purposes of this article child pornography means any representation, by whatever means, of a person under the age of eighteen involved in explicit sexual activities, either real or simulated, or any representation of the sexual organs of a person under the age of eighteen for sexual purposes.*"

Financial penalties: From €51,600 to €1,084,300
If the entity or one of its organisational units is regularly used for the sole or primary purpose of enabling or facilitating the commission of the said crime, then the definitive ban from performing the activity is applied pursuant to Article 16, paragraph 3, of Legislative Decree 231/2001.

Article 600-*quater* of the Criminal Code - Possession of pornographic materials
1. *Anyone, except in the circumstances referred to in Article 600-ter, who knowingly procures or possesses pornographic material produced using persons under the age of eighteen shall be liable to imprisonment for a term of up to three years or a fine of not less than €1,549.*
2. *The penalty is increased by an amount of no more than two thirds when the quantity of the material possessed is significant.*

Financial penalties: From €51,600 to €1,084,300
If the entity or one of its organisational units is regularly used for the sole or primary purpose of enabling or facilitating the commission of the said crime, then the definitive ban from performing the activity is applied pursuant to Article 16, paragraph 3, of Legislative Decree 231/2001.

Article 600-*quater*.1 of the Criminal Code - Virtual pornography
1. *The provisions of Articles 600-ter and 600-quater also apply when the pornographic material shows virtual images created by using images of persons under the age of eighteen or parts of them, but the penalty is reduced by one third.*
2. *Virtual images means images made using graphic techniques not associated in whole or in part to real situations, the quality of which makes unreal situations seem real.*

Article 25-*quinquies* Legislative Decree 231/01 was later supplemented by Article 10 Law 38 of 6 February 2006, containing "*Regulations to combat the sexual exploitation of children and child pornography also via the Internet,*" amending the scope of the crimes of child pornography and possession of pornographic materials (Articles 600-*ter* and 600-*quater* Criminal Code), to include cases where such offences are committed through the use of virtual images of pornographic materials depicting minors under eighteen or parts of them (so-called "*virtual child pornography*", with reference to the new Article 600-*quater*. 1 of the Criminal Code).

Article 600-*quinquies* of the Criminal Code - Tourist initiatives aimed at the exploitation of child prostitution

Anyone who organises or promotes travel, for the use of prostitution affecting children or is involved in such activities shall be liable to imprisonment for a term of six to twelve years and a fine of €15,493 and €154,937.

Financial penalties: From €77,400 to €1,239,200
Prohibitory penalties: From 12 to 24 months (If the entity, or an organisational unit of the same, is regularly used for the sole purpose of enabling or facilitating the abovementioned crime, the activity will be permanently disqualified pursuant to Article 16, paragraph 3, Legislative Decree 231/2001)

Article 601 of the Criminal Code - Trafficking in persons

1. *A penalty of imprisonment for a term of eight to twenty years shall be imposed on anyone who recruits, imports into Italy, and also transfers outside Italy, transports, gives authority over, or hosts one or more persons who are in the conditions identified in Article 600, or, applies the same conduct to one or more persons, by means of deception, violence, threats, abuse of authority or by taking advantage of a situation of vulnerability, physical or mental inferiority or neediness, or by promising or giving money or other benefits to the person who has authority over them, in order to induce them or force them to perform work or sexual services or begging or otherwise perform illegal activities involving exploitation or to undergo the removal of organs.*
2. *The same penalty applies to anyone who, even outside the procedures referred to in the first paragraph, carries out the conduct therein envisaged towards a minor.*[85]
3. *The penalty for a commander or the officer of a national or foreign vessel, which commits any of the offences provided for by the first or second paragraph or is complicit, will be increased by up to one third.*
4. *The crew member of a national or foreign ship destined, before departure or in navigation, to be used for the trafficking is punished, even if no offence has been carried out under the first or second paragraph or slave trade, with imprisonment from three to ten years.*[86]

Financial penalties: From €103,200 to €1,549,000
Prohibitory penalties: From 12 to 24 months (If the entity, or an organisational unit of the same, is regularly used for the sole purpose of enabling or facilitating the abovementioned crime, the activity will be permanently disqualified pursuant to Article 16, paragraph 3, Legislative Decree 231/2001)

Article 601-*bis* of the Criminal Code - Trafficking in organs taken from a living person (this offence is not indicated separately among the predicate crimes in Article 25-*quinquies*; the entity is subject to administrative liability only in the event that, pursuant to article 416, paragraph 6, of the Criminal Code (referred to in article 24-*ter* of Legislative Decree 231/2001), criminal association is aimed at committing the offence referred to in article 601 bis; therefore, it is recommended to eliminate Article 601 *bis* Criminal Code from this section of the document, having no independent relevance as a predicate crime).

Article 602 of the Criminal Code - Purchase and sale of slaves

Anyone, except in the cases specified in Article 601, who purchases or sells or assigns a person who is in one of the conditions identified in Article 600 shall be liable to imprisonment for a term of eight to twenty years.

---

[85] *The text in force before the replacement ordered by the aforementioned Legislative Decree 24/2014 was as follows: «Anyone who trades in individuals in the conditions outlined in Article 600 or, in order to commit the crimes mentioned in the first paragraph of that Article, induces them by deception or forces them by violence, threats, abuse of authority or exploitation of a situation of physical or psychological inferiority or a situation of need, or with a promise or offer of sums of money or other benefits for the person who has authority over the individual, to enter or to stay or to leave the territory of the State or to move within it, shall be liable to imprisonment for a term of eight to twenty years.» The text in force before the change made by the aforementioned Law 190/2012 was as follows: «Anyone who trades in individuals in the conditions outlined in Article 600 or, in order to commit the crimes mentioned in the first paragraph of that Article, induces them by deception or forces them by violence, threats, abuse of authority or exploitation of a situation of physical or psychological inferiority or a situation of need, or with a promise or offer of sums of money or other benefits for the person who has authority over the individual, to enter or to stay or to leave the territory of the State or to move within it, shall be liable to imprisonment for a term of eight to twenty years.» The penalty is increased by one third to half if the crimes referred to in this article are committed against a minor under eighteen or are directed to the exploitation of prostitution or in order to subject the victim to the removal of organs.»*

[86] Paragraphs 3 and 4 introduced by Article 2 paragraph 1 letter f) Legislative Decree 21 of 1 March 2018.

Financial penalties: From €103,200 to €1,549,000
Prohibitory penalties: From 12 to 24 months (If the entity, or an organisational unit of the same, is regularly used for the sole purpose of enabling or facilitating the abovementioned crime, the activity will be permanently disqualified pursuant to Article 16, paragraph 3, Legislative Decree 231/2001)

Article 603-*bis* of the Criminal Code - Illicit intermediation and exploitation of labour

1. *Unless the offence constitutes a more serious crime, anyone who commits the following offences shall be liable to imprisonment for a term of one to six years imprisonment and a fine of between 500 and 1,000 for each recruited worker:*
   1) *he recruits workers in order to assign them to work for third parties under exploitative conditions, taking advantage of the workers' neediness;*
   2) *he uses, hires or employs workers, including via intermediation as per sentence 1), subjecting them to exploitative conditions and taking advantage of their neediness.*
2. *If the offences are committed with the use of violence or threats, the penalty of imprisonment from five to eight years and a fine of 1,000 euros to 2,000 euros for each worker recruited shall apply.*
3. *For the purposes of this article, the existence of one or more of the following conditions is an indicator of the existence of exploitation:*
   1) *repeated payment of wages clearly in breach of the national or regional collective agreements signed by the leading trade unions at national level, or in any case disproportionate to the amount and quality of work performed;*
   2) *repeated violation of the laws and regulations on working hours, rest periods, weekly rest, mandatory leave and holidays;*
   3) *violations of the regulations on health and safety in the workplace*
   4) *subjecting the worker to degrading working conditions, methods of supervision or living conditions.*
4. *The following circumstances are specific aggravating factors entailing the increase of the penalty by one third to one half:*
   1) *the number of workers recruited is more than three;*
   2) *one or more of the persons recruited are minors not of working age;*
   3) *in committing the offence the exploited workers were exposed to serious danger, considering the characteristics of the services to be performed and working conditions.*

This Article was replaced by Article 1, paragraph 1, Law 199 of 29/10/2016 (*Provisions on combating undeclared work, exploitative work in agriculture and wage realignment in agriculture*) and included - by the same law - among the predicate crimes for corporate administrative liability pursuant to Article 25-*quinquies* Legislative Decree 231/2001 (as amended by Article 6 Law 199 of 29.10.2016).

This provision punishes - as a crime - the actions of anyone who takes advantage of workers' neediness to recruit labour for use by third parties in exploitative conditions, by hiring, employing or using workers under exploitative conditions. Using violent and threatening behaviour to perform these actions is an aggravating circumstance. Other specific aggravating circumstances include recruiting more than three workers, recruiting minors below working age and exposing the exploited workers to seriously dangerous situations.

Financial penalties: From €103,200 to €1,549,000
Prohibitory penalties: From 12 to 24 months (If the entity, or an organisational unit of the same, is regularly used for the sole purpose of enabling or facilitating the abovementioned crime, the activity will be permanently disqualified pursuant to Article 16, paragraph 3, Legislative Decree 231/2001)

Article 609 *undecies* of the Criminal Code - Grooming of minors

Anyone who, in order to commit the crimes referred to in Articles 600, 600-bis, 600-ter and 600-quater, even when related to the pornographic material referred to in Article 600-quater 1, 600-quinquies, 609-bis, 609-quater, 609-quinquies and 609-octies, grooms a child under the age of sixteen shall be liable, if the offence does not constitute a more serious crime, to imprisonment for a term of one to three years. Grooming shall mean any act intended to gain the trust of the child through deceit, flattery or threats also made through the use of the internet or other networks or means of communication".

Financial penalties: From €51,600 to €1,084,300
If the entity or one of its organisational units is regularly used for the sole or primary purpose of enabling or facilitating the commission of the said crime, then the definitive ban from performing the activity is applied pursuant to Article 16, paragraph 3, of Legislative Decree 231/2001.

Article 25-*quinquies* Legislative Decree 231/01 was further supplemented by **Article 3 Legislative Decree 39 of 4 March 2014**, implementing Directive 2011/93/EU on combating sexual abuse and sexual exploitation of children, and child pornography. It also envisages the application of Legislative Decree 231/01 for the offence of grooming of minors.

According to the provisions of the Explanatory Circular of the Ministry of Justice dated 3 April 2014, as of 6 April 2014 for the provisions of Article 25-*bis* of Presidential Decree 313 of 14 November 2002 (Single Act) introduced by the Decree, employers wishing to employ a person for professional or organised voluntary activities involving direct and regular contact with minors, must obtain the certificate referred to in Article 25 of the aforementioned Act to verify the existence of convictions for any of the crimes referred to in Articles 600-*bis*, 600-*ter*, 600-*quater*, 600-*quinquies* and 609-*undecies* Criminal Code, imposing prohibitory penalties on actions that involve direct and regular contact with minors.

8) TRANSNATIONAL CRIMES
Law 146 of 16 March 2006

Article 3 of Law 146/2006 - Definitions of transnational crime

The present law considers as transnational crimes any crime punishable with imprisonment of not less than a maximum of four years, if an organised criminal group is involved, and if it:

a) is committed in more than one State;

b) or is committed in one State, but a substantial part of its preparation, planning, direction or supervision takes place in another State;

c) or is committed in one State, but an organised criminal group involved in criminal activities in one or more State is implicated;

d) or is committed in one State but has significant effects in another State.

Article 416 of the Criminal Code - Criminal association

1. *When three or more persons conspire to commit several crimes, those who promote or constitute or organise the association shall be liable, for that reason alone, to imprisonment for a term of three to seven years.*
2. *For merely participating in the association, the penalty is imprisonment for a term of one to five years.*
3. *The heads of the association are liable to the penalty established for the promoters.*
4. *If the members of the association use weapons in the countryside or in public thoroughfares the penalty is imprisonment for a term of five to fifteen years.*
5. *The penalty is increased if the association has ten or more members.*
6. *If the association is aimed at committing one of the crimes identified in Articles 600, 601, 601 bis and 602, as well as Article 12, paragraph 3-bis, of the Italian Immigration Act (Legislative Decree 286 of 25 July 1998), and Article 22, paragraphs 3 and 4, and Article 22-bis, paragraph 1, of Law 91 of 1 April 1999[87], a term of imprisonment of five to fifteen years will be imposed in the cases envisaged in the first paragraph and of four to nine years in the cases envisaged in the second paragraph.*
7. *If the association is aimed at committing one of the crimes envisaged in Articles 600-bis, 600-ter, 600-quater, 600-quater(1), 600-quinquies, and 609-bis, when the offence is committed to the harm of a person under eighteen years of age, 609-quater, 609-quinquies, 609-octies, when the offence is committed to the harm of a person under eighteen years of age, and 609-undecies, a term of imprisonment is imposed of four to eight years in the cases envisaged in the first paragraph and of two to six years in the cases envisaged in the second paragraph.*

The crime consists of cases where even the smallest organisation of a stable character exists, which is suitable for carrying out criminal plans even if it does not have a hierarchical command structure. The law is designed to protect public order, which is also put in danger by the simple existence of any stable organisation dedicated to implementing criminal programmes.

Financial penalties paragraphs 1-2-3-4-5-7: from €77,400 to €1,239,200
Financial penalties paragraph 6: From €103,200 to €1,549,000
Prohibitory penalties (for crimes under all paragraphs): From 12 to 24 months (If the entity, or an organisational unit of the same, is regularly used for the sole purpose of enabling or facilitating the abovementioned crime, the activity will be permanently disqualified pursuant to Article 16, paragraph 3, Legislative Decree 231/2001)

Article 416-bis of the Criminal Code - Mafia-type association

1. *Anyone who is part of a Mafia-type association consisting of three or more persons, shall be liable to imprisonment for a term of ten to fifteen years*[88].

---

[87] The words «*601-bis*» and the words «*and Article 22, paragraphs 3 and 4, and Article 22-bis, paragraph 1, of Law 91 of 1 April 1999*» were added by Article 2 paragraph 1 Law 236 of 11 December 2016.

[88] The words «*from ten to fifteen years*» were replaced by the words «*from seven to twelve years*» by Article 5, paragraph 1, letter a) Law 69 of 27 May 2015.

2. *Those who promote, manage or organise the organisations shall be liable, for that reason alone, to imprisonment for a term of twelve to eighteen years.*[89]
3. *The organisation is a mafia-type organisation when those who belong to it use the intimidating power of membership and the situation of subjugation and conspiracy of silence to commit crimes, to directly or indirectly acquire the management or control of economic activities, concessions, authorisations, contracts and public services or to obtain unfair profits or advantages for themselves or others, or in order to prevent or obstruct the free exercise of the vote, or to procure votes for themselves or for others during elections.*
4. *If the organisation is armed, the penalty is imprisonment for a term of twelve to twenty years in the cases envisaged by the first paragraph and fifteen to twenty-six years in the cases envisaged in the second paragraph.*[90]
5. *The organisation is considered armed when its members have access, for the achievement of the association's aims, to weapons or explosives, even when hidden or held in storage areas.*
6. *If the economic activities the organisation members intend to take over or maintain control of are financed in whole or in part with the proceeds, product or profit from crime, the penalties established in the paragraphs above are increased by a third to a half.*
7. *The offender shall always be subject to compulsory confiscation of the property that helped or was used to commit the crime and the property constituting the proceeds, product and profit from the crime or constitute use thereof.*
8. *The provisions of this article shall also apply to the Camorra, the 'Ndrangheta and the other associations, whatever their local names, including foreign organisations, that use the intimidating power of organisation membership to pursue the goals of mafia-type organisations.*

An association can be defined as being mafia-style if characterised by so-called "mafia methods", which involve employing intimidatory force connected with membership of the association, together with subjugation and the code of silence in relation to the association as a result of intimidation from the association itself.

Intimidatory force consists in the ability to provoke fear in other members so that they are in a state of psychological subjection.

For the crime to exist, the criminal objective does not need to have been achieved. The establishment of an association between at least three people in order to commit multiple offences is sufficient.

Financial penalties: From €103,200 to €1,549,000
Prohibitory penalties: From 12 to 24 months (If the entity, or an organisational unit of the same, is regularly used for the sole purpose of enabling or facilitating the abovementioned crime, the activity will be permanently disqualified pursuant to Article 16, paragraph 3, Legislative Decree 231/2001)

Article 291 *quater* Presidential Decree 43 of 23 January 1973 - Criminal association involving the contraband of tobacco processed abroad

1. *When three or more persons conspire to commit several crimes covered by Article 291-bis, those who promote, constitute, direct, organise or fund the association shall be liable, for that reason alone, to imprisonment for a term of three to eight years.*
2. *Those who participate in the association shall be liable to imprisonment from one year to six years.*
3. *The penalty is increased if the association has ten or more members".*
4. *If the association is armed or if the circumstances referred to in letters d) or e) of paragraph 2 of Article 291-ter apply, the penalty is imprisonment for a period of between five and fifteen years for*

[89]The words «*from twelve to eighteen years*» were replaced by the words «*from nine to fourteen years*» by Article 5, paragraph 1, letter b) Law 69 of 27 May 2015.
[90]The words «*from twelve to fifteen years*» were replaced by the words «*from nine to fifteen years*» and the words «*from fifteen to twenty-six years*» were replaced by the words «*from twelve to twenty-four years,*» by Article 5, paragraph 1, letter c) Law 69 of 27 May 2015.

the cases referred to in paragraph 1, and of between four and ten years for the cases referred to in paragraph 2. The organisation is considered armed when its members have access, for the achievement of the association's aims, to weapons or explosives, even when hidden or held in storage areas.

5. *The penalties referred to in Articles 291-bis, 291-ter and the present Article are decreased by between one third and one half for those accused who, dissociating themselves from the others, act in such a way as to ensure that the offence does not lead to other consequences and offer tangible assistance to the police or legal authorities in collecting elements that are decisive for the reconstruction of the facts and for identifying or capturing the authors of the crime or for identifying the resources used for committing the crimes.*

Financial penalties: From €103,200 to €1,549,000
Prohibitory penalties: From 12 to 24 months (If the entity, or an organisational unit of the same, is regularly used for the sole purpose of enabling or facilitating the abovementioned crime, the activity will be permanently disqualified pursuant to Article 16, paragraph 3, Legislative Decree 231/2001)

Article 74 of Presidential Decree 309 of 9 October 1990 - Criminal association for the purposes of illegal trafficking of narcotics and psychotropic substances

1. *When three or more persons conspire to commit several of the crimes envisaged in Article 70, paragraphs 4, 6 and 10, excluding operations relating to category-III substances of Annex I to Regulation (EC) 273/2004 and the annex to Regulation 111/2005, or Article 73, those who promote, constitute, organise or finance the criminal association shall be liable, for that reason alone, to imprisonment for a term of not less than twenty years.*
2. *Those who participate in the association shall be liable to imprisonment for a term of not less than ten years.*
3. *The penalty is increased if the association has ten or more members or if its members include people addicted to the use of narcotics or psychotropic substances.*
4. *If the association is armed the penalty, in the cases indicated in paragraphs 1 and 3, cannot be less than imprisonment for a term of twenty-four years and, in the case envisaged in paragraph 2, for a term of twelve years. The association is considered armed when its members have access to weapons or explosives, even when hidden or held in storage areas.*
5. *The penalty is increased if the circumstance contemplated in Article 80, paragraph 1, applies.*
6. *If the association is formed to commit the offences described in paragraph 5 of Article 73, the first and second paragraph of Article 416 Criminal Code shall apply.*
7. *The penalties established in paragraphs 1 to 6 shall be decreased by half to two-thirds for anyone who acts to secure evidence of the crime or to remove resources from the association that are decisive for the commission of the crimes.*

7-bis. The offender shall always be subject to confiscation of the assets that served or were destined to commit the crime and of the goods that are the profit or the product of the crime - unless they belong to a person not involved in the crime - or when it is not possible, the confiscation of assets which the offender has access to for a corresponding value to that profit or product.[91]

8. *When reference is made in laws and decrees to the crime envisaged in Article 75 of Law 685 of 22 December 1975, abrogated by Article 38, paragraph 1, of Law 162 of 26 June 1990, that reference is to this article.*

The Article in question defines the crime of association in relation to the production and trade in narcotics. Compared with the previous law (Article 75 Law 685/75, now abrogated), the new law increases the penalties, identifies the figure of individuals who manage associations, includes "extenuating" association, which refers to the slight instances of illegal trafficking, identifies the new aggravating circumstance when the unlawful activity concerns trade in narcotics that are adulterated or cut in a dangerous way and introduces decreased penalties for active collaboration.

Financial penalties: From €103,200 to €1,549,000

[91] Paragraph introduced by Article 4 paragraph 1 letter b) Legislative Decree 202 of 29 June 2016.

Prohibitory penalties: From 12 to 24 months (If the entity, or an organisational unit of the same, is regularly used for the sole purpose of enabling or facilitating the abovementioned crime, the activity will be permanently disqualified pursuant to Article 16, paragraph 3, Legislative Decree 231/2001)

Article 12, paragraph 3, 3-*bis*, 3-*ter* and 5 Legislative Decree 286 of 25 July 1998 - Measures against illegal immigration

3. *Unless the offence constitutes a more serious crime, whoever, in order to gain profits either directly or indirectly, carries out acts aimed at obtaining the entry of individuals into the territory of Italy in violation of the provisions of this Act, or obtaining the illegal entry into other states where the individuals are not citizens or do not have the necessary residence permits, shall be liable to imprisonment for a term of between five and fifteen years and a fine of €15,000 per individual when:*
   a) *the fact concerns the entry or illegal permanence in the territory of the State of five or more individuals;*
   b) *in order to obtain entry or illegal permanence the individual's life or safety is put in danger;*
   c) *in order to obtain entry or illegal permanence the individual is subjected to inhuman or degrading treatment;*
   d) *the fact is committed by three or more individuals cooperating together or using international transport services or counterfeited or altered documents or documents otherwise illegal obtained;*
   e) *the perpetrators of the fact also had available arms or explosive materials.*

3-bis. If the facts referred to in paragraph 3 are carried out involving two or more of the hypotheses outlined in a), b), c), d) and e) of the same paragraph, the penalty will be increased.

3-ter. The period of imprisonment is increased by between one-third and a half and the fine is increased to €25,000 for every individual, if the facts, as at paragraphs 1 and 3:
   a) *are aimed at recruiting individuals for prostitution or in any case for sexual or labour exploitation or concern minors to be used in unlawful activities aimed at facilitating exploitation;*
   b) *are committed with a view to making profit, even indirectly.*

5. *Other than in the cases referred to in the paragraphs above, and provided the act does not constitute a more serious offence, anyone who, in order to gain an unfair profit from the illegal status of the foreigner or as part of the activities punished under this Article, facilitates their stay within Italy in breach of the provisions of this consolidated act, shall be liable to imprisonment for a term of up to four years and a fine of up to €15,493. When an offence is committed by two or more persons, or concerns the permanence of five or more persons, the penalty may be increased by a third to a half.*

These are common, non-specific crimes aimed at protecting the laws on immigration and fighting the problem of illegal immigration. The basic offence concerns any act that is designed to obtain the illegal entry of an individual into the Italian State or into a foreign state where they do not hold citizenship or (permanent) residency. Provisions are made for aggravating circumstances linked to the number of individuals involved, the method of conduct and the subsequent exploitation of the individuals smuggled into the State (prostitution and exploitation of minors).

Financial penalties: From €51,600 to €1,549,00
Prohibitory penalties: from 3 to 24 months

Article 377 *bis* of the Criminal Code - Inducement to refrain from making statements or to make false statements to the legal authorities

Unless the offence constitutes a more serious crime, anyone who, with violence or threats, or offers or promises of money or other benefits, induces the person called to testify before the court to refrain from making statements or to make false statements to legal authorities, when they have the right to remain silent, shall be liable to imprisonment for a term of two to six years.

Financial penalties: From €25,800 to €774,500

Article 378 of the Criminal Code - Personal aiding and abetting

1. *Anyone who, after a crime has been committed for which the law has established a life sentence or imprisonment, and who is not an accessory the offence, helps anyone to evade the investigations by the Authorities, including those conducted by the bodies of the International Criminal Court, or to escape the searches by the latter, shall be liable to imprisonment for a term of up to four years.*
2. *When the crime committed is one of those envisaged in Article 416-bis, the penalty of imprisonment for a term of not less than two years shall be imposed in any event.*
3. *If it involves crimes for which the law has established a different penalty, or of contraventions, the penalty is a fine of up to €516.*
4. *The provisions of this article shall also apply when the person helped is not liable for punishment or is found not to have committed the crime.*

Financial penalties: From €25,800 to €774,500

9) CRIMES RELATING TO HEALTH AND SAFETY AT WORK

Article 25 *septies* of Legislative Decree 231/01

Article 589 of the Criminal Code - Manslaughter

1. *Anyone who causes the death of a person through negligence shall be liable to imprisonment for a term of six months to five years.*
2. *If the offence is committed in breach of rules on the prevention of accidents at work, the penalty shall be imprisonment for a term of two to seven years.*
3. *If the act is committed in the abusive exercise of a profession for which a special authorisation of the State or a health certificate is required, the penalty is imprisonment from three to ten years.*[92]
4. *In the event of the death of several people, or the death of one or more people and the injury of one or more people, the penalty imposed is the penalty for the most serious offence committed increased by up to three times, however the penalty cannot exceed fifteen years.*

The crime consists of cases where an individual causes the death of a person as a result of not respecting the regulations for the prevention of injury in the workplace. In general, manslaughter refers to those cases where the agent, when conducting themselves in a legal manner, commits an act that results in the death of another individual due to negligence, imprudence, incompetence or violation of laws or regulations. Employers are deemed to be responsible with regard to health and safety matters when specific regulations concerning the prevention of injury in the workplace (specific negligence) are violated or when cases where there is a failure to adopt measures or strategies for efficiently safeguarding the physical wellbeing of workers, in violation of Article 2087 Civil Code.

Financial penalties: Crime under Article 589-septies Criminal Code committed in breach of the rules on occupational health and safety, from €64,400 to €774,500.
Financial penalties: Crime under Article 589 Criminal Code committed in violation of Article 55, paragraph 2 of the Italian Occupational Health And Safety Act, the financial penalty is set at €1,549,000.
Prohibitory penalties: From 3 to 12 months

Article 590, paragraph 3, of the Criminal Code - Personal injury through negligence

1. *Anyone who causes personal injury to others through negligence, shall be liable to imprisonment for a term of up to three months or a fine of up to €309.*
2. *If the injury is serious, the penalty is imprisonment for a term of one to six months or a fine of €123 to €619. If the injury is very serious, the penalty is imprisonment for a term of three months to two years or a fine of €309 to €1,239.*
3. *If the actions referred to in the second paragraph are committed in breach of rules on the prevention of accidents at work, the penalty for serious injury is imprisonment for a term of three months to one year or a fine of €500 to €2,000 and the penalty for grievous bodily harm is imprisonment for a term of one to three years.*
4. *If the act is committed in the abusive exercise of a profession for which a special authorisation of the State or a health certificate is required, the penalty for serious injury is imprisonment from six months to two years and the penalty for very serious injury is imprisonment for one year and six months to four years.*[93]
5. *If several people are injured, the penalty for the most serious offence committed is applied increased by up to three times; however, the punishment of imprisonment cannot exceed five years.*
6. *The crime is punishable upon complaint by the injured party, except in the cases contemplated in the first and second paragraphs, solely for offences committed in breach of the rules on the prevention of accidents at work or occupational hygiene or that have resulted in an occupational disease.*

---

[92] Article added by Article 12, paragraph 2, Law 3 of 11 January 2018.
[93] Article added by Article 12, paragraph 3, Law 3 of 11 January 2018.

The crime consists of cases where an individual causes either serious or very serious injury as a result of violating the regulations for the prevention of injury in the workplace. The injuries can be:

- *serious: if the injury results in illness that endangers the life of the victim, or if the injuries result in an illness or incapacity that leads to the victim being absent from work for a period of more than forty days, or if the injury produces the permanent weakening of a sense or organ or, in addition, if the victim is a pregnant woman and the injury leads to an acceleration of the birth;*
- *very serious: if the injuries produce an illness that is definitely or probably incurable, the loss of a sense, the loss of a limb or mutilation of a limb that makes it useless, or the loss of use of an organ or the ability to procreate, or permanent and serious difficulty in the power of speech.*

Financial penalties: Crime under Article 590 paragraph 3 Criminal Code committed in breach of the rules on occupational health and safety, from €25,800 to €387,250.
Prohibitory penalties: From 3 to 6 months

10) RECEIVING, LAUNDERING AND USING MONEY, GOODS OR ASSETS OF UNLAWFUL ORIGIN, AS WELL AS SELF-LAUNDERING

Article 25 *octies* of Legislative Decree 231/01

Article 648 of the Criminal Code - Receiving money, goods or assets of unlawful origin

1. *Other than in cases of complicity in the crime, anyone who, in order to gain a profit for themselves or for others, obtains, receives or hides money or property deriving from any crime, or is otherwise involved in having them obtained, received or hidden, shall be liable to imprisonment for a term of two to eight years and a fine of €516 to €10,329. The penalty is increased if the crime relates to money or property from crimes of aggravated robbery pursuant to Article 628, third paragraph, or aggravated extortion pursuant to Article 629, second paragraph or aggravated theft pursuant to Article 625, first paragraph, 7-bis.*
2. *If the offence is particularly minor, the penalty is imprisonment for a term of up to six years and a fine of up to €516.*
3. *The provisions of this article shall apply even if the perpetrator of the crime from which the money or property originates cannot be charged or is not punishable or when a condition for prosecution of that crime is missing.*

The crime in question exists if, prior to it, another crime ("*predicate crime*") was committed in which the receiver launderer did not participate in any way.

The subjective element of the crime refers to the specific intent, i.e. the agent's desire to carry out the material fact, accompanied by their knowledge that the item originates from a crime and their intention to obtain profit for themselves or for others. The material fact consists in acquiring, receiving or concealing money or goods obtained from any type of crime, or for third parties to become involved in acquiring, receiving or concealing them after the original offence.
Article 648 Criminal Code does not require the profit to be unjustified; in fact it can also be justified, but it must not produce an advantage for the perpetrator of the predicate crime otherwise it would no longer be a case or receiving but of aiding and abetting. The question of the punishability of receiving is much debated, also in relation to any intent.

Financial penalties: From €51,600 to €1,239,200 If the money, goods or other benefits originate from a crime for which the penalty is imprisonment for a term of more than five years, then the financial penalty is between €103,200 and €1,549,000.
Prohibitory penalties: From 3 to 24 months

Article 648-*bis* of the Criminal Code - Money laundering

1. *Other than in cases of complicity in the crime, anyone who substitutes or transfers money, goods or other benefits from an intentional crime, or carries out other transactions in relation to them, in order to prevent the identification of their criminal origin, shall be liable to imprisonment for a term of four to twelve years and a fine of €5,000 to €25,000.*
2. *The penalty is increased when the offence is committed while performing a professional activity.*
3. *The penalty is reduced if the money, goods or other benefits originate from a crime for which the penalty is imprisonment for a term of less than a maximum of five years.*
4. *The final paragraph of Article 648 applies.*

Such a crime qualifies as a multi-offensive as the assets protected include the administration of justice, public order and the economy.
Typical conduct includes the replacement (of money, goods or other benefits of criminal origin), the transfer or completion of any operations (apart from the previous example) aimed at hindering identification of the origin of the same.

The subjective element is generic intent, such as awareness of the criminal origin of the goods and the commission of the criminal actions. Anyone can commit the crime in question, with the exception of those who participated, jointly, in the predicate crime.

Special aggravating circumstances apply when the crime is committed as part of a professional activity. Conversely, the penalty is reduced if the origin of the money, goods or other benefits derive from a crime that is punishable by imprisonment for a term less than or equal to 5 years.

Financial penalties: From €51,600 to €1,239,200 If the money, goods or other benefits originate from a crime for which the penalty is imprisonment for a term of more than five years, then the financial penalty is between €103,200 and €1,549,000.
Prohibitory penalties: From 3 to 24 months

Article 648 *ter* of the Criminal Code - Use of money, goods or benefits of unlawful origin

1. *Anyone who, other than in cases of complicity in the crime and the cases envisaged in Articles 648 and 648-bis Criminal Code, uses money, goods or other property resulting from crime in economic or financial activities, shall be liable to imprisonment for a term of four to twelve years and a fine of €5,000 to €25,000.*
2. *The penalty is increased when the offence is committed while performing a professional activity.*
3. *The penalty is reduced in the circumstance contemplated in the second paragraph of Article 648.*
4. *The final paragraph of Article 648 applies.*

The word "*use*" has a broad definition, including any form of utilisation of illegal capital, independently of any profit made.
The conduct refers to any sector that is suitable for making profits (economic or financial operations), such as, for example, brokering or operations connected with trading money or shares. As with laundering, the subjective element is generic intent. The same aggravating circumstance applies if the offence is committed as part of professional activities.

Financial penalties: From €51,600 to €1,239,200 If the money, goods or other benefits originate from a crime for which the penalty is imprisonment for a term of more than five years, then the financial penalty is between €103,200 and €1,549,000.
Prohibitory penalties: From 3 to 24 months

Article 648 *ter.*1 of the Criminal Code - Self-laundering

1. *The penalty of imprisonment for a term of two to eight years and a fine of €5,000 to €25,000 is imposed on anyone who, having committed or participated in committing an intentional crime, employs, replaces, transfers money, goods or other benefits from the commission of this crime into economic, financial, business or speculative activities, in order to prevent the identification of their criminal origin.*
2. *The penalty is imprisonment for a term of one to four years and a fine of €2,500 to €12,500 if the money, goods or other benefits originate from the commission of an intentional crime punishable by imprisonment for a term lower than the maximum of five years.*
3. *The penalties established in the first paragraph to apply however if the money, goods or other benefits originate from a crime committed in the conditions or for the purposes envisaged in Article 7 of Decree Law 152 of 13 May 1991 ratified with amendments by Law 203 of 12 July 1991, as amended.*
4. *Other than in the cases referred to in the paragraphs above, conduct where the money, goods or other benefits are aimed merely for personal use or enjoyment is not punishable.*
5. *The penalty is increased when the offences are committed in performing a banking or financial activity or other professional activity.*
6. *The penalty is reduced by up to half for those who have effectively acted to prevent the conduct from resulting in further consequences or to secure evidence of the offence and the identification of goods, money and other benefits from the crime.*
7. *The final paragraph of Article 648 applies.*

Financial penalties: From €51,600 to €1,239,200 If the money, goods or other benefits originate from a crime for which the penalty is imprisonment for a term of more than five years, then the financial penalty is between €103,200 and €1,549,000.
Prohibitory penalties: From 3 to 24 months

The Article was introduced by **Law 186 of 15 December 2014** on "Regulations concerning the emergence and return of funds held abroad as well as strengthening the fight against tax evasion. *Provisions on self-laundering,*" published in Official Journal of the Italian Republic 292 of 17 December 2014. IThe rule, in particular, defines two different types of self-laundering: (i) the first, punishable by imprisonment from 2 to 8 years and a fine of €5,000 to €25,000, punishes anyone who in the commission or in complicity in an intentional crime subject to imprisonment of not less than 5 years - uses, replaces or transfers, in business or financial activities, money, goods or other benefits from the commission of the crime in order to hinder the identification of their criminal origin (new Article 648 ter of the Criminal Code); (ii) the second, punished with imprisonment from 1 to 4 years and a fine of €2,500 to €12,500, is related to the commission of intentional crimes subject to imprisonment of less than 5 years.

There is a special exemption for those who have confined the use of the assets from the offence of self-laundering to mere personal enjoyment, while there is also an aggravant if the crime is committed in the exercise of banking and financial activities. The penalty is reduced by up to half for those who have acted to prevent the conduct from resulting in further consequences or to secure evidence of the crime.

11) CYBERCRIME AND UNLAWFUL DATA PROCESSING

Article 24 *bis* of Legislative Decree 231/01

Article 615 *ter* of the Criminal Code - Malicious hacking of an information or computer system

1. *Anyone who gains unauthorised access to an information or computer system protected by safety measures or remains in that system against the express wishes of those who have the right to deny such access, shall be liable to imprisonment for a term of up to three years.*
2. *The penalty is imprisonment for a term of one to five years if:*
   1) *the offence is committed by a public official or a public service officer, in abuse of their powers or in breach of the duties arising from the function or service, or by someone who is exercising the profession of private detective, either lawfully or unlawfully, or is abusing their status as system operator;*
   2) *the offender uses violence against property or people to commit the offence, or is clearly armed;*
   3) *the offence results in the destruction of or damage to the system or the total or partial interruption of its operation, or the destruction or corruption of data, information or programs contained within it.*
3. *When the offences referred to in the first and second paragraphs concern information and computer systems of military interest or relating to public order or public safety or health or civil defence or otherwise in the public interest, the penalty is imprisonment for a term of one to five years or three to eight years, respectively.*
4. *In the situation referred to in the first paragraph the crime is punishable upon complaint by the injured party; all other circumstances are prosecuted directly by the authorities.*

Financial penalties: From €25,800 to €774,500
Prohibitory penalties: From 3 to 24 months

Article 615 *quater* of the Criminal Code - Unauthorised possession and distribution of access codes to information and computer systems

1. *Anyone who, in order to procure a profit for themselves or for others or to cause damage to others, unlawfully procures, reproduces, distributes, communicates or provides codes, passwords or other means of access to an information or computer system, protected by security measures, or in any case provides indications or instructions for that purpose, shall be liable to imprisonment for a term of up to one year and a fine of up to €5,164.*
2. *The penalty is imprisonment for a term of one to two years and a fine of €5,164 to €10,329 if any of the circumstances described in points 1) and 2) of the fourth paragraph of Article 617-quater apply.*

Financial penalties: From €25,800 to €464,700
Prohibitory penalties: From 3 to 24 months

Article 615 *quinquies* of the Criminal Code - Distribution of computer equipment, devices or computer programs for the purpose of damaging or blocking an information or computer system

Anyone who - in order to unlawfully damage an information or computer system, the information, data or programs contained within it or pertaining to it, or to facilitate the total or partial interruption or alteration of its functioning - procures, produces, reproduces, imports, distributes, communicates, provides or otherwise makes available to others equipment, devices or computer programs, shall be liable to imprisonment for a term of up to two years and a fine of up to €10,329.

Sanzioni pecuniarie: da € 25.800 a € 464.700
Sanzioni interdittive: da 3 a 24 mesi

Article 617 *quater* of the Criminal Code - Wiretapping, blocking or illegally interrupting computer or information technology communications

1. *Anyone who fraudulently intercepts communications relating to an information or computer system or between several systems, or prevents or interrupts such communications, shall be liable to imprisonment for a term of six months to four years.*

2. *Unless the offence constitutes a more serious crime, the same penalty shall also be applied to anyone who reveals part or all of the content of the communications referred to in the first paragraph.*
3. *The crimes referred to in the first and second paragraphs are punishable upon complaint by the injured party.*
4. *However, the offence is prosecuted directly by the authorities, with a penalty of imprisonment for a term of one to five years, if it is committed:*
   1) *to damage an information or computer system used by the State or other public body or by enterprises providing public services or services in the public interest;*
   2) *by a public official or a public service officer, in abuse of their powers or in breach of the duties arising from the function or service, or by someone abusing their status as system operator;*
   3) *by someone exercising the profession of private detective, either lawfully or unlawfully.*

Financial penalties: From €25,800 to €774,500
Prohibitory penalties: From 3 to 24 months

Article 617 *quinquies* of the Criminal Code - Installing devices aimed at wiretapping, blocking or interrupting computer or information technologies communications

1. *Anyone, except in the cases permitted by law, who installs equipment designed to intercept, prevent or interrupt communications relating to an information or computer system or between several systems, shall be liable to imprisonment for a term of one to four years.*
2. *In the cases identified in the fourth paragraph of Article 617-quater the penalty is imprisonment for a term of one to five years.*

Financial penalties: From €25,800 to €774,500
Prohibitory penalties: From 3 to 24 months

Article 635 *bis* of the Criminal Code - Damaging computer information, data and programs

1. *Unless the offence constitutes a more serious crime, anyone who destroys, damages, deletes, alters or removes someone else's information, data or computer programs shall be liable, upon complaint by the injured party, to imprisonment for a term of six months to three years.*
2. *If the offence is committed with violence to the person or threat or by abusing the status of operator of the system, then the penalty is imprisonment for one to four years.*[94]

Financial penalties: From €25,800 to €774,500
Prohibitory penalties: From 3 to 24 months

Article 635 *ter* of the Criminal Code - Damaging computer information, data and programs used by the State or any other public entity or by an entity providing public services

1. *Unless the offence constitutes a more serious crime, anyone who commits an offence aimed at destroying, damaging, deleting, altering or removing information, data or computer programs used by the State or by another public entity or by connected entities, or public utility entities, shall be liable to imprisonment for a term of one to four years.*
2. *If the offence results in the destruction, deletion, alteration or removal of information, data, or computer programmes, the penalty is imprisonment for a term of three to eight years.*
3. *If the offence is committed with violence to the person or threat or by abusing the status of operator of the system, then the penalty is increased.*[95]

Financial penalties: From €25,800 to €774,500
Prohibitory penalties: From 3 to 24 months

---

[94]Paragraph replaced by Article 2 paragraph 1 letter m) Legislative Decree 7 of 15 January 2016 The text of the paragraph was as follows: «*If one of the circumstances envisaged in point 1 of the second paragraph of Article 635 applies, or if the offence is committed by abusing the status of operator of the system, then prosecution is automatic and the penalty is imprisonment for a term of one to four years.*»

[95]Paragraph replaced by Article 2 paragraph 1 letter n) Legislative Decree 7 of 15 January 2016. The text of the paragraph was as follows: «*If one of the circumstances envisaged in point 1 of the second paragraph of Article 635 applies, or if the offence is committed by abusing the status of operator of the system, then the penalty is increased.*»

Article 635 *quater* of the Criminal Code - Damaging information or computer systems

1. *Unless the offence constitutes a more serious crime, anyone who - by acting in the manner stated in Article 635-bis, or by introducing or transmitting data, information or programs, destroys - damages someone else's information or computer systems or renders them partly or completely inoperable or serious impedes their functioning, shall be liable to imprisonment for a term of one to five years.*
2. *If the offence is committed with violence to the person or threat or by abusing the status of operator of the system, then the penalty is increased.*[96]

Financial penalties: From €25,800 to €774,500
Prohibitory penalties: From 3 to 24 months

Article 635 *quinquies* - Damaging public utility information or computer systems

1. *If the offence referred to in Article 635-quater is aimed at destroying or damaging public utility information or computer systems or seriously impeding their functioning, the penalty is a term of imprisonment of one to four years.*
2. *If the offence results in the destruction or damage to the public utility information or computer system, or if the system is rendered partly or completely inoperable, the penalty is imprisonment of three to eight years.*
3. *If the offence is committed with violence to the person or threat or by abusing the status of operator of the system, then the penalty is increased.*[97]

Financial penalties: From €25,800 to €774,500
Prohibitory penalties: From 3 to 24 months

Article 640 *quinquies* of the Criminal Code - Computer fraud by providers of electronic signature certification services

Anyone providing electronic signature certification services, who, in order to gain unfair profit for themselves or others or to cause damage to others, breaches the obligations imposed by law for the issuance of an authorised certificate, shall be liable to imprisonment for a term of up to three years and a fine of €51 to €1,032.

Financial penalties: From €25,800 to €619,600
Prohibitory penalties: From 3 to 24 months

Article 491 bis of the Criminal Code - Electronic documents

If any of the false information referred to in this paragraph concerns a public electronic document having evidentiary value, the provisions of the paragraph for public documents shall apply.[98]

Financial penalties: From €25,800 to €619,600
Prohibitory penalties: From 3 to 24 months

---

[96] Article abrogated by Article 2 paragraph 1 letter o) Legislative Decree no. 7 of 15 January 2016. The text of the paragraph was as follows: «*If one of the circumstances envisaged in point 1 of the second paragraph of Article 635 applies, or if the offence is committed by abusing the status of operator of the system, then the penalty is increased.*»

[97] Paragraph replaced by Article 2 paragraph 1 letter p) of Legislative Decree no. 7 of 15 January 2016. The text of the paragraph was as follows: «*If one of the circumstances envisaged in point 1 of the second paragraph of Article 635 applies, or if the offence is committed by abusing the status of operator of the system, then the penalty is increased.*»

[98] Article replaced by Article 2 paragraph 1 letter e) Legislative Decree no. 7 of 15 January 2016. The text of the article, as inserted by Article 3 Law 547 of 23 December 1993 and then amended by Article 3 paragraph 1 Law 48 of 18 March 2008 was as follows: «*If any of the false information referred to in this paragraph concerns a public electronic document having evidentiary value, the provisions of the paragraph for public documents and private agreements shall apply respectively.*»

12) CRIMES AGAINST INDUSTRY AND TRADE
Article 25 *bis* 1 of Legislative Decree 231/01

Article 513 of the Criminal Code - Disruption of freedom of trade and commerce
Anyone who acts with violence on property or through fraudulent means to prevent or disrupt the exercise of trade or commerce shall be liable, upon complaint by the injured party, if the offence does not constitute a more serious crime, to imprisonment for a term of up to 2 years and a fine of €103 to €1,032.

Article 513 of the Criminal Code is considered to be the basic law among those designed to repress aggression to the liberty to carry out economic initiatives, while the ancillary sentence it contains states that it is applied only when a more serious crime has not been committed. The Article refers to two distinct types of behaviour: the use of violence and the other the use of fraudulent means. The behaviour must be aimed at obstructing or interfering with an industry or trade and the crime is therefore understood to have already been committed even if it is not physically completed.

Financial penalties: From €25,800 to €774,500

Article 513 *bis* of the Criminal Code - Illegal competition with threats or violence
1. *Anyone who, in exercising a commercial, industrial, or production activity, performs acts of competition with violence or threats shall be liable to imprisonment for a term of 2 to 6 years.*
2. *The penalty is increased if the acts of competition concern an activity funded in whole or in part and the State or other public bodies in any way.*

The crime is often invoked in cases of the fraudulent winning of tenders where a criminal organisation uses intimidatory means to influence the decision of the company chosen for the contract. Aggravating circumstances are invoked when a tender involves financial activities that refer either fully or in part in any way to the State or to another public body.

Financial penalties: From €25,800 to €1,239,200
Prohibitory penalties: From 3 to 24 months

Article 514 of the Criminal Code - Fraud against national industries
1. *Anyone who, by placing on sale or otherwise putting into circulation on Italian or foreign markets, industrial products with counterfeit or forged names, trademarks or distinctive marks, causes harm to Italian industry shall be liable to imprisonment for a term of one to five years and a fine of not less than €516.*
2. *If the provisions of Italian laws or international conventions on the protection of industrial property have been observed in relation to the trademarks or distinctive marks, the penalty is increased and the provisions of Articles 473 and 474 do not apply.*

The crime in question is aimed at safeguarding the economic system and, in particular, national production. Typical conduct consists in selling or putting into circulation industrial products with forged or altered names, trademarks or distinctive marks.
Damage to a national industry can consist in any form whatsoever of detriment either in the form of loss of profit or consequential damage. The law is designed to protect the economic system by ensuring that economic activities can be freely carried out, although some believe that it should safeguard an individual's personal liberty to freely make economic choices.

Financial penalties: From €25,800 to €1,239,200
Prohibitory penalties: From 3 to 24 months

Article 515 of the Criminal Code - Fraudulent trading

1. *Anyone, in the exercise of a commercial activity, or in a shop open to the public, who delivers a goods the buyer disguised as other goods, or goods that, due to their origin, source, quality or quantity are different from that stated or agreed, shall be liable, where the offence does not constitute a more serious crime, to a term of imprisonment for a term of up to two years or a fine of up to €2,065.*
2. *If precious objects are involved the penalty is imprisonment for a term of up to three years or a fine of not less than €103.*

The provision refers to a series of crimes concerning damaging consumers' trust, thereby causing mistrust in the safety and transparency of the market. Typical behaviour of this type of offence consists in consigning goods that in origin, provenance, quality or quantity differ from that agreed on.

Financial penalties: From €25,800 to €774,500

Article 516 of the Criminal Code - Sale of non-genuine foodstuffs as genuine

Anyone places on sale or otherwise markets non-genuine foodstuffs as genuine shall be liable to imprisonment for a term of up to 6 months or a fine of up to €1,032.

The provision, even though it is aimed at behaviour that could also be damaging for people's health, is considered an economic offence since the fact that food is not genuine does not mean that it is dangerous. The safeguarded interests are therefore the good faith of commercial operations, that is the honest carrying out of company activities. The material object of the crime is non-genuine substances. The crime is classified as having already been committed, since it is not necessary for the goods in question to be sold but merely to be put on for sale.

Financial penalties: From 25,800 to €774,500

Article 517 of the Criminal Code - Sale of industrial products with misleading signs

Anyone who sells or otherwise puts into circulation intellectual property or industrial products, with names, trademarks or Italian or foreign distinctive marks designed to mislead the buyer about the origin, source or quality of the product, shall be liable, if the offence is not a crime under another provision of law, to imprisonment for a term of up to two years or a fine of up to €20,000.

The law is part of the system to protect trademarks under criminal law, but unlike Articles 473 and 474 Criminal Code this article punishes conduct typical of "fraudulent misrepresentation", i.e. of trademarks that, even though they do not imitate registered trademarks, are designed to mislead consumers. Typical conduct consists in putting on sale or in circulation original work or products in such a way as to create potential traps for consumers.

Financial penalties: From €25,800 to €774,500

Article 517 *ter* of the Criminal Code - Manufacture and trade of goods made by misappropriating industrial property rights

1. *Subject to the application of Articles 473 and 474, anyone, able to know the existence of the industrial property right, who manufactures or industrially employs objects or other goods made by misappropriating an industrial property or by infringing that right, shall be liable, upon complaint by the injured party, to imprisonment for a term of up to two years and a fine of up to €20,000.*
2. *The same penalty applies to anyone who, for profit, imports into Italy, possesses for sale, offers for direct sale to consumers or otherwise puts into circulation the goods referred to in the first paragraph.*
3. *The provisions of Articles 474-bis, 474-ter, second paragraph, and 517-bis, second paragraph shall apply.*
4. *The crimes envisaged in the first and second paragraphs are punishable if the provisions of Italian laws, community regulations and international conventions on the protection of intellectual or industrial property have been complied with.*

The system punishes anyone who, with the ability to know the existence of the industrial property right, manufactures or industrially uses objects or other goods made by misappropriating an industrial property right or by infringing that right.
The crime carries the penalty of imprisonment for up to two years and a fine of up to €20,000. The same penalty is applied for the introduction - for purposes of making a profit - into the State of such goods and for holding such goods for sale, offering them for sale directly to consumers or putting them into circulation.
The crimes in question are punishable if the provisions of Italian laws, community regulations and international conventions on the protection of intellectual or industrial property have been complied with.

Financial penalties: From €25,800 to €774,500

Article 517 *quater* of the Criminal Code - Infringement of geographical indications or designations of origin for agrifood products

1. *Anyone who counterfeits or otherwise forges geographical indications or designations of origin of agricultural and food products shall be liable to imprisonment for a term of up to two years and a fine of up to €20,000.*
2. *The same penalty applies to anyone who, for profit, imports into Italy, possesses for sale, offers for direct sale to consumers or otherwise puts into circulation the products with the forged indications or designations.*
3. *The provisions of Articles 474-bis, 474-ter, second paragraph, and 517-bis, second paragraph shall apply.*
4. *The crimes identified in the first and second paragraphs are punishable if the provisions of Italian laws, community regulations and international conventions on the protection of geographical indications or designations of origin for agri-food products have been complied with.*

This new crime punishes forging and altering the geographic indications of origin and denominations of origin of food products with imprisonment for a period of up to 2 years and a fine of €20,000.
The same penalty applies to anyone who, for profit, imports into Italy, possesses for sale, offers for direct sale to consumers or otherwise puts into circulation the products with the forged indications or designations.
The crimes in question are punishable if the provisions of Italian laws, community regulations and international conventions on the protection of geographical indications or designations of origin for agri-food products have been complied with.

Financial penalties: From €25,800 to €774,500

13) COPYRIGHT INFRINGEMENT AND RELATED CRIMES
Article 25 *novies* of Legislative Decree 231/01

Article 171, paragraph 1 letter a-*bis* of Law 633/41

1. *Subject to the provisions of Article 171-bis and Article 171-ter, a fine of €51 to €2,065 will be imposed on anyone who, without authorisation, for any purpose and in any form:*
   a-bis) makes protected intellectual property or a part thereof, available to the general public without authorisation, for whatever purpose.

Anyone who makes protected intellectual property or a part thereof, available to the general public without authorisation, for whatever purpose.

Financial penalties: From €25,800 to €774,500
Prohibitory penalties: From 3 to 12 months

Article 171, paragraph 3, of Law 633/41

3. *The penalty is imprisonment for a term of up to 1 year or a fine of not less than €516 if the crimes mentioned above are committed on someone else's work not intended for publication, or by falsely claiming authorship, or by deforming, mutilating or otherwise altering the work in question, when such actions harm the author's integrity or reputation.*

The crimes mentioned above are committed on someone else's work not intended for publication, or by falsely claiming authorship, or by deforming, mutilating or otherwise altering the work in question, when such actions harm the author's integrity or reputation.
Anyone who unlawfully duplicates computer programs for profit, or for the same purpose imports, distributes, sells, possesses for commercial or business use or rents software programs recorded on media not stamped by the Italian Society of Authors and Publishers (SIAE). The same penalty shall apply if the offence involves any means solely intended to allow or facilitate the unauthorised removal or functional avoidance of devices protecting computer software.

Financial penalties: From €25,800 to €774,500
Prohibitory penalties: From 3 to 12 months

Article 171 *bis* of Law 633/41

1. *Anyone who unlawfully duplicates computer programs for profit, or for the same purpose imports, distributes, sells, possesses for commercial or business use or rents software programs recorded on media not stamped by the Italian Society of Authors and Publishers (SIAE), shall be liable to the penalty of imprisonment for a term of 6 months to 3 years and a fine €2,582 to €15,493. The same penalty shall apply if the offence involves any means solely intended to allow or facilitate the unauthorised removal or functional avoidance of devices protecting computer software. If the offence is particularly serious, the penalty is not less than the imprisonment for a minimum term of 2 years and a fine of €15,493.*
2. *This applies to anyone who, for the purposes of making a profit, uses a format that does not have the stamp of the SIAE, reproduces, transfers to another type of format, distributes, communicates, presents or demonstrates in public the contents of a databank in violation of the provisions contained in Articles 64-quinquies and 64-sexies, or extracts information or re-uses data from a databank in violation of the provisions of Articles 102-bis and 102-ter, or anyone who distributes, sells or rents a database, is subject to the penalty of imprisonment from 6 months to 3 years and a fine of €2,582 to €15,493. If the offence is particularly serious, the penalty is not less than the imprisonment for a minimum term of 2 years and a fine of €15,493.*

This applies to anyone who, for the purposes of making a profit, uses a format that does not have the stamp of the SIAE, reproduces, transfers to another type of format, distributes, communicates,

presents or demonstrates in public the contents of a databank in violation of the provisions contained in Articles 64-*quinquies* and 64-*sexies*, or extracts information or re-uses data from a databank in violation of the provisions of Articles 102-*bis* and 102-*ter*, or anyone who distributes, sells or rents a database.

Financial penalties: From €25,800 to €774,500
Prohibitory penalties: From 3 to 12 months

Article 171 *ter* of Law 633

1. *If the offence is committed for non-personal use, imprisonment for a term of six months to three years and a fine of €2,582 to €15,493 is imposed on anyone who for profit:*
   a) *unlawfully duplicates, reproduces, transmits or broadcasts in public by any means, in whole or in part, intellectual property intended for television, cinema use, the sale or rental of records, tapes or similar media or any other media containing sounds or images from musical works, films or similar audiovisual works or sequences of moving images;*
   b) *unlawfully reproduces, transmits or publicly disseminates, by any means, all or part of literal, theatrical, scientific, educational, musical, theatrical-musical multimedia works, including those contained in collective or composite works or databanks;*
   c) *despite not having contributed to their duplication or reproduction, imports into Italy, holds for sale or distribution, or distributes, markets, rents or transfers under any title, shows in public, broadcasts on television by any means, broadcasts on radio, or reproduces in public, the unlawful duplications and reproductions referred to in a) and b) above;*
   d) *holds for sale or distribution, markets, sells, rents, or transfers under any title, shows in public, broadcasts on radio or television by any means, videotapes, music cassettes, any other medium containing sounds or images from musical works, films or similar audiovisual works or sequences of moving images, or of any other media that are required by law to bear the stamp of the Italian Society of Authors and Publishers (SIAE), which do not have that stamp or have a forged or altered stamp;*
   e) *re-transmits or broadcasts by any means an encrypted service received by means of devices or parts of devices designed to decode data transmissions with conditional access, without approval from the lawful distributor*
   f) *imports into Italy, holds for sale or distribution, distributes, sells, rents, transfers under any title, markets, and installs special decoding devices or components to access an encrypted service without paying the required fee.*
   f-bis) *manufactures, imports, distributes, sells, rents, transfers under any title, advertises for sale or rental, or possesses for commercial purposes, equipment, products or components or provides services whose primary purpose for commercial use is to bypass the technological protective measures referred to in Article 102-quater or is mainly designed, manufactured, adapted or built to allow or facilitate the bypassing of those measures. The technological measures also include those applied, or that remain after the voluntarily removal of the those measures by the holders of the rights or as a result of agreements between users and beneficiaries of exceptions, or due to the enforcement of decisions of the administrative or judicial authorities;*
   h) *unlawfully removes or alters the electronic information referred to in Article 102-quinquies, or distributes, imports for distribution, broadcasts by radio or television, communicates or makes available to the public, works or other protected materials from which the electronic information has been removed or altered.*
2. *A penalty of imprisonment for a term of one to four years and a fine of €2,582 to €15,493 shall be imposed on anyone who:*
   a) *unlawfully reproduces, duplicates, transmits or broadcasts, sells or markets, transfers under any title, or unlawfully imports, more than fifty copies or originals of works protected by copyright and related rights;*
   a-bis) *in breach of Article 16, publishes for profit in a system of online networks, by any means, intellectual works, or parts thereof, protected by copyright;*
   b) *in carrying out the reproduction, distribution, sale or marketing, or import of works protected by copyright and related rights as a business activity, is guilty of the offences envisaged in paragraph 1;*
   c) *promotes or organises the unlawful activities envisaged in paragraph 1.*

3. *The penalty is reduced if the offence is particularly minor.*
4. *Conviction for one of the crimes envisaged under paragraph 1 results in:*
   a) *application of the ancillary penalties set out under Articles 30 and 32-bis Criminal Code;*
   b) *publication of the judgment pursuant to Article 36 Criminal Code;*
   c) *suspension of the radio television broadcasting licence or authorisation to engage in the production or commercial activity for a period of one year.*
5. *The amounts arising from the imposition of the financial penalties set forth in the paragraphs above are paid to the National Social Security and Welfare Institute for painters and sculptors, musicians, writers and playwrights.*

The provisions are applied to anyone who in order to make profit for themselves:

- unlawfully duplicates, reproduces, transmits or broadcasts in public by any means, in whole or in part, intellectual property intended for television, cinema use, the sale or rental of records, tapes or similar media or any other media containing sounds or images from musical works, films or similar audiovisual works or sequences of moving images;
- unlawfully reproduces, transmits or publicly disseminates, by any means, all or part of literal, theatrical, scientific, educational, musical, theatrical-musical multimedia works, including those contained in collective or composite works or databanks;
- despite not having contributed to their duplication or reproduction, imports into Italy, holds for sale or distribution, or distributes, markets, rents or transfers under any title, shows in public, broadcasts on television by any means, broadcasts on radio, or reproduces in public, the unlawful duplications and reproductions referred to in a) and b) above;
- holds for sale or distribution, markets, sells, rents, or transfers under any title, shows in public, broadcasts on radio or television by any means, videotapes, music cassettes, any other medium containing sounds or images from musical works, films or similar audiovisual works or sequences of moving images, or of any other media that are required by law to bear the stamp of the Italian Society of Authors and Publishers (SIAE), which do not have that stamp or have a forged or altered stamp;
- re-transmits or broadcasts by any means an encrypted service received by means of devices or parts of devices designed to decode data transmissions with conditional access, without approval from the lawful distributor.

Financial penalties: From €25,800 to €774,500
Prohibitory penalties: From 3 to 12 months

Article 171 *septies* of Law 633/41

The penalty established under Article 171-ter, paragraph 1, is also imposed on:

a) manufacturers or importers of media not stamped in accordance with Article 181-bis, who do not inform the SIAE within thirty days from the date of sale in Italy or import of the data required to clearly identify those media;

b) anyone making a false declaration stating that the obligations set out under Article 181-bis, paragraph 2, of this law have been satisfied, unless the act constitutes a more serious crime.

Manufacturers or importers of media not stamped in accordance with Article 181-bis who do not inform the SIAE within thirty days from the date of sale in Italy or import of the data required to clearly identify those media are liable to imprisonment for a term of six months to three years and a fine from €2,582 to €15,493.

Financial penalties: From €25,800 to €774,500
Prohibitory penalties: From 3 to 12 months

Article 171 *octies* of Law 633/41

1. *If the offence does not constitute a more serious crime, the penalty of imprisonment for a term of six months to three years and a fine of €2,582 to €25,822 shall be imposed on anyone who for fraudulent*

purposes, manufactures, puts up for sale, imports, promotes, installs, changes, or utilises apparatus or parts of apparatus for public and private use that is able to decode audio-visual transmissions subject to conditional access broadcast over the airwaves, by satellite, by cable both in analogue and digital form. Conditional access means all audio-visual signals broadcast by Italian or foreign broadcasting stations in a form that renders such signals visible exclusively to closed groups of users selected by the party that broadcasts the signal, regardless of whether a fee is charged to use this service.

2. *If the offence is particularly serious the penalty is no less than imprisonment for a term of two years and a fine of €15,493.*

This rule applies to anyone who for fraudulent purposes, manufactures, puts up for sale, imports, promotes, installs, changes, or utilises apparatus or parts of apparatus for public and private use that is able to decode audio-visual transmissions subject to conditional access broadcast over the airwaves, by satellite, by cable both in analogue and digital form.

Financial penalties: From €25,800 to €774,500
Prohibitory penalties: From 3 to 12 months

14) ORGANISED CRIME

Article 24 *ter* of Legislative Decree 231/01

Article 416 of the Criminal Code - Criminal association

1. *When three or more persons conspire to commit several crimes, those who promote or constitute or organise the association shall be liable, for that reason alone, to imprisonment for a term of three to seven years.*
2. *For merely participating in the association, the penalty is imprisonment for a term of one to five years.*
3. *The heads of the association are liable to the penalty established for the promoters.*
4. *If the members of the association use weapons in the countryside or in public thoroughfares the penalty is imprisonment for a term of five to fifteen years.*
5. *The penalty is increased if the association has ten or more members".*
6. *If the association is aimed at committing one of the crimes identified in Articles 600, 601, 601 bis and 602, as well as Article 12, paragraph 3-bis, of the Italian Immigration Act (Legislative Decree 286 of 25 July 1998), and Article 22, paragraphs 3 and 4, and Article 22-bis, paragraph 1, of Law 91 of 1 April 1999, a term of imprisonment of five to fifteen years will be imposed in the cases envisaged in the first paragraph and of four to nine years in the cases envisaged in the second paragraph.*[99]
7. *If the association is aimed at committing one of the crimes envisaged in Articles 600-bis, 600-ter, 600-quater, 600-quater(1), 600-quinquies, and 609-bis, when the offence is committed to the harm of a person under eighteen years of age, 609-quater, 609-quinquies, 609-octies, when the offence is committed to the harm of a person under eighteen years of age, and 609-undecies, a term of imprisonment is imposed of four to eight years in the cases envisaged in the first paragraph and of two to six years in the cases envisaged in the second paragraph.*

Article 416 Criminal Code presents the following characteristics:

(i) the existence of an associative link destined to last over time, even after the commission of the crimes actually planned;
(ii) the existence of a criminal plan aimed at the commission of a multiple crimes;
(iii) the existence of an organisational structure, even if minimal, but adequate to achieve its established objectives.

Given that this is a crime that poses a public danger, for the integration of the crime is not necessary that the crimes that association aims to carry out are actually committed, but simply the agreement formed for the implementation of a feasible criminal plan in the relatively near future. This may occur within an entity (even if it is configured as a front for the association) and outside of it.

Financial penalties: From €77,400 to €1239200 For the offences referred to in the sixth paragraph: From €103,200 to €1,549,000
Prohibitory penalties: From 12 to 24 months (If the entity, or an organisational unit of the same, is regularly used for the sole purpose of enabling or facilitating the abovementioned crime, the activity will be permanently disqualified pursuant to Article 16, paragraph 3, Legislative Decree 231/2001)

Article 416 *bis* of the Criminal Code - Mafia-type association

1. *Anyone who is part of a Mafia-type association consisting of three or more persons, shall be liable to imprisonment for a term of ten to fifteen years.*[100]
2. *Those who promote, manage or organise the organisations shall be liable, for that reason alone, to imprisonment for a term of twelve to eighteen years.*[101]

---

[99] The words «*601-bis*» and the words «*and Article 22, paragraphs 3 and 4, and Article 22-bis, paragraph 1, of Law 91 of 1 April 1999*» were added by Article 2 paragraph 1 Law 236 of 11 December 2016.

[100] The words «*from ten to fifteen years*» were replaced by the words «*from seven to twelve years*» by Article 5, paragraph 1, letter a) Law 69 of 27 May 2015.

[101] The words «*from twelve to eighteen years*» were replaced by the words «*from nine to fourteen years*» by Article 5, paragraph 1, letter b) Law 69 of 27 May 2015.

3. *The organisation is a mafia-type organisation when those who belong to it use the intimidating power of membership and the situation of subjugation and conspiracy of silence to commit crimes, to directly or indirectly acquire the management or control of economic activities, concessions, authorisations, contracts and public services or to obtain unfair profits or advantages for themselves or others, or in order to prevent or obstruct the free exercise of the vote, or to procure votes for themselves or for others during elections.*
4. *If the organisation is armed, the penalty is imprisonment for a term of twelve to twenty years in the cases envisaged by the first paragraph and fifteen to twenty-six years in the cases envisaged in the second paragraph.*[102]
5. *The organisation is considered armed when its members have access, for the achievement of the association's aims, to weapons or explosives, even when hidden or held in storage areas.*
6. *If the economic activities the organisation members intend to take over or maintain control of are financed in whole or in part with the proceeds, product or profit from crime, the penalties established in the paragraphs above are increased by a third to a half.*
7. *The offender shall always be subject to compulsory confiscation of the property that helped or was used to commit the crime and the property constituting the proceeds, product and profit from the crime or constitute use thereof.*
8. *The provisions of this article shall also apply to the Camorra, the 'Ndrangheta and the other associations, whatever their local names, including foreign organisations, that use the intimidating power of organisation membership to pursue the goals of mafia-type organisations.*

Financial penalties: From €103,200 to €1,549,000
Prohibitory penalties: From 12 to 24 months (If the entity, or an organisational unit of the same, is regularly used for the sole purpose of enabling or facilitating the abovementioned crime, the activity will be permanently disqualified pursuant to Article 16, paragraph 3, Legislative Decree 231/2001)

Article 416 *ter* of the Criminal Code - "Mafia vote-buying"[103]

1. *Anyone who accepts a promise to secure votes in the manner described in the third paragraph of Article 416-bis in return for the delivery or promise of payment of money or other benefits, shall be liable to imprisonment for a term of six to twelve years.*[104]
2. *The same penalty applies to those who promise to buy votes in the manner specified in the first paragraph.*

Financial penalties: From €103,200 to €1,549,000
Prohibitory penalties: From 12 to 24 months (If the entity, or an organisational unit of the same, is regularly used for the sole purpose of enabling or facilitating the abovementioned crime, the activity will be permanently disqualified pursuant to Article 16, paragraph 3, Legislative Decree 231/2001)

Article 630 of the Criminal Code - Kidnapping for ransom or extortion

1. *Anyone who kidnaps a person in order to obtain an unfair profit, for themselves or for others, as the price for freeing that person, shall be liable to imprisonment for a term of twenty-five to thirty years.*
2. *If the kidnapping results in death of the kidnapped person, as an unintended result of the offence, the offender shall be liable to imprisonment for a term of thirty years.*
3. *A penalty of life imprisonment is imposed if the offender causes the death of the kidnapped person.*
4. *The penalties established in Article 605 shall be imposed on co-offenders who, by dissociating themselves from the others, act so that the victim regains their freedom, without this being the result of price for freeing them. However, if the victim dies as a result of the kidnapping, after being freed, the penalty is imprisonment for a term of six to fifteen years.*

---

[102]The words «*from twelve to fifteen years*» were replaced by the words «*from nine to fifteen years*» and the words «*from fifteen to twenty-six years*» were replaced by the words «*from twelve to twenty-four years,*» by Article 5, paragraph 1, letter c) of Law 69 of 27 May 2015.

[103]The text in force before the replacement ordered by the aforementioned Law 62/2014 was as follows: *«The penalty established in the first paragraph of Article 416-bis is also applied to anyone who obtains a promise of votes, as referred to in the third paragraph of Article 416-bis, in exchange for money.»*

[104]The words «from six to twelve years» were replaced by the words «from four to ten years» by Article 1, paragraph 5 Law 103 of 23 May 2017.

5. *The penalty of life imprisonment shall be replaced by imprisonment for a term of twelve to twenty years and the other penalties shall be reduced by a third to two thirds for the co-offenders who, by disassociating themselves from the others, act, other than in the case specified in the paragraph above, to prevent the criminal activity from leading to further consequences or to help the police or legal authorities to gather decisive evidence for identifying or capturing the co-offenders.*
6. *When there is a mitigating circumstance, the penalty established in the second paragraph is replaced by imprisonment for a term of twenty to twenty-four years; the penalty established in the third paragraph is replaced by imprisonment from twenty-four to thirty years. If there are several extenuating circumstances, the penalty to be applied as a result of the reductions cannot be less than ten years, in the case envisaged in the second paragraph, and fifteen years, in the case envisaged in the third paragraph.*
7. *The penalty limits envisaged in the previous paragraph may be exceeded if the mitigating circumstances referred to in the fifth paragraph of this article apply.*

Financial penalties: From €103,200 to €1,549,000
Prohibitory penalties: From 12 to 24 months (If the entity, or an organisational unit of the same, is regularly used for the sole purpose of enabling or facilitating the abovementioned crime, the activity will be permanently disqualified pursuant to Article 16, paragraph 3, Legislative Decree 231/2001)

Article 74 of Presidential Decree 309 of 9 October 1990 - Criminal association for the purposes of illegal trafficking of narcotics and psychotropic substances

1. *When three or more persons conspire to commit several of the crimes envisaged in Article 70, paragraphs 4, 6 and 10, excluding operations relating to category-III substances of Annex I to Regulation (EC) 273/2004 and the annex to Regulation 111/2005, or Article 73, those who promote, constitute, organise or finance the criminal association shall be liable, for that reason alone, to imprisonment for a term of not less than twenty years.*
2. *Those who participate in the association shall be liable to imprisonment for a term of not less than ten years.*
3. *The penalty is increased if the association has ten or more members or if its members include people addicted to the use of narcotics or psychotropic substances.*
4. *If the association is armed the penalty, in the cases indicated in paragraphs 1 and 3, cannot be less than imprisonment for a term of twenty-four years and, in the case envisaged in paragraph 2, for a term of twelve years. The association is considered armed when its members have access to weapons or explosives, even when hidden or held in storage areas.*
5. *The penalty is increased if the circumstance contemplated in Article 80, paragraph 1, applies.*
6. *If the association is formed to commit the offences described in paragraph 5 of Article 73, the first and second paragraph of Article 416 Criminal Code shall apply.*
7. *The penalties established in paragraphs 1 to 6 shall be decreased by half to two-thirds for anyone who acts to secure evidence of the crime or to remove resources from the association that are decisive for the commission of the crimes.*

7-bis. The offender shall always be subject to confiscation of the assets that served or were destined to commit the crime and of the goods that are the profit or the product of the crime - unless they belong to a person not involved in the crime - or when it is not possible, the confiscation of assets which the offender has access to for a corresponding value to that profit or product.[105]

8. *When reference is made in laws and decrees to the crime envisaged in Article 75 of Law 685 of 22 December 1975, abrogated by Article 38, paragraph 1, of Law 162 of 26 June 1990, that reference is to this article.*

Financial penalties: From €103,200 to €1,549,000
Prohibitory penalties: From 12 to 24 months (If the entity, or an organisational unit of the same, is regularly used for the sole purpose of enabling or facilitating the abovementioned crime, the activity will be permanently disqualified pursuant to Article 16, paragraph 3, Legislative Decree 231/2001)

[105]Paragraph introduced by Article 4 paragraph 1 letter b) Legislative Decree 202 of 29 March 2016.

Article 407, paragraph 2, letter a) of the Code of Criminal Procedure - Maximum duration of preliminary investigations

Crimes of illegal manufacture, import into Italy, offer for sale, sale, possession and carrying in a public place or place open to the public of weapons of war or military weapons or parts thereof, explosives, illegal weapons and more common firearms, except those envisaged in Article 2, third paragraph, of Law 110 of 18 April 1975.

Financial penalties: From €77,400 to €1,239,200
Prohibitory penalties: From 12 to 24 months (If the entity, or an organisational unit of the same, is regularly used for the sole purpose of enabling or facilitating the abovementioned crime, the activity will be permanently disqualified pursuant to Article 16, paragraph 3, Legislative Decree 231/2001)

The introduction of Article 24-ter Legislative Decree 231/01 would appear to expand corporate liability to include any type of crime if carried out as part of a group or association.
The subject is particularly delicate for at least two reasons: the first is the difficulty of mapping activities that are potentially susceptible to the risk of "*association or group offences*" without having first of all highlighted the possible end-crimes (many of which are not even included in the list of predicate crimes referred to in Legislative Decree 231/2001;
the second is the so-called "physiological" risk represented by the company organisation itself. The more a company is structured and organised, with a rigid division of tasks and responsibilities, the more it can theoretically be exposed to the risk of a number of individuals joining together to commit an offence being automatically classified in terms of criminal association (since in accordance with Article 416 Criminal Code it is only necessary to have three people working together to form an "association").

15) INDUCEMENT TO REFRAIN FROM MAKING STATEMENTS OR TO MAKE FALSE STATEMENTS TO THE LEGAL AUTHORITIES

Article 25 *decies* of Legislative Decree 231/01

Article 377 *bis* of the Criminal Code - Inducement to refrain from making statements or to make false statements to the legal authorities

Unless the offence constitutes a more serious crime, anyone who, with violence or threats, or offers or promises of money or other benefits, induces the person called to testify before the court to refrain from making statements or to make false statements to legal authorities, when they have the right to remain silent, shall be liable to imprisonment for a term of two to six years.

The crime refers to conduct that consists in using violence or the threat of violence or promising money or other goods for the aims described in the provisions in question. Inducement to refrain from making statements or to make false statements must be performed using: violence (physical or moral coercion); threats, offers of money or other goods; or promises of money or other goods. For the criminal offence referred to in Article 377-bis Criminal Code to be committed it is necessary that the statements of any witnesses must be made to the legal authorities during the course of a trial.

Financial penalties: From €25,800 to €774,500

16) ENVIRONMENTAL CRIMES

Article 25 *undecies* of Legislative Decree 231/01

Article 452-*bis* of the Criminal Code - Environmental pollution

1. *A penalty of imprisonment for a term of two to six years and a fine of €10,000 to €100,000 will be imposed on anyone who causes impairment or a significant and measurable deterioration of:*
   1) of water or air, or extensive or significant portions of the soil or subsoil;
   2) of an ecosystem, biodiversity, including agrarian, and the flora or fauna.
2. *When the pollution is produced in a natural protected area or an area of landscape, environmental, historical, artistic, architectural or archaeological value, or causes harm to protected animal or plant species, the penalty is higher.*

The article was added by Article 1, paragraph 1, Law 68 of 22.05.2015.
It is a crime of event, without specific form, and a crime of damage. Anyone is punishable who unlawfully causes a significant and measurable impairment or deterioration of water or air, or extensive or significant portions of the soil or subsoil, an ecosystem, biodiversity, including agriculture, flora or fauna.

Financial penalties: From €64,500 to €929,400
Prohibitory penalties: From 3 to 12 months

Article 452-*quater* of the Criminal Code - Environmental disaster

1. *Other than in the cases provided for by Article 434, anyone who unlawfully causes an environmental disaster shall be liable to imprisonment for a term of five to fifteen years. The following constitute environmental disasters:*
   1) the irreversible alteration of the stability of an ecosystem;
   2) alteration of the stability of an ecosystem whose elimination is particularly onerous and only likely to be achieved through exceptional measures;
   3) an offence against public safety due to the significance of an action in view of the extent of the impairment caused or its harmful effects or the number of people injured or exposed to danger.
2. *When the disaster occurs in a natural protected area or an area of landscape, environmental, historical, artistic, architectural or archaeological value, or causes harm to protected animal or plant species, the penalty is higher.*

The article was added by Article 1, paragraph 1, Law 68 of 22.05.2015.
It is a crime of event, without specific form. The law defines an environmental disaster as any of the following: irreversibly disturbing an ecosystem's balance; disturbing an ecosystem's balance, the rectification of which would be particularly costly and likely to require exceptional measures; damage to public safety resulting from the significance of the event because of the extent of the impairment or its harmful effects or because of the number of people harmed or exposed to hazards.

Financial penalties: From €103,200 to €1,239,200
Prohibitory penalties: From 3 to 24 months

Article 452-*quinquies* - Intentional crimes against the environment

1. *If one of the offences identified in Articles 452-bis e 452-quater is committed due to negligence, the penalties established in those Articles are reduced by a third to two thirds.*
2. *If the commission of the offences referred to in the paragraph above results in the risk of environmental pollution or environmental disaster the penalties shall be further reduced by a third.*

The rule was introduced by Article 1, paragraph 1, Law 68 of 27.05.2015.
The provision extends punishability for the crimes of environmental pollution and environmental disasters to cases of negligence, with a consequent reduction of the penalty, which is further reduced if the commission of these actions results in the threat of environmental pollution and environmental disasters.

Financial penalties: From €51,600 to €774,500

Article 452-*octies* - Aggravating circumstances

1. *If the association referred to in Article 416 is aimed, exclusively or concurrently, at committing any of the crimes covered by this title, the penalties provided for by Article 416 are increased.*
2. *If the association referred to in Article 416-bis is aimed at committing any of the crimes covered by this title or acquiring the management or control of economic activities, concessions, authorisations, contracts and public services relating to environmental matters, the penalties provided for by Article 416-bis are increased.*
3. *The penalties referred to in the first and second paragraphs are increased by a third to a half if the association includes public officials or public service officers that perform environmental functions or services.*

The article was added by Article 1, paragraph 1, Law 68 of 22.05.2015.
The Article introduces new aggravating circumstances in relation to crimes of criminal association as per Article 416 Criminal Code and mafia-type crimes as per Article 416-bis Criminal Code.

Sanzione pecuniaria: da € 77.400 a € 1.549.000.

Article 452-*sexies* - Trafficking and abandonment of high-level radioactive material

1. *Unless the offence constitutes a more serious crime, anyone who unlawfully disposes of, purchases, receives, transports, imports, exports, procures for others, possesses, transfers, abandons or unlawfully discards high-level radioactive material shall be liable to imprisonment for a term of two to six years and a fine of €10,000 to €50,000.*
2. *The penalty established in the first paragraph is increased if the offence results in the danger of impairment or deterioration of:*
   1) of water or air, or extensive or significant portions of the soil or subsoil;
   2) of an ecosystem, biodiversity, including agrarian, and the flora or fauna.
3. *If the offence results in danger to life or the safety of individuals, the penalty is increased by up to half.*

The law was introduced by Article 1, paragraph 1, Law 68 of 27.05.2015.
The law punishes anyone who unlawfully disposes of, purchases, receives, transports, imports, exports, procures for others, possesses, transfers, abandons or unlawfully discards high-level radioactive material. The penalty is increased if the offence results in the danger of impairment or deterioration of water or air, or extensive or significant portions of the soil or subsoil; of an ecosystem, biodiversity, including agrarian, and the flora or fauna. If the offence results in danger to life or the safety of individuals, the penalty is also increased.

Financial penalties: From €64,500 to €929,400

Article 727 *bis* of the Criminal Code - Killing, destruction, capture, taking, and possession of specimens of protected wild fauna and flora species

1. *Unless the act constitutes a more serious offence, anyone, except in the permitted circumstances, who kills, captures or possesses specimens belonging to a protected wild fauna species shall be liable to imprisonment for a term of one to six months or a fine of up to €4,000, except in cases where the act involves a negligible quantity of those specimens and has a negligible impact on the conservation status of the species.*
2. *Anyone, except in the permitted circumstances, who destroys, takes or possesses specimens belonging to a protected wild flora species shall be liable to a fine of up to €4,000, except in cases where the act involves a negligible quantity of those specimens and has a negligible impact on the conservation status of the species.*

For the purposes of the application of Article 727-bis Criminal Code, protected wild animal or plant species are those listed in Annex IV of Directive 92/43/EC and Annex I of Directive 2009/147/EC.

The new Article 727-bis Criminal Code punishes different types of unlawful act against protected wild animal and plant species, specifically: a) the conduct of anyone who, except in permitted cases, kills, captures or holds specimens belonging to a protected wild species by fining them or, alternatively, with a term of imprisonment for 1 to 6 months or a fine of up to €4,000 (paragraph 1); b) the conduct of anyone who, except in permitted cases, destroys, removes or holds specimens belonging to a protected wild flora species, with a fine of up to €4,000 (paragraph 2).

Financial penalties: From €25,800 to €387,250

Article 733 *bis* of the Criminal Code - Destruction or deterioration of habitats within a protected area

1. *Anyone, except in the cases permitted by law, who destroys a habitat within a protected site or otherwise deteriorates it undermining its state of conservation, shall be liable to imprisonment for a term of up to eighteen months and a fine of no less than €3,000.*

For the purposes of the application of Article 733-*bis* Criminal Code, "habitat within a protected area" means any habitat of species for which an area is classified as a special protection area pursuant to Article 4(1) or (2) of Directive 2009/147/EC, or any natural habitat or a habitat of species for which a site is designated as a special area of conservation pursuant to Article 4(4) of Directive 92/43/EC;
Article 733-bis Criminal Code, on the other hand, punishes "destruction or deterioration of habitats within a protected area".
Specifically, the misdemeanour offence carries a penalty of imprisonment for a term of up to 18 months and a fine of not less than €3,000 for "Anyone, except in the cases permitted by law, who destroys a habitat within a protected area or otherwise deteriorates it undermining its state of conservation". Finally, paragraph 3 of the provision adds that "For the purposes of the application of Article 733-*bis* Criminal Code, "habitat within a protected area" means any habitat of species for which an area is classified as a special protection area under Article 4, paragraphs 1 and 2 of Directive 79/409/EC, or any natural habitat or a habitat of species for which a site is designated as a special area of conservation pursuant to Article 4, paragraph 4, of Directive 92/437/EC.

Financial penalties: From €38,700 to €387,250

Article 137 of Legislative Decree 152/2006 - Criminal penalties

1. *Except in the cases sanctioned under Article 29-quattuordecies, paragraph 1, anyone who opens or otherwise make new discharges of industrial waste water, without authorisation, or continues to make or maintain such discharges after such authorisation has been suspended or revoked, is subject to imprisonment from two months to two years or a fine of between €1,500 to €10,000.*
2. *When the conduct described in paragraph 1 relates to discharges of industrial wastewater containing hazardous substances in the families and groups of substances listed in tables 5 and 3/A of Annex 5 to part three of this decree, the penalty is a term of imprisonment of three months to three years and a fine of €5,000 to €52,000.*
3. *Anyone, other than in the situations envisaged in paragraph 5 of Article 29 quattuordecies, paragraph 3, who discharges industrial waste water containing hazardous substances included in the families and groups of substances listed in tables 5 and 3/A of Annex 5 to part three of this decree, without following other requirements of the competent authority pursuant to Articles 107, paragraph 1*, and *108, paragraph 4, shall be liable to imprisonment for a term of up to two years.*
4. *Anyone who violates the requirements concerning the installation and management of automatic controls or the obligation to retain the results of the same in Article 131 is subject to the penalty referred to in paragraph 3.*
5. *Unless the offence constitutes a more serious crime, anyone who, in relation to the substances indicated in table 5 of Annex 5 to the third part of this decree, when discharging industrial wastewater exceeds the limits set in table 3 or, in the case of discharge on land, in table 4 of Annex 5 to part three of this decree, or the stricter limits set by the regional or independent provincial authorities or by the*

competent authority pursuant to Article 107, paragraph 1, shall be liable to imprisonment for a period of up to two years and a fine of €3,000 to €30,000. If the limits set for these substances contained in table 3/A of the mentioned Annex 5 are exceeded, the penalty shall be imprisonment for a term of six months to three years and a fine of €6,000 to €120,000.

6. *The penalties referred to in paragraph 5 also apply to the operator of urban waste water treatment plants if the discharge exceeds the limits laid down in the same paragraph.*
7. *A manager of integrated water services that does not meet the disclosure obligations pursuant to Article 110, paragraph 3, or does not observe the requirements or prohibitions referred to in Article 110, paragraph 5, is subject to the penalty of imprisonment for three months to one year or a fine of between €3,000 and €30,000 in the case of non-hazardous waste and from six months to two years and a fine of between €3,000 and €30,000 in the case of hazardous waste.*
8. *The owner of a discharge that does not allow access to premises by the entity in charge of control for the purposes referred to in Article 101, paragraphs 3 and 4, is subject to imprisonment for up to two years, unless the act constitutes a more serious crime. This is without prejudice to the powers and duties of persons appointed for supervisory purposes also under Article 13 of Law 689 of 1981 and Articles 55 and 354 Code of Criminal Procedure.*
9. *Anyone who does not comply with the regulations stipulated by the regions in accordance with Article 113, paragraph 3, is subject to the penalties under Article 137, paragraph 1.*
10. *Anyone who does not comply with the measures taken by the competent authority in accordance with Article 84, paragraph 4, or Article 85, paragraph 2, is subject to a fine of between five thousand and fifteen thousand euro.*
11. *Anyone who does not comply with the discharge prohibitions established in Articles 103 and 104 shall be liable to imprisonment for a term of up to three years.*
12. *Anyone who fails to comply with regional requirements given under Article 88, paragraphs 1 and 2, designed to ensure the achievement of the objectives or restore water quality designated under Article 87, or fails to comply with the measures adopted by the competent authority in accordance with Article 87, paragraph 3, is subject to a term of imprisonment of up to two years or a fine of between €4,000 and €40,000.*
13. *A term of imprisonment of two months to two years shall always be applied if the discharge is made in the sea by ships or aircraft containing substances or materials for which a total ban on spillage has been imposed under the provisions contained in the applicable international agreements, and ratified by Italy, unless they are in such quantities as to be rapidly rendered harmless by physical, chemical and biological processes, that occur naturally in the sea, and provided there is a prior authorisation from the competent authority.*
14. *Anyone who engages in the agronomic use of livestock manure, vegetation water from mills, as well as waste water from farms and small food companies referred to in Article 112, apart from the cases and procedures contained therein, or fails to comply with the prohibition or suspension order pursuant to that Article, is subject to a fine of between €1,500 and €10,000 or by imprisonment for up to one year. The same penalty applies to anyone who uses it in agriculture outside of the cases and the procedures set out in the current laws and regulations.*

Financial penalties: Violations of paragraphs 3, 5, first clause, and 13 from €38,700 to €387,250;
Financial penalties: Violations of paragraphs 2, 5, second clause, and 11 from €51,600 to €464,700;
Prohibitory penalties: Violations of paragraphs 2, 5, second clause, and 11 from three to six months.

Article 256 of Legislative Decree 152/2006 - Unauthorised waste management activities

1. *Outside the cases sanctioned under article 29-quattuordecies, paragraph 1, anyone who carries out an activity of collection, transport, recovery, disposal, trade and intermediation of waste in the absence of the prescribed authorization, registration or communication referred to in Articles 208, 209, 210, 211, 212, 214, 215 and 216* shall be punished*:*
   a) *imprisonment for a term of three months to one year or a fine of €2,600 to €26,000 in the case of non-hazardous waste;*
   b) *imprisonment for a term of six months to two years and a fine of €2,600 to €26,000 in the case of hazardous waste.*

2. *The penalties referred to in paragraph 1 shall apply to business owners and managers of entities that abandon or deposit waste in an uncontrolled way or deposit it in surface water or groundwater in violation of the prohibitions in Article 192, paragraphs 1 and 2.*
3. *Other than in the cases penalised under Article 29-quattuordecies, paragraph 1, anyone who constructs or operates an unauthorised landfill shall be liable to imprisonment for a term of six months to two years and a fine of €2,600 and €26,000. If the landfill is used, even in part, for the disposal of hazardous waste a penalty shall be imposed of imprisonment for a term of one to three years and a fine of €5,200 to €52,000. The conviction or the judgment given under Article 444 Code of Criminal Procedure results in confiscation of the land on which the landfill is built if it is owned by the perpetrator or accomplice to the crime, without affecting the obligations of remediation or restoration of the sites.*
4. *The penalties referred to in paragraphs 1, 2 and 3 are reduced by half in the event of non-compliance with the provisions contained or referred to in the authorisations, and in cases of a lack or absence of the requirements and conditions required for registration or communication.*
5. *Anyone who carries out unauthorised mixing of waste, in violation of the ban established in Article 187, shall be liable to the penalty established in paragraph 1, letter b).*
6. *Anyone temporarily storing hazardous medical waste at the place of production, in breach of the provisions of Article 227, paragraph 1, letter b, shall be liable to imprisonment for a term of three months to one year or a fine of €2,600 to €26,000. An administrative fine of between €2,600 and €15,500 will be imposed for quantities not exceeding two hundred litres or equivalent amounts.*
7. *Anyone who violates the obligations laid down in Articles 231, paragraphs 7, 8 and 9, 233, paragraphs 12 and 13, and 234, paragraph 14, is subject to an administrative fine of between €260 and €1,550.*
8. *The persons/entities referred to in Articles 233, 234, 235 and 236 that do not comply with the membership requirements set out therein are subject to an administrative fine of between eight thousand euros and forty-five thousand euros, without prejudice in all cases to the obligation to pay past contributions. Until the adoption of the decree referred to in Article 234, paragraph 2, the penalties referred to in this paragraph do not apply to the persons referred to in Article 234.*
9. *The penalties referred to in paragraph 8 shall be reduced by half in the case of adhesion made within sixty days after the deadline for fulfilling the obligations of participation envisaged in Articles 233, 234, 235 and 236.*

Financial penalties: Violations of paragraphs 1 letter a) and 6, first clause, from €25,800 to €387,250
Financial penalties: Violations of paragraphs 1 letter b), 3, first clause, and 5, from €38,700 to €387,250
Financial penalties: Violations of paragraph 3, second clause, from €51,600 to €464,700
NB: The indicated financial penalties are reduced by a half in the cases of commission of the crime under paragraph 4.
Prohibitory penalties: Violations of paragraph 3, second clause, from three to six months

Article 257, paragraphs 1 and 2, of Legislative Decree 152/2006 - Site remediation

1. *Unless it constitutes a more serious crime, anyone who causes the pollution of soil, groundwater, surface water or groundwater with concentrations exceeding the risk limit shall be liable to imprisonment for a term of six months to one year or a fine of €2,600 to €26,000, if they do not carry out the remediation in accordance with the project approved by the competent authority under the procedure set out in Articles 242 and following. In the event of failure to make the notification referred to in Article 242, the offender shall be liable to a term of imprisonment of three months to one year or a fine of €1,000 to €26,000.*[106]
2. *A term of imprisonment from one year to two years and a fine of between €5,200 and €52,000 will apply if the pollution is caused by hazardous substances.*

Financial penalties: Violations of paragraph 1, from €25,800 to €387,250
Financial penalties: Violations of paragraph 2, from €38,700 to €387,250

[106] The words «*Unless it constitutes a more serious crime*» were added by Article 1, paragraph 2, letter a) Law 68 of 22 May 2015.

Article 258, paragraph 4, of Legislative Decree 152/2006 - Breach of the disclosure obligations and requirements to maintain mandatory registers and forms

4. *Businesses which collect and transport their own non-hazardous waste, as envisaged in Article 212, paragraph 8, that do not adhere, on a voluntary basis, to the system of controls for the traceability of waste (SISTRI) referred to in Article 188-bis, paragraph 2, letter a), and transport waste without the forms mentioned in Article 193 or indicating on the form itself incomplete or inaccurate data, are liable to an administrative fine of between one thousand six hundred and nine thousand three hundred euro. The penalty established in Article 483 Criminal Code is imposed on anyone who, in preparing a waste analysis certificate, provides false information on the nature, composition and the physical and chemical characteristics of the waste and anyone who uses a fake certificate during transport.*

Financial penalties: Violations of the second clause, from €38,700 to €387,250

Article 259, paragraph 1, of Legislative Decree 152/2006 - Illegal traffic of waste

Anyone who makes a shipment of waste constituting illegal traffic pursuant to Article 26 of Regulation (EEC) 259 of 1 February 1993, or makes one of the waste shipments listed in Annex II of that regulation in breach of Article 1, paragraph 3, letters a), b), c) and d), of the regulation shall be liable to a fine of €1,550 to €26,000 and imprisonment for a term of up to two years. The penalty is increased for shipments of hazardous waste.

Financial penalties: From €38,700 to €387,250

[Article 260 of Legislative Decree 152/2006 - Organised activities for the illegal traffic of waste

1. *Anyone who, in multiple operations and through continuing and organised means and operations, sells, receives, transports, exports, imports, or otherwise unlawfully handles large quantities of waste, in order to obtain an unfair profit, shall be liable to imprisonment for a term of one to six years.*
2. *If waste is highly radioactive, the penalty is imprisonment for a term of three to eight years.*
3. *Upon conviction the additional penalties referred to in Articles 28, 30, 32-bis and 32-ter Criminal Code may apply, with the limitation referred to in Article 33 of the same code.*
4. *The judge, with the conviction judgment or the judgment given under Article 444 Code of Criminal Procedure, orders the remediation of the environment and makes the granting of a suspended sentence conditional on the elimination of the damage or danger to the environment.*

Financial penalties: Paragraph 1, from €77,400 to €774,500
Financial penalties: Paragraph 2, from €103,200 to €1,239,200
Prohibitory penalties: violations of paragraphs 1 and 2, from three to six months
Permanent ban from the activity if the entity or one of its organisational units is regularly used for the sole or primary purpose of enabling or facilitating the commission of the crimes under this article.]

The same rule was "relocated" within the Criminal Code, in the newly-introduced Article 452 quaterdecies, following the reform pursuant to Article 3 paragraph 1 letter a) Legislative Decree 21 of 1 March 2018. It should be noted that no change was made to Article 25-*undecies* Legislative Decree 231/2001, which therefore continues to refer to a provision (Article 260 Legislative Decree 152/2006) that formally no longer exists.
Pending regulatory and case law clarification - and hopefully the introduction of coordinating legislation - then, the possibility of continuing to include the crime of "Organised activities for the illegal traffic of waste" now covered by Article 452-*quaterdecies* Criminal Code in the list of corporate liability predicate crimes depends on whether the circumstance contained in Article 25-undecies is understood as referring to a so-called "flexible" postponement, or is in fact already applicable, along with subsequent modifications.

Article 260-*bis* of Legislative Decree 152/2006 - Computer system for controlling waste traceability

1. *Parties responsible who fail, within the deadlines, to subscribe to the control system for the traceability of waste (SISTRI) as referred to in Article 188-bis, paragraph 2, letter a), shall be liablle to an administrative fine of between €2,600 and €15,500. In the case of hazardous waste, the administrative fine is between €15,500 and €93,000.*

2. *Parties responsible who fail, within the deadlines, to make the payment of the fee for the registration to SISTRI of Article 188-bis, paragraph 2, letter a) shall be liable to an administrative fine of between €2,600 and €15,500. In the case of hazardous waste, the administrative fine is between €15,500 and €93,000. Ascertainment of the omission of the mandatory payment is followed by the immediate suspension of the service provided by the said control system of traceability to the offender. The recalculation of the annual subscription to the aforementioned traceability system must take account of cases of non-payment covered by this paragraph.*
3. *Anyone who fails to fill in the log or SISTRI - HANDLING AREA form, in line with the timing, procedures and methods established by the computer control system referred to in paragraph 1 or provides incomplete or inaccurate information to the above system, fraudulently alters any of the accessory technological devices to the aforementioned information system control, or otherwise in any way prevents its proper operation, is subject to an administrative fine of between €2,600 and €15,500. In the case of companies that occupy less than fifteen employees, the administrative fine applied will be between €1,040 and €6,200. The number of work units is calculated on the basis of the average number of employees in full time employment in any one year, while workers in part-time and seasonal work are calculated as fractions of units per year; for the above purposes, the year to be considered is that of the last approved accounting period prior to the establishment of the infringement. If the indications provided, albeit incomplete or inaccurate, do not affect the traceability of waste, the administrative fine will be of between €260 and €1,550.*
4. *Where the conduct referred to in paragraph 3 is related to hazardous waste, an administrative fine of between €15,500 and €93,000 will be imposed, as well as the suspension from one month to one year from the position held by the person responsible for the infringement, including suspension from the position of director. In the case of companies that occupy fewer than fifteen employees, the minimum and maximum measures referred to in the previous sentence is reduced respectively from €2,070 to €12,400 for hazardous waste. The method of calculation of the numbers of employees is described in paragraph 3. If the indications provided, albeit incomplete or inaccurate, do not affect the traceability of waste, the administrative fine will be of between €520 and €3,100.*
5. *Beyond the requirements of paragraphs 1 to 4, persons/entities in default of further obligations under the aforementioned SISTRI shall be liable, for each of violation, to an administrative fine of between €2,600 and €15,500. In the case of hazardous waste, an administrative fine of between €15,500 and €93,000 applies.*
6. *The penalty envisaged in Article 483 Criminal Code will apply to anyone who, in the preparation of a waste analysis certificate, used for the SISTRI system, provides false information on the nature, the composition and the chemical and physical characteristics of the waste and inserts a false certificate in the data required for the traceability of waste.*
7. *A carrier who fails to accompany the transport of waste with the hard copy of the SISTRI - HANDLING AREA form and, where necessary on the basis of existing laws and regulations, a copy of the certificate of analysis that identifies the characteristics of the waste material, shall be liable to an administrative fine from €1,600 to €9,300. The penalty in Article 483 Criminal Code will apply in the case of transport of hazardous waste. The aforesaid penalty also applies to any person who uses a false waste analysis certificate during transport containing false information on the nature, composition and physical and chemical characteristics of the waste transport.*
8. *A carrier accompanying the transport of waste with a fraudulently altered printed copy of the SISTRI - AREA shall be liable to the penalty established by the combined provisions of Articles 477 and 482 Criminal Code. The penalty is increased by up to a third for hazardous waste.*
9. *If the conduct referred to in paragraph 7 does not affect the traceability of waste, an administrative fine of between €260 and €1,550 is imposed.*

9-bis. Anyone who by their action or omission violates any of the provisions of this article or commits multiple violations of the provision is liable to the administrative penalties envisaged for the most serious violations, increased up to twice. The same penalty applies to those with various actions or omissions, the material executives of the plan, committed even at different times, of multiple violations of the same or different provisions of this article.

9-ter. For the administrative violations referred to in this article anyone who, within thirty days of the commission of the act, fulfils its obligations under the laws and regulations relating to computer control system referred to in paragraph 1 will not be liable. Within a period of sixty days from the date the violation was charged, the offender may settle the dispute, subject to fulfilment of the above obligations, with the payment of a quarter of the penalty. Facilitated resolution prevents imposition of the ancillary penalties.

Financial penalties: Paragraphs 6, 7, second and third clause, and 8 first clause from €38,700 to €387,250
Financial penalties: Paragraph 8 second clause from €51,600 to €464,700

Article 279, paragraph 5, of Legislative Decree 152/2006 - Penalties

1. *Except in cases of the application of Article 6, paragraph 13, for which penalties are applied, in accordance with Article 29-quattuordecies, to anyone who begins to install or operate a plant without the required authorisation or continues operations when authorisation has expired, ended, been suspended or revoked, shall be liable to a term of imprisonment of two months to two years or a fine from €1000 to €10,000. The same penalties shall apply to anyone who makes substantial unauthorised modifications to a plant as envisaged in Article 269, paragraph 8, or, where applicable, by the Decree implementing Article 23 of Decree-Law 5 of 9 February 2012, ratified with amendments by Law 35 of 4 April 2012. The same penalties shall apply to anyone who makes substantial unauthorised modifications to a plant as envisaged in Article 269, paragraph 8, or, where applicable, by the Decree implementing Article 23 of Decree-Law 5 of 9 February 2012, ratified with amendments by Law 1.000 of 4 April 2012, is subject to an administrative fine of €300 to €1,000, to be applied by the competent authority.*[107]
2. *Anyone who, in the operation of a plant, breaches the emission limit values established by the authorisation, by Annexes I, II, III or V to the fifth part of this decree, by the plans for the programs or the rules contained in Article 271 shall be liable to imprisonment for a term of up to one year or a fine of €10,000. If the value limits breached are contained in an integrated environmental authorisation the penalties established by the laws and regulations governing that authorisation shall apply.*[108]

2-bis. Anyone who, in the operation of a plant, breaches the requirements established by the authorisation, by Annexes I, II, III or V to the fifth part, by the plans and the programs or the rules contained in Article 271 or other requirements imposed by the competent authority in shall be liable to an administrative fine of €1,000 to €10,000, to be issued by the competent authority. If the requirements breached are contained in an integrated environmental authorisation the penalties established by the laws and regulations governing that authorisation shall apply.[109]

3. *Except in cases sanctioned under Article 29-quattuordecies, paragraph 7, anyone who begins the operation of a plant or begins to pursue any activity without giving prior notification required under Article 269, paragraph 6, or Article 272, paragraph 1, will be liable to imprisonment for up to one year or a fine of up to €1,032. Anyone who does not make one of the communications provided for in Article 273-bis, paragraph 6 and paragraph 7, letters c) and d) is subject to an administrative fine from €500 to €2,500, to be issued b the competent authority.*[110]

---

[107] The words «*from €1000 to €10,000*» were replaced for the words «*from €258 to €1032,*» and the words «*from €300 to €1000*» were replaced for the words «*of €1000*» by article 1 paragraph 1 letter o) Legislative Decree 183 of 15 November 2017; the words «*or, where applicable, by the Decree implementing Article 23 of Decree-Law 5 of 9 February 201 2, ratified with amendments by Law 35 of 4 April 2012*» and «*or, where applicable, by the Decree implementing Article 23 of Decree-Law 5 of 9 February 2012, ratified with amendments by Law 1.000 of 4 April 2012*» were added by Article 1 paragraph 1 letter o) Legislative Decree 183 of 15 November 2017, as above.

[108] Paragraph was last amended by Article 1, paragraph 1, letter o), of Legislative Decree 183 of 15 November 2017, as above. The text of the article was as follows: «*Anyone who, in the operation of a plant, breaches the emission limit values or the requirements established by the authorisation, by Annexes I, II, III or V to the fifth part of this decree, by the plans for the programs or the rules contained in Article 271 or other requirements imposed by the competent authority in accordance with this title shall be liable to imprisonment for a term of up to one year or a fine of €1,032. If the value limits for the requirements breached are contained in an integrated environmental authorisation the penalties established by the laws and regulations governing that authorisation shall apply.*»

[109] Paragraph introduced by Article 1, paragraph 1, letter o) of Legislative Decree 183 of 15 November 2017, as above.

[110] Paragraph was last amended by Article 1, paragraph 1, letter o), of Legislative Decree 183 of 15 November 2017, as above. The text of the article was as follows: «*Except in cases sanctioned under Article 29-quattuordecies, paragraph 7, anyone who begins the operation of a plant or begins to pursue any activity without giving prior notification required under Article 269 paragraph 6, or Article 272, paragraph 1, will be liable to imprisonment for up to one year or a fine of up to €1,032.*»

4. *Except in cases sanctioned under Article 29-quattuordecies, paragraph 8, anyone who does not provide the competent authority with emissions data in accordance with Article 269, paragraph 6, shall be liable to imprisonment for up to six months or a fine of up to one thousand and thirty-two euros.*
5. *In the cases envisaged in paragraph 2, a penalty of imprisonment of up to one year shall always apply, if the exceeding of the emission limits also results in the exceeding air quality limits established by applicable laws and regulations.*

[*omitted*]

Financial penalties: Paragraph 5, from €25,800 to €387,250

Article 1 of Law 150 of 7 February 1992

1. *Unless the offence constitutes a more serious crime, the penalty of imprisonment for a term of six months to two years and a fine of fifteen thousand to one hundred and fifty thousand euros*[111] *is imposed on anyone who in breach of the provisions of Regulation (EC) 338/97 of the Council of 9 December 1996, as amended, for specimens included in the species listed in Annex A of the Regulation as amended:*
   a) *imports, exports or re-exports specimens, under any customs regime, without the appropriate permit or certificate or an invalid permit or certificate pursuant to Article 11, paragraph 2a, of Regulation (EC) 338/97 of the Council of 9 December 1996 as amended;*
   b) *fails to comply with the requirements aimed at protecting the safety of the specimens, specified on a permit or certificate granted in accordance with Regulation (EC) 338/97 of the Council of 9 December 1996, as amended and Regulation (EC) 939/97 of the Commission of 26 May 1997 as amended;*
   c) *uses the aforementioned specimens in a way that differs from the requirements contained in the authorisations or certifications issued together with the subsequent import license or certificate;*
   d) *ships or transits specimens, also on behalf of third parties, without the appropriate permit or certificate issued in accordance with this Regulation (EC) 338/97 of the Council of 9 December 1996, as amended and Regulation (EC) 939/97 of the Commission of 26 May 1997, and, in the case of export or re-export from a third country party to the Washington Convention, in accordance therewith, or without satisfactory proof of the existence of such permit or certificate;*
   e) *trades in artificially propagated plants contrary to the provisions laid down in accordance with Article 7, paragraph 1, letter b), of Regulation (EC) 338/97 of the Council of 9 December 1996 as amended and Regulation (EC) 939/97 of the Commission of 26 May 1997 as amended;*
   f) *possesses, uses for profit, buys, sells, displays or holds for sale or for commercial purposes, offers for sale or otherwise disposes of specimens without the required documentation.*
2. *If repeated, the penalty is from one to three years imprisonment and the fine from thirty thousand to three hundred thousand euros. If the aforementioned crime is committed in the exercise of business activities, the conviction shall result in suspension of the permit for a minimum of six months to a maximum of two years.*[112]
3. *The import, export or re-export of personal or household effects derived from specimens of species listed in paragraph 1, in violation of the provisions of Regulation (EC) 939/97 of the Commission of 26 May 1997, as amended, shall be punished by an administrative penalty of between six thousand euros and thirty thousand euros. Objects introduced illegally shall be confiscated by the State Forestry Department, where confiscation has not already been ordered by the legal authority.*[113]

Financial penalties: Paragraph 1, from €25,800 to €387,250
Financial penalties: Paragraph 2, from €38,700 to €387,250

---

[111]The words «*of six years to two years*» were replaced for the words «*from three months to a year*» and the words «*fifteen thousand to one hundred and fifty thousand euros*» were replaced for "*from fifteen million lire to one hundred and fifty million lire*" by Article 2, paragraph 1, letter a) Law 68 22 May 2015.

[112]The words «*from one to three years*» were replaced for the words «*from three months to two years,*» the words «*from thirty thousand to three hundred thousand euros*» were replaced for the words «*from 20 million lire to 200 million lire*» and the words «*to a maximum of two years*» were replaced for the words «*to a maximum of eighteen months*» by article 2 paragraph 1 letter b) Law 68 of 22 May 2015.

[113]The words «*between six thousand euros and thirty thousand euros*» were replaced for the words «*from three million lire to eighteen million lire*» by Article 2, paragraph 1, letter c) Law 68 of 22 May 2015.

Article 2 of Law 150 of 7 February 1992

1. *Unless the offence constitutes a more serious crime, the penalty of a fine of twenty thousand to two hundred thousand euros or imprisonment for a term of six months to one year is imposed on*[114] *anyone who in breach of the provisions of Regulation (EC) 338/97 of the Council of 9 December 1996, as amended, for specimens included in the species listed in Annexes B and C of the Regulation as amended:*
   a) *imports, exports or re-exports specimens, under any customs regime, without the appropriate permit or certificate or an invalid permit or certificate pursuant to Article 11, paragraph 2a, of Regulation (EC) 338/97 of the Council of 9 December 1996 as amended;*
   b) *fails to comply with the requirements aimed at protecting the safety of the specimens, specified on a permit or certificate granted in accordance with Regulation (EC) 338/97 of the Council of 9 December 1996, as amended and Regulation (EC) 939/97 of the Commission of 26 May 1997 as amended;*
   c) *uses the aforementioned specimens in a way that differs from the requirements contained in the authorisations or certifications issued together with the subsequent import license or certificate;*
   d) *ships or transits specimens, including on behalf of third parties, without the appropriate permit or certificate issued in accordance with this Regulation (EC) 338/97 of the Council of 9 December 1996, as amended and Regulation (EC) 939/97 of the Commission of 26 May 1997, and, in the case of export or re-export from a third country party to the Washington Convention, in accordance therewith, or without satisfactory proof of the existence of such permit or certificate;*
   e) *trades in artificially propagated plants contrary to the provisions laid down in accordance with Article 7, paragraph 1, letter b), of Regulation (EC) 338/97 of the Council of 9 December 1996 as amended and Regulation (EC) 939/97 of the Commission of 26 May 1997 as amended;*
   f) *possesses, uses for profit, buys, sells, displays or holds for sale or for commercial purposes, offers for sale or otherwise disposes of specimens without the required documentation, solely for the species identified in Annex B of the Regulation.*
2. *If repeated, the penalty is from six months to eighteen months imprisonment and the fine is from twenty thousand euros to two hundred thousand euros. If the aforementioned crime is committed in the exercise of business activities, the conviction shall result in suspension of the permit for a minimum of six months to a maximum of eighteen months.*[115]

[*omitted*]

Financial penalties: Paragraphs 1 and 2, from €25,800 to €387,250

Article 6 of Law 150 of 7 February 1992

1. *Except as envisaged in Law 157 of 11 February 1992, it is prohibited for anyone to posses live specimens of wild species of mammals and reptiles and live specimens of mammals and reptiles originating from reproduction in captivity that are a danger to health or public safety.*
2. *The Minister for the Environment, in consultation with the Ministry of Internal Affairs, the Ministry of Health and the Ministry of Agriculture and Forestry, establishes by decree the criteria to be applied in the identification of species referred to in paragraph 1 and accordingly prepares a list of them, ensuring it is suitably disseminated also with the help of associations for the protection of species.*
3. *Notwithstanding the provisions of paragraph 1 of Article 5, those who on the date of publication in the Official Journal of the Italian Republic of the Decree referred to in paragraph 2 possess live specimens of wild species of mammals and reptiles and live specimens of mammals and reptiles from reproduction in captivity included in that list, are required to report it to the prefecture with territorial jurisdiction within ninety days from the date of entry into force of the decree referred to in paragraph 2. The prefect, in agreement with the relevant health authorities, may authorise the detention of these*

---

[114] The words «*of a fine of twenty thousand to two hundred thousand euros or imprisonment for a term of six months to one year*» were replaced for «*of a fine of 20 million lire to 200 million lire or imprisonment for a term of three months to one year*» by Article 2, paragraph 2, letter a) Law 68 22 May 2015.

[115] The words «*from six months to eighteen months*» were replaced for the words «*from three months to one year,*» the words «*from twenty thousand euros to two hundred thousand euros*» were replaced for the words «*from two million lire to two hundred million lire*» and the words «*from a minimum of six months to a maximum of eighteen months*» were replaced by the words «*from a minimum of four months to a maximum of twelve months*» by article 2, paragraph 2, letter b), of Law 68 of 22 May 2015.

specimens subject to verification of the suitability of holding facilities, with a view to the proper survival of the specimens, and health and public safety.

4. *Anyone who breaches the provisions of paragraph 1 shall be liable to imprisonment for a term of up to six months or a fine of between fifteen thousand euros and thirty thousand euros.*[116]

[*omitted*]

Financial penalties: Paragraph 4, from €25,800 to €387,250

Article 3 *bis*, paragraph 1 - Law 150 of 7 February 1992

1. *For the offences envisaged in Article 16 paragraph 1, letters a), c), d), e), and l) of Regulation (EC) 338/97 of the Council of 9 December 1996 as amended on the forgery or alteration of certificates, licences, import notifications, declarations, or communications of information in order to acquire a permit or certificate, the use of certified or false or altered permits, the penalties specified in Book II, Title VII, Chapter III of the Criminal Code shall apply.*

To facilitate understanding, it is reproduced in full.

Chapter III, Title VII, Book II of the Criminal Code

Article 476

Material fraud committed by a public official in public documents.

1. A public official who, in exercising their functions, prepares, in whole or in part, a false document or alters an authentic document, shall be liable to imprisonment for a term of one to six years.
2. If the fraud concerns a document or part of a document that is used as legal evidence until an action for fraud is brought, the imprisonment is from three to ten years.

Article 477

Material fraud committed by a public official in administrative certificates or authorisations.

A public official who, in the exercise of his functions, forges or alters certificates or administrative authorisations, or through forgery or alteration, simulates conditions required for their validity, shall be liable to imprisonment for a term of six months to three years.

Article 478

Material fraud committed by a public official in authenticated copies of public or private documents and certifications of the content of such documents.

1. A public official who, in the exercise of his functions, supposing there exists a public or private document, simulates a copy thereof and releases it in legal form, or give copies of a public or private document that differ from the original, shall be liable to imprisonment for a term of one to four years.
2. If the fraud concerns a document or part of a document that is used as legal evidence until an action for fraud is brought, the imprisonment is from three to eight years.
3. If the fraud is committed by public officials in a statement on the content of documents, public or private, the penalty is imprisonment of one to three years.

Article 479

Intentional fraud committed by a public official in public documents.

A public official who, receiving or preparing a document in the exercise of his functions, falsely certifies that he has performed an action or that it has taken place in his presence, or certifies that he received statements that were not made, or omits or alters statements received by him, or otherwise falsely certifies facts whose veracity the document is intended to prove, is subject to the penalties outlined in Article 476.

---

[116] The words «*imprisonment for a term of up to six months or a fine of between fifteen thousand euros and thirty thousand euros*» were replaced with «*imprisonment for a term of up to three months or a fine of between fifteen million lire and two hundred million lire*» by Article 2, paragraph 4, letter a), of Law 68 of 22 May 2015.

Article 480

Intentional fraud committed by a public official in certificates or administrative authorisations.

A public official who, in the exercise of his functions, falsely attests in certificates or administrative authorisations to facts whose veracity the document is intended to prove, shall be liable to imprisonment for a term of three months to two years.

Article 481

Intentional fraud in certificates committed by persons exercising an essential public service.

1. Anyone who, in the exercise of a health or legal profession, or other essential public service, falsely attests, in a certificate, to facts whose veracity the document is intended to prove, shall be liable to imprisonment for a term of up to one year or a fine of €51 to €516.
2. These penalties apply jointly if the offence is committed for profit.

Article 482

Material fraud committed by a private individual.

If any of the offences punishable under Articles 476, 477 and 478 are committed by a private individual or by a public official outside the exercise of his functions, the respective penalties prescribed in those Articles, reduced by one third, will apply.

Article 483

Intentional fraud committed by a private individual in a public document.

1. Anyone who falsely attests to a public official, in a public document, facts whose veracity the document is intended to prove, shall be liable to imprisonment for a term of up to two years.
2. If false claims are made regarding civil status, imprisonment can not be less than three months.

Article 484

Fraud in registers or notifications.

Anyone who, being legally obliged to make registrations subject to inspection by security authorities, or notifications to these authorities about its industrial, commercial or professional operations, provides false information or allows false information to be provided, shall be liable to imprisonment for a term of up to six months or a fine of up to €309.

Article 485

[Fraud in private agreements.]

ARTICLE REPEALED BY ARTICLE 1, PARAGRAPH 1, LETTER A) OF LEGISLATIVE DECREE No. 7 OF 15 JANUARY 2016

(Fraud in private agreements is now exclusively a civil offence subject to a fine)

1. Anyone who, in order to procure for themselves or others an advantage or to cause damage to others, presents, in whole or in part, a false private agreement, or alters an authentic private agreement, shall be liable, if use is made directly or by others, to imprisonment from six months to three years.
2. Alterations are considered to be also additions falsely made to an authentic true deed after it has been finally made.

Article 486

[Forgery of signatures on a blank sheet. Private document.]

ARTICLE REPEALED BY ARTICLE 1, PARAGRAPH 1, LETTER B) OF LEGISLATIVE DECREE No. 7 OF 15 JANUARY 2016

(Forgery of a signed blank sheet or private agreement is now exclusively a civil offence subject to a fine)

1. Anyone who, in order to procure for themselves or others an advantage or to cause damage to others, abuses a signed blank sheet, of which they are in possession by means of obligation or entitlement to complete it, writes or allows to be written a private document with legal effects other than that which was required or permitted, shall be liable, if the same is used directly or by others, to imprisonment from six months to three years.
2. A signed blank sheet is one which the subscriber has left blank any space intended to be filled.

Article 487

Forgery of signatures on a blank sheet. Public document.

Any public official who, abusing a signed blank sheet of which they are in possession by means of obligation or entitlement to complete it, writes or allows to be written a public document that is different to that which was required or permitted, shall be liable to the penalties respectively established in Articles 479 and 480.

Article 488

Other forgeries of signatures on a blank sheet. Applicability of the provisions on material fraud.

In cases of forgery of a signed blank sheet other than those envisaged in the article 487, the provisions on material fraud in public documents apply.[117]

Article 489

Use of false document.

1. Anyone who, without concurring in the forgery, makes use of a forged act will be subject to the penalties outlined in the previous Articles, reduced by one third.

[2. In the case of private agreements, anyone who commits the act will be punishable only if he acted in order to procure for themselves or others an advantage or cause damage to others.] PARAGRAPH REPEALED BY ARTICLE 2, PARAGRAPH 1, LETTER B) OF LEGISLATIVE DECREE 7 OF 15 JANUARY 2016 (anyone who uses a false private agreement is now exclusively civilly liable for the offence and subject to a financial penalty).

Article 490

Suppression, destruction or concealment of real documents.

1. Anyone who, destroys, suppresses or conceals an authentic public act or, in order to bring to himself or to others an advantage or to bring to others harm, destroys, suppresses or hides a holographic will, bill of exchange or other credit letter transferable by endorsement or named to the bearer, is subject respectively to the penalties envisaged in Articles 476, 477e and 482 according to the distinctions contained in them.[118]

[2. The provisions of the previous paragraph of the Article apply.] Paragraph abrogated by Article 2 paragraph 1 letter c) 2 of Legislative Decree 7 of 15 January 2016 (now a civil offence subject to a financial penalty).

Article 491

Fraud in a holographic will, bill of exchange or debt securities.

1. If any of the fraudulent activities envisaged in the previous Articles concerns a holographic will, or a promissory note or other credit letter transferable by endorsement or to the bearer, and the offence is committed to bring an advantage to himself or to harm others, the penalties envisaged respectively in the first part of Article 476 and Article 482 shall apply.
2. In the case of the forgery or alteration of the documents referred to in the first paragraph, anyone who makes use of the same, even without having taken part in the fraud, will be subject to the penalty envisaged in Article 489 for the use of a false public document.[119]

---

[117] Article amended by Article 2, paragraph 1, letter a), of Legislative Decree 7 of 15 January 2016. The text was as follows: «*In cases of forgery of a signed blank sheet other than those envisaged in the two preceding Articles, the provisions on material fraud in public documents or private agreements apply.*»

[118] Paragraph replaced by Article 2 paragraph 1 letter c) 1 Legislative Decree 7 of 15 January 2016. The text of the paragraph was as follows: «*Anyone who, destroys, suppresses or conceals an authentic public act or private agreement, in whole or in part, is subject respectively to the penalties envisaged in Articles 476, 477, 482 and 485, according to the distinctions contained in them.*»

[119] Article replaced by Article 2, paragraph 1, letter d) Legislative Decree 7 of 15 January 2016. The text of the article was as follows: «Documents equivalent to the public documents for the purposes of the penalty. *1. If any of the fraudulent activities envisaged in the previous Articles concerns a holographic will, or a promissory note or other credit letter transferable by endorsement or to the bearer, in the place of the penalty established for fraud in private agreements envisaged in Article 485, the penalties envisaged respectively in the first part of Article 476 and Article 482 shall apply. 2. In the case of the forgery or alteration of any of these documents, anyone who makes use of the same, even without having taken part in the fraud, will be subject to the penalty envisaged in Article 489 for the use of a false public document.*»

Article 491 bis
Electronic documents.

If any of the false information referred to in this paragraph concerns a public electronic document having evidentiary value, the provisions of the paragraph for public documents shall apply respectively.[120]

Article 492
Certified copies replacing lost or missing originals.

For the purposes of the above provisions, *public documents* and *private agreements* or deeds include original documents and certified copies, when, according to law, they take the place of missing originals.

Article 493
Fraud by public service employees.

The provisions of the preceding Articles on fraud by public officials also apply to State employees, other public authorities' employees and public service officers in relation to the documents they prepare in the exercise of their duties.

Article 493 bis
Cases subject to private prosecution.

1. The crimes envisaged in Articles 490 and 491, when they concern a private agreement, are punishable upon complaint by the injured party.[121]
2. If the crimes envisaged by the Articles referred to in the previous paragraph concern a holographic will then prosecution is automatic.

Article 493 ter[122]
Undue use and falsification of credit and payment cards.

1. Anyone who, in order to make a profit for himself or for others, improperly uses credit cards or payment cards, or any other similar document that enables cash withdrawals or the purchase of goods or the provision of services, is punished with imprisonment from one to five years and with a fine ranging from €310 to €1,550. The same penalty is applied to anyone who, in order to make a profit for themselves or for others, falsifies or alters credit or payment cards or any other similar document that enables cash withdrawals or the purchase of goods or the provision of services, or owns, sells or acquires such cards or documents of illicit origin or otherwise falsified or altered, as well as payment orders produced with them.
2. In the event of conviction or plea bargain pursuant to Article 444 of the Code of Criminal Procedure for the crime referred to in the first paragraph, the offender is subject to confiscation of the things that were used or were intended to be used to commit the crime, as well as the profit or product - unless they belong to a person unrelated to the crime - or when this is not possible, the confiscation of assets, sums of money and other benefits of which the offender has access for a value corresponding to that profit or product.

Financial penalties: from €25,800 to €387,250, for the commission of crimes subject to the penalty of imprisonment for not more than a maximum of one year
Financial penalties: from €38,700 to €387,250, for the commission of crimes subject to the penalty of imprisonment for not more than a maximum of two years
Financial penalties: from €51,600 to €464,700, for the commission of crimes subject to the penalty of imprisonment for not more than a maximum of three years
Financial penalties: from €77,400 to €774,500, for the commission of crimes subject to the penalty of imprisonment for not more than a maximum of three years

---

[120] Article replaced by Article 2 paragraph 1 letter e) Legislative Decree 7 of 15 January 2016 The text of the article was as follows: «*If any of the false information referred to in this paragraph concerns a public electronic document having evidentiary value, the provisions of the paragraph for public documents and private agreements shall apply respectively.*»

[121] Paragraph replaced by Article 2, paragraph 1, letter f) of Legislative Decree 7 of 15 January 2016. The text of the Article, as added by Article 89 Law 689 of 24 November 1981, was as follows: «*The crimes envisaged in Articles 485 and 486 and those under Articles 488, 489 and 490, when they concern a private agreement, are punishable upon complaint by the injured party*».

[122] Article introduced by Article 4 paragraph 1 letter a) Legislative Decree 21 of 1 March 2018.

Articolo 3, paragraph 6, of Law 549 of 28 December 1993

1. *The production, consumption, import, export, possession and sale of ozone-depleting substances in Table A attached to this law shall be governed by the provisions of Regulation (EC) No. 3093/94.*
2. *From the date of its entry into force, this law prohibits the authorisation of systems that use the substances listed in Table A attached to this law, without prejudice to Regulation (EC) No. 3093/94.*
3. *A decree of the Minister for the Environment, in consultation with the Minister for Industry, Trade and Craft, establishes - in accordance with the provisions and timescales of phase-out plan under Regulation (EC) No. 3093/94 - the date until which the use of substances listed in Table A (annexed) is permitted for the maintenance and replenishment of equipment and systems already sold and installed at the date of entry into force of this law, the timing and arrangements for stopping the use of the substances listed in Table B (annexed), and the essential uses of substances listed in Table B, for which exemptions may be granted to the provisions of this paragraph. [The production, use, sale, import and export of substances listed in Tables A and B, will cease from 31 December 2008, excepting the substances, semi-finished goods and products not included in the scope of Regulation (EC) No. 3093/94, as defined therein.] clause eliminated by Article 15, paragraph 1 of Law 179 of 31 July 2002. [As of 31 December 2008, in order to reduce emissions of gasses with high global warming potential, limitations on the use of hydrochlorofluorocarbons (HCFCS) in fire protection, also apply to the use of perfluorocarbons (Pfcs) and hydrofluorocarbons).*
4. *The use of terms other than those referred to in paragraph 3, derived from the ongoing revision of Regulation (EC) No. 3093/94, involves the replacement of the terms set out in this law and the simultaneous adjustment to the new terms.*
5. *Companies intending to stop production and use of substances listed in Table B (annexed), before the compliance deadline may conclude framework agreements with the ministries of industry, trade and craft and of the environment, in order to take advantage of incentives referred to in Article 10, with priority connected to early compliance with the disposal times, in line with the regulations established by decree of the Minister for Industry, Trade and Craft, in agreement with the Minister for the Environment.*
6. *Anyone who breaches the provisions of this article shall be liable to imprisonment for a term of up to two years and a fine of up to three times the value of the substances used for manufacturing purposes, or imported or sold. In the most serious cases, conviction results in the revocation of the authorisation or the permit under which the activity constituting the offence is conducted.*

Financial penalties: Paragraph 6, from €38,700 to €387,250

Article 8 of Legislative Decree 202 of 8 November 2007. Implementing Directive 2005/35/EC on ship-source pollution and on the introduction of penalties for infringements

1. *Unless the offence constitutes a more serious crime, the commander of a ship, flying any flag, as well as the crew members, the owner and operator of the ship, if the breach has occurred with their aid, who intentionally breaches the provisions of Article 4 shall be liable to imprisonment for a term of six months to two years and a fine of €10,000 to €50,000.*
2. *If the breach referred to in paragraph 1 causes permanent or particularly serious damage to water quality, animal or vegetable species or parts thereof, a penalty will be imposed of imprisonment for a term of one to three years and a fine of €10,000 to €80,000.*
3. *The damage is deemed to be particularly serious if the elimination of its consequences is particularly complex from a technical paragraph of view, or particularly costly, or only achievable with exceptional measures.*

Financial penalties: Paragraph 1, from €38,700 to €387,250
Financial penalties: Paragraph 2, from €51,600 to €464,700
Prohibitory penalties: violations of paragraphs 1 and 2, from three to six months
Permanent ban from the activity if the entity or one of its organisational units is regularly used for the sole or primary purpose of enabling or facilitating the commission of the crimes under this article.

Article 9 Legislative Decree 202 of 6 November 2007 Implementing Directive 2005/35/EC on ship-source pollution and on the introduction of penalties for infringements

1. *Unless the offence constitutes a more serious crime, the commander of a ship, flying any flag, as well as the crew members, the owner and operator of the ship, if the breach has occurred with their cooperation, who negligently breach the provisions of Article 4 shall be liable to a fine of €10,000 to €30,000.*
2. *If the breach referred to in paragraph 1 causes permanent or particularly serious damage to water quality, animal or vegetable species or parts thereof, a penalty will be imposed of imprisonment for a term of six months to two years and a fine of €10,000 to €30,000.*
3. *The damage is deemed to be particularly serious if the elimination of its consequences is particularly complex from a technical paragraph of view, or particularly costly, or only achievable with exceptional measures.*

Financial penalties: Paragraph 1, from €25,800 to €387,250
Financial penalties: Paragraph 2, from €38,700 to €387,250
Prohibitory penalties: For violations of paragraph 2, from three to six months

17) EMPLOYMENT OF ILLEGALLY STAYING THIRD-COUNTRY NATIONALS

Article 25 *duodecies* of Legislative Decree 231/01

Article 22, paragraph 12-bis, Legislative Decree 286 of 25 July 1998 ("Italian Immigration Act")

12. Employers who employ foreign workers who do not have the residence permit referred to in this article, or whose permit has expired and for which renewal has not been requested within the period required by law, or has been revoked or cancelled, shall be liable to imprisonment for a term of six months to three years and a fine of €5,000 for each worker employed.

12 bis - The penalties for the offence established by paragraph 12 are increased by a third to a half:

a) three or more workers are employed;

b) the workers employed are under working age;

c) the workers employed are subject to the other exploitative working conditions identified in the third paragraph of Article 603-bis Criminal Code.

12 ter - Through the conviction judgment, the judge applies the additional administrative penalty of the cost of repatriation of the illegally employed foreign worker.

Legislative Decree 109 of 16 July 2012 ("*Implementation of EU Directive 2009/52/EC providing for minimum standards on sanctions and measures against employers of illegally staying third-country nationals*"), published in Official Journal of the Italian Republic 172 of 25 July 2012, with Article 1 added a series of modifications to Legislative Decree 286 of 25 July 1998, i.e the Italian Immigration Act. The decree, in particular paragraphs 12-*bis* and 12-*ter*, ratifies the increase of penalties adding to Article 22, paragraphs 12-*bis* and 13-*ter* (above).

Article 2 ("*Sanctions*") of Legislative Decree 109/2012 adds Article 25-duodecies to Legislative Decree 231/01 ("*Employment of illegally staying third-country nationals*"): employers employing illegal immigrants will be punished under criminal law, while the entity will be independently liable (in the case referred to in paragraph 12-*bis*) to a financial penalty of 100 to 200 units, up to a limit of €150,000.

Financial penalty: 100 to 200 units, up to a maximum of €150,000.

Article 12, paragraphs 3, 3-bis, and 3-ter of Legislative Decree 286 of 25 July 1998

3. Unless the offence constitutes a more serious crime, whoever, in order to gain profits either directly or indirectly, carries out acts aimed at obtaining the entry of individuals into the territory of Italy in violation of the provisions of this Act, or obtaining the illegal entry into other states where the individuals are not citizens or do not have the necessary residence permits, shall be liable to imprisonment for a term of between five and fifteen years and a fine of €15,000 per individual when:

a) the fact concerns the entry or illegal permanence in the territory of the State of five or more individuals;

b) in order to obtain entry or illegal permanence the individual's life or safety is put in danger;

c) in order to obtain entry or illegal permanence the individual is subjected to inhuman or degrading treatment;

d) the fact is committed by three or more individuals cooperating together or using international transport services or counterfeited or altered documents or documents otherwise illegal obtained;

e) the perpetrators of the fact also had available arms or explosive materials.

3-bis. If the facts referred to in paragraph 3 are carried out involving two or more of the hypotheses outlined in a), b), c), d) and e) of the same paragraph, the penalty will be increased.

3-ter. The period of imprisonment is increased by between one-third and a half and the fine is increased to €25,000 for every individual, if the facts, as at paragraphs 1 and 3:

a) are aimed at recruiting individuals for prostitution or in any case for sexual or labour exploitation or concern minors to be used in unlawful activities aimed at facilitating exploitation;

b) are committed with a view to making profit, even indirectly.

Financial penalty: From 400 units (€103,200) to 1000 units (€1,549,000)
Prohibitory penalty: From 12 to 24 months

Article 12, paragraph 5, of Legislative Decree 286 of 25 July 1998

5. *Apart from the cases referred to in the previous paragraphs and unless the act constitutes a more serious crime, whoever, in order to obtain unfair profits from the illegal status of the foreigner or with regard to the activities punishable in accordance with the provisions of the present Article, facilitates the continued stay of these individuals in the territory of the State in violation of the provisions of this Act, shall be liable to imprisonment for a period of up to four years and a fine up to thirty million lire. When an offence is committed by two or more persons, or concerns the permanence of five or more persons, the penalty may be increased by a third to a half.*

Financial penalty: From 100 units (€25,800) to 200 units (€309.800)
Prohibitory penalty: From 12 to 24 months

18) RACISM AND XENOPHOBIA

Article 25 *terdecies* of Legislative Decree 231/01

[Article 3, paragraph 3bis, of Law 654 of 13 October 1975 (Ratification and execution of the international convention on the elimination of all forms of racial discrimination, opened for signature in New York on 7 March 1966, as amended by Article 5 of Law 167 of 20 November 2017

[paragraph 3] Any organisation, association, movement or group that has among its purposes the incitement to discrimination or violence for racial, ethnic, national or religious reasons is prohibited. Anyone who participates in such organisations, associations, movements or groups, or provides assistance to their activities, is punished for the mere fact of participation or assistance, with imprisonment from six months to four years. Those who promote or direct such organisations, associations, movements or groups are punished, for this alone, with imprisonment from one to six years.
[paragraph 3-bis] The sentence of imprisonment from two to six years is applied if the propaganda or the instigation and the incitement, committed in such a way that it causes real danger of diffusion, are based in whole or in part on the negation, on the serious minimisation or on the defence of the Holocaust or crimes of genocide, crimes against humanity and war crimes, as defined in articles 6, 7 and 8 of the Statute of the International Criminal Court, ratified according to Law 232 of 12 July 1999.

Law 167 of 20 November 2017, on "*Provisions for the fulfilment of the obligations deriving from Italy's membership of the European Union - European Law 2017*" introduced into the catalogue of predicate crimes the crime of propaganda, instigation and incitement to discrimination or violence for racial reasons, ethnic, national or religious, aggravated by the fact that the "*propaganda or instigation or incitement … are based on negation, serious minimisation or defence of the Holocaust or genocide crimes, crimes against humanity and war crimes …*" The provision was issued for the purpose of the full implementation of the Framework Decision 2008/913/JHA on the fight against certain forms and expressions of racism and xenophobia.

Financial penalty: From 200 units (€51,600) to 800 units (€1,239,000).
Prohibitory penalty: From 12 to 24 months]

Article 3 of the Law of 13 October 1975 was abrogated by Article 7, paragraph 1, letter c) of Legislative Decree 21 of 1 March 2018.

The same rule was "relocated" within the Criminal Code, in the newly-introduced Article 604 bis (paragraphs 2 and 3), following the reform pursuant to Article 2 paragraph 1 letter i) Legislative Decree 21 of 1 March 2018. It should be noted that no change was made to Article 25-*terdecies* Legislative Decree 231/2001, which therefore continues to refer to a provision (Article 3 of Law 13 October 1975) that formally no longer exists.

Pending regulatory and case law clarification - and hopefully the introduction of coordinating legislation - then, the possibility of continuing to include the crime now covered by Article 604-bis Criminal Code in the list of corporate liability predicate crimes depends on whether the circumstance contained in Article 25-*terdecies* is understood as referring to a so-called "flexible" postponement, or is in fact already applicable, along with subsequent modifications.

19) FRAUD IN SPORTING COMPETITIONS AND ILLEGAL EXERCISE OF GAMBLING AND BETTING ACTIVITIES

Article 25 *quaterdecies* of Legislative Decree 231/01

Article 5 of Law no. 39 of 3 May 2019 (Ratification and implementation of the Council of Europe Convention on the manipulation of sports competitions, done at Magglingen on 18 September 2014)

Article 1. Law no. 401 of 13 December 1989 - Fraud in sports competitions

1. *Whosoever offers or promises money or other benefits or advantages to any of the participants in a sports competition organised by the federations recognized by the Italian National Olympic Committee (CONI), by the Italian Union for the Development of Equine Breeds (UNIRE) or by other sports bodies recognised by the State and their associations, in order to achieve a result different from that resulting from the correct and fair conduct of the competition, or commits other fraudulent acts for the same purpose, is subject to imprisonment for a period of between two and six years and a fine of between €1,000 and €4,000.*
2. *The same penalties apply to the participant in the competition who accepts the money or other benefit or advantage, or accepts its promise.*
3. *If the result of the competition affects the purposes of carrying out lottery and betting competitions regularly exercised, for the facts referred to in paragraphs 1 and 2, the penalty of imprisonment is increased by up to half and a fine from €10,000 to €100,000 applies.*

Article 4. Law 401 of 13 December 1989 - Illegal exercise of gambling and betting activities

1. *Whosoever illegally exercises the organisation of lotteries, gambling or betting competitions that the Law reserves to the State or to another concessionary body is punished with imprisonment from three to six years and a fine from €20,000 to €50,000. The same penalty applies to anyone who organises gambling or betting competitions on sports activities managed by the Italian National Olympic Committee (CONI), its dependent organisations or the Italian Union for the Development of Equine Breeds (UNIRE). Whosoever abusively exercises the organisation of public betting on other competitions of people or animals and games of skill is punished with imprisonment from three months to one year and a fine of no less than one million Lire. The same penalties shall apply to any person who sells tickets of sweepstakes or similar events of chance of foreign States on Italian territory without authorisation from the Customs and Monopolies Agency, and to any person who takes part in such operations by collecting bookings of bets and crediting the relevant winnings and promoting and advertising them by any means of dissemination. Whosoever organises, exercises and collects at a distance, without the required concession, any game set up or regulated by the Customs and Monopolies Agency is also punishable by imprisonment from three to six years and a fine from €20,000 to €50,000. Whosoever, even if holder of the required concession, organises, exercises and collects at a distance any game set up or regulated by the Customs and Monopolies Agency with methods and techniques other than those provided for by the law shall be punished with imprisonment from three months to one year or with a fine from €500 to €5,000.*
2. *In the case of competitions, games or bets managed in the manner referred to in paragraph 1, and except for the cases of complicity in any of the offences provided for therein, whosoever in any way advertises their exercise is subject to imprisonment for up to three months and a fine of between one hundred thousand and one million Lire. The same penalty applies to whomsoever, in any way, advertises games, bets and sweepstakes in Italy, accepted by anyone abroad.*
3. *Whosoever participates in competitions, games or bets managed in the manner referred to in paragraph 1, except for the cases of complicity in any of the offences provided for therein, is subject to imprisonment for up to three months or a fine of between one hundred thousand and one million Lire.*
4. *The provisions of paragraphs 1 and 2 also apply to games of chance exercised by means of devices prohibited by Article 110 of Royal Decree No. 773 of 18 June 1931, as amended by Law No. 507 of 20 May 1965, and as last amended by Article 1 of Law No. 904 of 17 December 1986.*

4 bis. The penalties referred to in this article are applied to whomsoever, without a concession, authorisation or licence pursuant to Article 88 of the Consolidated Law on Public Security, approved by Royal Decree No. 773 of 18 June 1931, as amended, carries out any activity in Italy organised in order to accept or collect or in any way facilitate the acceptance or in any way the collection, including by telephone or electronic means, of bets of any kind accepted by anyone in Italy or abroad.

Without prejudice to the powers attributed to the Ministry of Finance by Article 11 of Decree Law No, 557 of 30 December 1993, enacted, with amendments, by Law No 133 of 26 February 1994, and in application of Article 3, paragraph 228, of Law No. 549 of 28 December 1995, the penalties referred to in this Article shall apply to any person who collects or books lottery bets, gambling competitions or bets by telephone or electronic means, without the appropriate authorisation of the Ministry of the Economy and Finance - Customs Agency, where such person is not authorised to do so by the Ministry of the Economy and Finance - Customs Agency.

4-quater. The Customs and Monopolies Agency is required to implement, in collaboration with the Italian Finance Police and the other police forces, an extraordinary plan to control and combat the illegal activity referred to in the preceding paragraphs with the aim of determining the uncovering of the collection of illegal gambling.

Law no. 39 of 3 May 2019 (Ratification and implementation of the Council of Europe Convention on the manipulation of sports competitions, done at Magglingen on 18 September 2014) introduced Article 25-quaterdecies into the list of predicate offences, concerning "*Fraud in sports competitions, illegal exercise of gambling or betting and games of chance by means of prohibited devices*." The provision in question refers to Articles 1 and 4 of Law 401/1989. In particular, article 1 punishes the crime of sports fraud understood as the offer or promise of money, made by anyone, in order to achieve a result other than that of the correct and real conduct of the competition and aims to ensure the principles of fairness and ethics in the conduct of sports competitions, protecting the regularity of competitions and results, preserving them from illegal profit.

Article 4 regulates and punishes illegal and abusive gaming and betting, with the dual aim of preserving the monopoly or public control in this sector, in particular in order to limit and combat the phenomenon of gambling.

Financial penalty (crimes): from 100 units (€25,800) to 500 units (€774,500)
Financial penalty (fines): from 100 units (€25,800) to 260 units (€402,740)
Prohibitory penalty: up to 12 months

20) TAX CRIMES

Article 25 *quinquiesdecies* of Legislative Decree 231/01

Decree-Law 124 of 26 October 2019, converted with amendments into Law 157 of 19 December 2019, containing "*Urgent provisions on tax matters and for undeferrable necessity*", has moderately tightened the penalties for tax crimes and, in doing so, has extended the liability of entities to some of the most significant tax offences.

In particular, from the date the decree enters into force, companies and other collective entities bear liability under Legislative Decree 231/2001 for any criminal offenses preceding and following on from tax declarations.

The most significant crimes in this first category are *fraudulent declarations by using non-existent invoices or other documents* and *fraudulent declarations using other artifices*, as provided for in Articles 2 and 3 of Legislative Decree 74/2000. These are the most serious false declaration offences, as they involve the use of false documents or artifacts or, in any case, the use of other devices aimed at unlawfully tampering with the tax base; however, there has been no extension of corporate responsibility for residual and less serious false declaration offences (Article 4 of Legislative Decree 74/2000). Declaration-related offenses are crimes with specific intent (although it would be more correct to say "with *direct intent*"), committed at the time (and place) in which the income tax declaration forming the basis for the State's tax claim is filed.

The most significant crimes in the second category, following on from declarations, concerns behaviour aimed at hindering the assessment of the real tax positions (such as the penalties for concealing or destroying tax documents under Article 10 of Legislative Decree 74/2000) or frustrating the expected tax recovery (which explains the crackdown on *fraudulent detractions from tax payments*, in particular by simulating reductions in assets under Article 11 of Legislative Decree 74/2000).

In parallel, the entity can be jointly liable for *invoices or other tax documents issued for non-existent operations*, serving to enable third parties to evade tax, under Article 8 of Legislative Decree 74/2000. This is a crime determined by conduct alone and (actual) specific intent, committed simply by issuing the false document, regardless of whether the third party for whom it was intended actually makes use of it in a tax declaration.

Furthermore, based on the ordinary criteria for apportioning liability under Legislative Decree 231/2001, for the issuer to be held jointly liable for the crime under Article 8 of Legislative Decree 74/2000, the conduct must nevertheless be proven to have entailed an interest (or provided any advantage whatsoever) also for the abovementioned issuer.

Article 2 of Legislative Decree 74 of 19 March 2000 - Fraudulent declaration by using invoices or other documents for non-existent operations.

1. *Anyone who states fictitious liability items on a tax return in order to evade income or value added tax, by using invoices or other documents for non-existent operations, shall be punished with a custodial sentence of four to eight years.*
2. *Invoices or other documents for non-existent operations are considered to be used when such invoices or documents are filed in the mandatory accounting documents or are held to serve as evidence in dealings with the financial administration.*

2-bis. If the value of the fictitious liability items is less than one hundred thousand euro, a custodial sentence of one year and six months to six years will apply.

Financial penalty of up to 500 times the quota (EUR 774,500) for paragraph 1; up to 400 times the quota (EUR 619,600) for paragraph 2- bis - subject to increase of up to 1/3 if the entity has made a significant profit.
A ban on contracting with the public administration. exclusion from concessions, loans, grants and subsidies and possible revocation of those already granted; a ban on advertising goods or services.

Article 3 of Legislative Decree 74 of 19 March 2000 - Fraudulent declaration by other artifices

1. *Besides the cases set forth in Article 2, anyone who states asset items below their real value or fictitious liability items or fictitious receivables and withholdings on a tax return in order to evade income or value added tax, by performing objectively or subjectively simulated transactions or by using false documents or other fraudulent means that could hinder the assessment or lead to error by the financial administration, shall be punished with a custodial sentence of three to eight years, when, jointly:*
   a) the tax evaded is greater than thirty thousand euro for any individual tax;
   b) the total value of the asset items detracted from tax, including by stating fictitious liabilities items, is greater than five percent of the total value of the asset items stated in the declaration or, in any case, if it exceeds one million five hundred thousand euro, or if the total value of the fictitious receivables and withholdings used to decrease the tax is greater than five percent of the value of the tax itself or, in any case, is greater than thirty thousand euro.
2. *False documents are considered to be used when such documents are filed in the mandatory accounting documents or are held to serve as evidence in dealings with the financial administration.*
3. *For the purposes of applying the provision laid down in paragraph 1, merely breaching obligations regarding the invoicing or annotation of asset items in accounts, or merely stating lower asset items than their real value, do not constitute fraud.*

Financial penalty of up to 500 times the quota (EUR 774,500), subject to increase of up to 1/3 if the entity has made a significant profit.
A ban on contracting with the public administration. exclusion from concessions, loans, grants and subsidies and possible revocation of those already granted; a ban on advertising goods or services.

Article 8 of Legislative Decree 74 of 19 March 2000 - Issuing invoices or other documents for non-existent operations.

1. *Anyone who issues or releases invoices or other documents for non-existent operations in order to enable third parties to evade income or value added tax shall be punished with a custodial sentence of four to eight years.*
2. *For the purposes of applying the provision laid down in paragraph 1, issuing or releasing multiple invoices or documents for non-existent operations during the same tax period is considered a single offense.*

2-bis. If the value that does not correspond to the true value stated in the invoices or documents for the tax period is less than one hundred thousand euro, a custodial sentence of one year and six months to six years will apply.

Financial penalty of up to 500 times the quota (EUR 774,500) for paragraph 1; up to 400 times the quota (EUR 619,600) for paragraph 2-bis - subject to increase of up to 1/3 if the entity has made a significant profit.
A ban on contracting with the public administration. exclusion from concessions, loans, grants and subsidies and possible revocation of those already granted; a ban on advertising goods or services.

Article 10 of Legislative Decree 74 of 19 March 2000 - Concealing or destroying accounting documents.

1. *Unless the offense constitutes a more serious crime, anyone who conceals or destroys all or part of the accounts or documents required to be kept so that income and volume of business cannot be discerned, in order to evade income or value added tax or to enable evasion by third parties, shall be punished with a custodial sentence of three to seven years.*

Financial penalty of up to 400 times the quota (EUR 619,600), subject to increase of up to 1/3 if the entity has made a significant profit.
A ban on contracting with the public administration. exclusion from concessions, loans, grants and subsidies and possible revocation of those already granted; a ban on advertising goods or services.

Article 11 of Legislative Decree 74 of 19 March 2000 -Fraudulent detractions from tax payments.

1. *Anyone who falsely alienates or performs other fraudulent acts involving his or her own assets or those of others so as to make enforced recovery proceedings wholly or partly ineffective, in order to detract from his or her payment of income or value added tax or from the interest or administrative penalties concerning these taxes for a value totalling more than fifty thousand euro, shall be punished with a custodial sentence of six months to four years. If the value of the taxes, penalties and interest is greater than two hundred thousand euro, a custodial sentence of one year to six years will apply.*
2. *Anyone who states asset items for a value lower than the actual value, or fictitious liability items for a total value greater than fifty thousand euro, in documentation filed for tax operation procedures, in order to obtain a partial payment, for him or herself or others, of taxes and accessory charges, shall be punished with a custodial sentence of six months to four years. If the value referred to in the previous period is greater than two hundred thousand euro, a custodial sentence of one year to six years will apply.*

Financial penalty of up to 500 times the quota (EUR 774,500), subject to increase of up to 1/3 if the entity has made a significant profit.
A ban on contracting with the public administration. exclusion from concessions, loans, grants and subsidies and possible revocation of those already granted; a ban on advertising goods or services.

ANNEX C
GENERAL CONTROLS

The **general controls** common to all at-risk activities are listed below.

1. The Company has **adopted** a **Code of Ethics** governing the fundamental principles and values that guide the Company in the management of its activities, such as:
   - **principles** applied **in business relations** (honesty, loyalty, propriety, transparency and good faith) and in **relations with public institutions** (compliance with current laws and regulations, honesty, fairness, transparency and loyalty);
   - **principles for the selection of professionals** that the Company may use (reliability and seriousness in terms of compliance with current laws and regulations and the rules governing their profession/work);
   - **principles to which professionals contracted by the company must follow** in conducting business (compliance with laws and regulations, propriety, diligence, minimising cost);
   - **ban on illicit payments in relations with institutions and public officials** and the prohibition of the offer of money, gifts or benefits of any kind to suppliers, customers and third parties in general, in order to obtain undue advantages, real or apparent, of any kind;
   - **prohibition of practices of corruption, favouritism, collusion, direct and/or indirect** requests, also through promises of personal benefits against any representative of the Public Administration;
   - **principles** related to **accounting** (management transparency, completeness and transparency of information, legal and substantial legitimacy, clarity and veracity of accounting in accordance with current laws and procedures);
   - **standards** in **financial reporting** (truthfulness, accuracy, traceability, completeness and clarity of the information, in accordance with current rules and regulations and company procedures, the accounting records and in all activities concerning the preparation of the financial reports and other communications required by law and addressed to shareholders and third parties).

2. The Company has **adopted** "**General Anti-Corruption Guidelines**" to identify the principles of conduct and control to be implemented in at-risk areas in order to prevent corruption.

3. The Company has established **powers of attorney** and **delegated powers** for representatives of the Company, **in line with their roles and responsibilities** and the tasks carried out by them, and to enable them, for example, to:
   - formulate and sign the applications and/or requests aimed at applying for grants/subsidies from organisations and/or national, community and international public institutions, and/or funding to implement initiatives, courses, training programmes and services for employees, and draw up and sign the associated agreements or conventions;
   - represent the Company in Italy and abroad in relations with the state administration, public and private entities, and authorities for obtaining licences and authorisations;
   - represent the company before any legal authority, whether civil, criminal, ordinary, special, EU, non-EU, national or regional, at any stage and level, as well as before arbitration panels, in all judgments whether active or passive (and whatever the issue of litigation), with the power to establish the individual disputes, accept waivers, court judgments and answering free or formal questions regarding the facts of the case; with the right to have themselves substituted in individual cases by special attorneys for exercising the powers conferred;
   - carry out all banking activities (deposits and the issue and collection of cheques and bills);
   - make payments from the company's current accounts (the powers of attorney require, in any case, joint signature by a representative of the Administration Department and a representative of the Finance Department, to ensure that all necessary controls for payments from bank accounts are performed);
   - stipulate the most appropriate terms, also in arbitration, as well as modify, terminate and assign contracts for the purchase of goods and services;

- sign contracts which confer professional assignments;
- sign, amend and terminate contracts and collective agreements (and supplementary benefits) for the employment of executives, journalists, managers, office staff and manual workers.

The existing powers of attorney and delegated powers are subject to regular monitoring in order to ensure alignment within any intervening organisational changes.

4. Staff at companies of the Group are provided access, via the intranet system, **to the Organisational Guidelines (OGL)** governing the key controls on areas of at-risk activities pursuant to Legislative Decree 231/01.
5. **Periodic training** is provided **for staff** of the Group companies **on the content of the Code of Ethics and the Compliance Programme pursuant to Legislative Decree 231/01** adopted by the companies.
6. **Third parties** that have relationships with the companies of the Mediaset Group are given access to the **Code of Ethics** and **Compliance Programme** pursuant to Legislative Decree 231/01 adopted by the companies, to inform them of the content of these documents and relevant updates.
7. **Specifically selected units of the business are assigned responsibilities for overseeing the internal control and risk management system** of the Mediaset Group, each in their own areas of expertise (e.g. Internal Auditing, the team that supports the Financial Reporting Manager, the Prevention and Protection Service). **Reporting flows** are established between **the above units**, to provide coordinated and efficient oversight of the Mediaset Group's internal control and risk management system.
8. Respect for the **principle of separation of duties** between critical business activities as part of the process for the allocation of roles and responsibilities.
9. Existence and formalisation of **controls of the processes** used to grant money or other benefits in favour of those with whom the company conducts business (e.g. management of financial resources, selection and recruitment, management of gifts, donations, sponsorships and entertainment expenses).
10. **Contractual standards** prepared by the Mediaset **Legal Affairs Department are used for contractual arrangements with external professionals.** Involvement of the Legal Department is required for a preventive evaluation of any non-standard contracts.
11. **Contracts** with external professionals **include specific clauses relating to acceptance** of the **Code of Ethics and the Compliance Programme pursuant to Legislative Decree 231/01** adopted by the Company, which is entitled to terminate existing contracts and claim damages for breaches of these documents by external professionals.
12. The **traceability** and **clarity** of **key controls** for the various areas of business activities at risk is assured through appropriate documentation activities.

N.B. It should be noted that, in the following document (*Organisational and Supervisory Controls for each "Area of At-Risk" Activity), the criminal offenses not included in the list of " Predicate Offenses*" (namely those covered by Articles 24 et seq of Legislative Decree 231/01), which are considered relevant following the introduction of the crime of self-laundering (with a view to creating supplies of money or other utilities to be used in economic, financial, entrepreneurial or speculative activities), are indicated with an asterisk below.

ANNEX C

ORGANISATIONAL AND SUPERVISORY CONTROLS FOR EACH "AREA OF AT-RISK ACTIVITY"

AREA OF AT-RISK ACTIVITY

Managing obligations with the Public Administration for authorisations, licences and/or public concessions

RELATED CRIMES

Area of directly at-risk activity for:

- Public corruption[1]
- Aggravated defrauding the State or other Public Body

ORGANISATIONAL AND SUPERVISORY CONTROLS

- Code of Ethics
- General Anti-Corruption Guidelines
- OGL - "Management of the obligations required for the renewal of authorisations, licences and concessions from the Public Administration"
- OGL - "Procuring and managing third-party professional services"

AREA OF AT-RISK ACTIVITY

Managing relations with the Public Administration or public supervisory authorities for audits and inspections

RELATED CRIMES

Area of directly at-risk activity for:

- Aggravated defrauding the State or other Public Body
- Hindering public supervisory authorities from performing their functions
- Public corruption[2]

ORGANISATIONAL AND SUPERVISORY CONTROLS

- Code of Ethics
- General Anti-Corruption Guidelines
- OGL - "Managing relations with the Public Administration or public supervisory authorities as regards audits and inspections"
- OGL - "Procuring and managing third-party professional services"

[1]This refers in particular to the crimes of:

- Illegal inducement to give or promise benefits (**Article 319-quater Criminal Code**);
- Penalties for the corruptor (**Article 321 Criminal Code**), with particular regard to the penalties for the giver or promisor of money or other benefit to a public official or public service officer in the context of the crimes envisaged in **Articles 318 Criminal Code** (Corruption in the performance of duties), **319 Criminal Code** (Corruption in an action contrary to official duties) and **320 Criminal Code** (Bribery of a public service officer);
- Incitement to bribery (**Article 322 Criminal Code**).

[2]This refers in particular to the crimes of:

- Illegal inducement to give or promise benefits (**Article 319-quater Criminal Code**);
- Penalties for the corruptor (**Article 321 Criminal Code**), with particular regard to the penalties for the giver or promisor of money or other benefit to a public official or public service officer in the context of the crimes envisaged in **Articles 318 Criminal Code** (Corruption in the performance of duties), **319 Criminal Code** (Corruption in an action contrary to official duties) and **320 Criminal Code** (Bribery of a public service officer);
- Incitement to bribery (**Article 322 Criminal Code**).

AREA OF AT-RISK ACTIVITY

Organising training programmes and/or services for personnel that are financed using public grants

RELATED CRIMES

Area of directly at-risk activity for:

- Public corruption[3]
- Private-to-private corruption
- Incitement to private-to-private corruption
- Aggravated defrauding the State or other public body
- Aggravated fraud for the purpose of obtaining public funds
- Undue receipt of grants, financing or other funds from the state or other public body or the European Community
- Misappropriation of funds from the State

Area of indirectly at-risk activity for:

- Money laundering
- Receiving money, goods or assets of unlawful origin
- Self-laundering

ORGANISATIONAL AND SUPERVISORY CONTROLS

- Code of Ethics
- General Anti-Corruption Guidelines
- OGL - "Access to and management of grants from public bodies for training programmes"
- OGL - "Access to grants from public bodies for employee services"
- OGL - "Procuring and managing third-party professional services"

AREA OF AT-RISK ACTIVITY

Managing relations with the Board of Statutory Auditors and investors

RELATED CRIMES

Area of directly at-risk activity for:

- Impeding company controls
- Failure to disclose a conflict of interest

ORGANISATIONAL AND SUPERVISORY CONTROLS

- Code of Ethics
- General Anti-Corruption Guidelines
- OGL - "Managing relations with the external auditors, the board of statutory auditors and investors"

[3]This refers in particular to the crimes of:

- Illegal inducement to give or promise benefits (**Article 319-quater Criminal Code**);
- Penalties for the corruptor (**Article 321 Criminal Code**), with particular regard to the penalties for the giver or promisor of money or other benefit to a public official or public service officer in the context of the crimes envisaged in **Articles 318 Criminal Code** (Corruption in the performance of duties), **319 Criminal Code** (Corruption in an action contrary to official duties) and **320 Criminal Code** (Bribery of a public service officer);
- Incitement to bribery (**Article 322 Criminal Code**).

AREA OF AT-RISK ACTIVITY

Managing accounts (clients, providers and general accounts) and preparing annual and interim financial statements

RELATED CRIMES

Area of directly at-risk activity for:

- False corporate communications
- Minor instances
- Issuing invoices or other documents for non-existent operations
- Private-to-private corruption
- Incitement to private-to-private corruption
- Issuing invoices or other documents for non-existent operations
- Transactions to the detriment of creditors
- Undue return of contributions
- Illegal distribution of profits and reserves
- Failure to disclose a conflict of interest
- Money laundering

Area of indirectly at-risk activity for:

- Money laundering
- Receiving money, goods or assets of unlawful origin
- Self-laundering
- Fraudulent statement by using invoices or other documents for non-existent operations
- Fraudulent statement by other artifices
- False declaration (Article 4 of Legislative Decree 74/2000) *
- Public corruption [4]
- Private-to-private corruption
- Trafficking in illicit influences
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Concealment or destruction of documents

ORGANISATIONAL AND SUPERVISORY CONTROLS

- Code of Ethics
- General Anti-Corruption Guidelines
- OGL - "Preparation of consolidated financial statements"
- OGL - "Procuring and managing third-party professional services"
- OGL - "Preparation of company annual financial statements and report on operations"
- Procedure for related-party transactions

[4] This refers in particular to the crimes of:

- Illegal inducement to give or promise benefits (**Article 319-quater Criminal Code**);
- Penalties for the corruptor (**Article 321 Criminal Code**), with specific regard to the penalties for the giver or promisor of money or other benefit to a public official or public service officer in the context of the crimes envisaged in **Articles 318 Criminal Code** (Corruption in the performance of duties), **319 Criminal Code** (Corruption in an action contrary to official duties) and **320 Criminal Code** (Bribery of a public service officer);
- Incitement to bribery (**Article 322 Criminal Code**);
- Embezzlement, extortion, illegal inducement to give or promise benefits, bribery and incitement to bribery of members of the bodies of the European Communities and officials of the European Communities and foreign countries (**Article 322-bis Criminal Code**).

AREA OF AT-RISK ACTIVITY

Managing tax obligations

RELATED CRIMES

Area of directly at-risk activity for:

- False declaration (Article 4 of Legislative Decree 74/2000) *
- Fraudulent statement by other artifices
- Fraudulent statement by using invoices or other documents for non-existent operations
- Fraudulent detractions from tax payments
- Failure to make a statement (Article 5 of Legislative Decree 74/2000) *
- Non-payment of certified withholding taxes (Article 10 of Legislative Decree 74/2000) *
- Non-payment of VAT (Article 10-ter of Legislative Decree 74/2000) *
- Undue offsetting (Article 10-quater of Legislative Decree 74/2000) *

Area of indirectly at-risk activity for:

- Money laundering
- Receiving money, goods or assets of unlawful origin
- Self-laundering
- False corporate communications
- Minor instances

ORGANISATIONAL AND SUPERVISORY CONTROLS

- Code of Ethics
- General Anti-Corruption Guidelines

AREA OF AT-RISK ACTIVITY

Managing intercompany relations

RELATED CRIMES

Area of directly at-risk activity for:

- Self-laundering
- Money laundering
- Receiving money, goods or assets of unlawful origin

Area of indirectly at-risk activity for:

- False corporate communications
- Minor instances
- Public corruption[5]
- Private-to-private corruption
- Incitement to private-to-private corruption
- Trafficking in illicit influences
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Money laundering
- Receiving money, goods or assets of unlawful origin
- False declaration (Article 4 of Legislative Decree 74/2000) *
- Fraudulent statement by other artifices
- Fraudulent statement by using invoices or other documents for non-existent operations
- Fraudulent detractions from tax payments

ORGANISATIONAL AND SUPERVISORY CONTROLS

- Code of Ethics
- General Anti-Corruption Guidelines
- OGL - "Management of intragroup contracts - Italy Area"
- Procedure for related-party transactions

[5] See note 4.

AREA OF AT-RISK ACTIVITY

Managing extraordinary transactions

RELATED CRIMES

Area of directly at-risk activity for:

- Undue return of contributions
- Illegal distribution of profits and reserves
- Unlawful transactions involving shares or quotas of the company or parent company
- Transactions to the detriment of creditors
- Insider dealing
- Self-laundering
- Stock price manipulation
- Market manipulation
- False corporate communications
- Minor instances
- Failure to disclose a conflict of interest

Area of indirectly at-risk activity[6] for:

- Money laundering
- Receiving money, goods or assets of unlawful origin
- Self-laundering
- Public corruption[7]
- Private-to-private corruption
- Incitement to private-to-private corruption
- Trafficking in illicit influences
- Inducement to refrain from making statements or to make false statements to the legal authorities
- False declaration (Article 4 of Legislative Decree 74/2000) *
- Fraudulent statement by other artifices
- Fraudulent detractions from tax payments
- Crimes for the purposes of terrorism, international terrorism or subversion of democracy

ORGANISATIONAL AND SUPERVISORY CONTROLS

- Code of Ethics
- General Anti-Corruption Guidelines
- OGL "Managing and disclosing inside information"
- OGL "Procuring and managing third-party professional services"
- Accounting Manual

[6] Furthermore, it should be noted that the risk could be direct where the extraordinary transaction - in itself - constitutes undue payment of a utility to a public official or to a competitor due to the values and the means defining it (e.g. where a company attached to a political representative or to the family of the senior manager of a competing company is purchased at overstated values).

[7] We refer in particular to the following offences:

- Illegal inducement to give or promise benefits (**Article 319-quater Criminal Code**);
- Penalties for the corruptor (**Article 321 Criminal Code**), with specific regard to the penalties for the giver or promisor of money or other benefit to a public official or public service officer in the context of the crimes envisaged in **Articles 318 Criminal Code** (Corruption in the performance of duties), **319 Criminal Code** (Corruption in an action contrary to official duties) and **320 Criminal Code** (Bribery of a public service officer);
- Incitement to bribery (**Article 322 Criminal Code**);
- Embezzlement, extortion, illegal inducement to give or promise benefits, bribery and incitement to bribery of members of the bodies of the European Communities and officials of the European Communities and foreign countries (**Article 322-bis Criminal Code**).

AREA OF AT-RISK ACTIVITY

Managing relationships with insurance companies

RELATED CRIMES

Area of directly at-risk activity for:

- Private-to-private corruption
- Incitement to private-to-private corruption

Area of indirectly at-risk activity for:

- Self-laundering
- Money laundering
- Receiving money, goods or assets of unlawful origin
- False corporate communications
- Minor instances

ORGANISATIONAL AND SUPERVISORY CONTROLS

- Code of Ethics
- General Anti-Corruption Guidelines
- OGL - "Managing relationships with insurance companies"

AREA OF AT-RISK ACTIVITY

Managing relations with credit institutions

RELATED CRIMES

Area of directly at-risk activity for:

- Money laundering
- Receiving money, goods or assets of unlawful origin
- Self-laundering

Area of indirectly at-risk activity for:

- Public corruption [8]
- Private-to-private corruption
- Incitement to private-to-private corruption
- Trafficking in illicit influences

ORGANISATIONAL AND SUPERVISORY CONTROLS

- Code of Ethics
- General Anti-Corruption Guidelines
- OGL "Managing relations with banks and factoring firms"

[8] We refer in particular to the following offences:

- Illegal inducement to give or promise benefits (**Article 319-quater Criminal Code**);
- Penalties for the corruptor (**Article 321 Criminal Code**), with specific regard to the penalties for the giver or promisor of money or other benefit to a public official or public service officer in the context of the crimes envisaged in **Articles 318 Criminal Code** (Corruption in the performance of duties), **319 Criminal Code** (Corruption in an action contrary to official duties), **319-ter** (bribery in judicial proceedings) and **320** of the **Criminal Code** (Bribery of a public service officer);
- Incitement to bribery (**Article 322 Criminal Code**);
- Embezzlement, extortion, illegal inducement to give or promise benefits, bribery and incitement to bribery of members of the bodies of the European Communities and officials of the European Communities and foreign countries (**Article 322-bis Criminal Code**).

AREA OF AT-RISK ACTIVITY

Managing relations with factoring companies

RELATED CRIMES

Area of directly at-risk activity for:

- Private-to-private corruption
- Incitement to private-to-private corruption
- Money laundering
- Receiving money, goods or assets of unlawful origin
- Self-laundering
- Use of money, goods or benefits of unlawful origin

Area of indirectly at-risk activity for:

- False corporate communications
- Minor instances

ORGANISATIONAL AND SUPERVISORY CONTROLS

- Code of Ethics
- General Anti-Corruption Guidelines
- OGL - "Managing relations with banks and factoring firms"

AREA OF AT-RISK ACTIVITY

Managing collections and payments

RELATED CRIMES

Area of directly at-risk activity for:

- Money laundering
- Receiving money, goods or assets of unlawful origin
- Use of money, goods or assets of unlawful origin
- Self-laundering

Area of indirectly at-risk activity[9] for:

- False corporate communications
- Minor instances
- Public corruption[10]
- Private-to-private corruption
- Incitement to private-to-private corruption
- Trafficking in illicit influences
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Crimes for the purposes of terrorism, international terrorism or subversion of democracy

ORGANISATIONAL AND SUPERVISORY CONTROLS

- Code of Ethics
- General Anti-Corruption Guidelines
- OGL - "Managing collections"
- OGL - "Managing payments"

[9]It should be noted that the risk could also be direct where the undue payment is made in favour of a public official or a competitor/trade counterparty.

[10]We refer in particular to the following offences:

- Illegal inducement to give or promise benefits (**Article 319-quater Criminal Code**);
- Penalties for the corruptor (**Article 321 Criminal Code**), with specific regard to the penalties for the giver or promisor of money or other benefit to a public official or public service officer in the context of the crimes envisaged in **Articles 318 Criminal Code** (Corruption in the performance of duties), **319 Criminal Code** (Corruption in an action contrary to official duties), **319-ter** (bribery in judicial proceedings) and **320 of the Criminal Code** (Bribery of a public service officer);
- Incitement to bribery (**Article 322 Criminal Code**);
- Embezzlement, extortion, illegal inducement to give or promise benefits, bribery and incitement to bribery of members of the bodies of the European Communities and officials of the European Communities and foreign countries (**Article 322-bis Criminal Code**).

AREA OF AT-RISK ACTIVITY

Managing cash reserves

RELATED CRIMES

Area of directly at-risk activity for:

- Receiving money, goods or assets of unlawful origin
- Money laundering
- Use of money, goods or assets of unlawful origin
- Self-laundering

Area of indirectly at-risk activity for:

- Public corruption[11]
- Private-to-private corruption
- Incitement to private-to-private corruption
- Trafficking in illicit influences
- Inducement to refrain from making statements or to make false statements to the legal authorities

ORGANISATIONAL AND SUPERVISORY CONTROLS

- Code of Ethics
- General Anti-Corruption Guidelines
- OGL "Managing cash reserves"

[11] We refer in particular to the following offences:

- Illegal inducement to give or promise benefits (**Article 319-quater Criminal Code**);
- Penalties for the corruptor (**Article 321 Criminal Code**), with specific regard to the penalties for the giver or promisor of money or other benefit to a public official or public service officer in the context of the crimes envisaged in **Articles 318 Criminal Code** (Corruption in the performance of duties), **319 Criminal Code** (Corruption in an action contrary to official duties), **319-ter** (bribery in judicial proceedings) and **320 of the Criminal Code** (Bribery of a public service officer);
- Incitement to bribery (**Article 322 Criminal Code**);
- Embezzlement, extortion, illegal inducement to give or promise benefits, bribery and incitement to bribery of members of the bodies of the European Communities and officials of the European Communities and foreign countries (**Article 322-bis Criminal Code**).

AREA OF AT-RISK ACTIVITY

Procuring goods and services

RELATED CRIMES

Area of directly at-risk activity for:

- Private-to-private corruption
- Incitement to private-to-private corruption
- Counterfeiting, forging or use of trademarks, distinctive marks or patents, models and designs
- Import into Italy and sale of products with false signs
- Manufacture and trade of goods made by misappropriating industrial property rights.
- Fraudulent bankruptcy (Article 216 Italian Bankruptcy Law).
- Employment of non-lawful workers
- Illicit intermediation and exploitation of labour
- Self-laundering
- Money laundering
- Receiving money, goods or assets of unlawful origin
- Use of money, goods or assets of unlawful origin

Area of indirectly at-risk activity[12] for:

- Money laundering
- Receiving money, goods or assets of unlawful origin
- Self-laundering
- Public corruption[13]
- Private-to-private corruption
- Incitement to private-to-private corruption
- Trafficking in illicit influences
- Minor instances
- False corporate communications
- False declaration (Article 4 of Legislative Decree 74/2000) *
- Fraudulent statement by other artifices
- Fraudulent statement by using invoices or other documents for non-existent operations
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Fraudulent detractions from tax payments
- Crimes for the purposes of terrorism, international terrorism or subversion of democracy

ORGANISATIONAL AND SUPERVISORY CONTROLS

- Code of Ethics
- General Anti-Corruption Guidelines
- OGL "Managing procurement of goods and services"

[12] It should be noted that the risk could also be direct where the undue payment is made in favour of a public official or a competitor/trade counterparty.

[13] We refer in particular to the following offences:

- Illegal inducement to give or promise benefits (**Article 319-quater Criminal Code**);
- Penalties for the corruptor (**Article 321 Criminal Code**), with specific regard to the penalties for the giver or promisor of money or other benefit to a public official or public service officer in the context of the crimes envisaged in **Articles 318 Criminal Code** (Corruption in the performance of duties), **319 Criminal Code** (Corruption in an action contrary to official duties), **319-ter** (bribery in judicial proceedings) and **320 of the Criminal Code** (Bribery of a public service officer);
- Incitement to bribery (**Article 322 Criminal Code**);
- Embezzlement, extortion, illegal inducement to give or promise benefits, bribery and incitement to bribery of members of the bodies of the European Communities and officials of the European Communities and foreign countries (**Article 322-bis Criminal Code**).

AREA OF AT-RISK ACTIVITY

Obtaining professional assignments

RELATED CRIMES

Area of directly at-risk activity for:

- Private-to-private corruption
- Incitement to private-to-private corruption
- Money laundering
- Receiving money, goods or assets of unlawful origin
- Use of money, goods or assets of unlawful origin
- Self-laundering

Area of indirectly at-risk activity[14] for:

- False corporate communications
- Minor instances
- False declaration (Article 4 of Legislative Decree 74/2000) *
- Fraudulent statement by other artifices
- Fraudulent statement by using invoices or other documents for non-existent operations
- Public corruption[15]
- Private-to-private corruption
- Incitement to private-to-private corruption
- Trafficking in illicit influences
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Crimes for the purposes of terrorism, international terrorism or subversion of democracy

ORGANISATIONAL AND SUPERVISORY CONTROLS

- Code of Ethics
- General Anti-Corruption Guidelines
- OGL "Procuring and managing third-party professional services"

AREA OF AT-RISK ACTIVITY

Sale of goods and services

Area of at-risk activity considered to be not remotely relevant[16]

AREA OF AT-RISK ACTIVITY

Managing loans

Area of at-risk activity considered to be not remotely relevant[17]

[14] It should be noted that the risk could also be direct where the undue payment is made in favour of a public official or a competitor/trade counterparty.

[15] We refer in particular to the following offences:

- Illegal inducement to give or promise benefits (**Article 319-quater Criminal Code**);
- Penalties for the corruptor (**Article 321 Criminal Code**), with specific regard to the penalties for the giver or promisor of money or other benefit to a public official or public service officer in the context of the crimes envisaged in **Articles 318 Criminal Code** (Corruption in the performance of duties), **319 Criminal Code** (Corruption in an action contrary to official duties), **319-ter** (bribery in judicial proceedings) and **320 of the Criminal Code** (Bribery of a public service officer);
- Incitement to bribery (**Article 322 Criminal Code**);
- Embezzlement, extortion, illegal inducement to give or promise benefits, bribery and incitement to bribery of members of the bodies of the European Communities and officials of the European Communities and foreign countries (**Article 322-bis Criminal Code**).

[16] This area of at-risk activity is included for Mediaset Italia S.p.A. for precautionary reasons.

[17] This area of at-risk activity is included for Mediaset Italia S.p.A. for precautionary reasons.

AREA OF AT-RISK ACTIVITY

Selection and recruitment of staff

RELATED CRIMES

Area of directly at-risk activity for:

- Employment of non-lawful workers
- Illicit intermediation and exploitation of labour

Area of indirectly at-risk activity for:

- Public corruption[18]
- Private-to-private corruption
- Incitement to private-to-private corruption
- Trafficking in illicit influences
- Inducement to refrain from making statements or to make false statements to the legal authorities

ORGANISATIONAL AND SUPERVISORY CONTROLS

- Code of Ethics
- General Anti-Corruption Guidelines
- OGL "Selecting and hiring personnel"

AREA OF AT-RISK ACTIVITY

Managing human resources

RELATED CRIMES

Area of directly at-risk activity for:

- Money laundering
- Self-laundering

Area of indirectly at-risk activity[19] for:

- Trafficking in illicit influences
- Public corruption[20]
- Private-to-private corruption
- Incitement to private-to-private corruption
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Fraudulent statement by using invoices or other documents for non-existent operations
- Fraudulent statement by other artifices
- False declaration (Article 4 of Legislative Decree 74/2000) *
- False corporate communications
- Minor instances

ORGANISATIONAL AND SUPERVISORY CONTROLS

- Code of Ethics
- General Anti-Corruption Guidelines
- OGL "Employee remuneration policy"
- OGL "Managing the short-term incentive system for Directors/Editors of publications"

[18] We refer in particular to the following offences:

- Illegal inducement to give or promise benefits (**Article 319-quater Criminal Code**);
- Penalties for the corruptor (**Article 321 Criminal Code**), with specific regard to the penalties for the giver or promisor of money or other benefit to a public official or public service officer in the context of the crimes envisaged in **Articles 318 Criminal Code** (Corruption in the performance of duties), **319 Criminal Code** (Corruption in an action contrary to official duties), **319-ter** (bribery in judicial proceedings) and **320 of the Criminal Code** (Bribery of a public service officer);
- Incitement to bribery (**Article 322 Criminal Code**);
- Embezzlement, extortion, illegal inducement to give or promise benefits, bribery and incitement to bribery of members of the bodies of the European Communities and officials of the European Communities and foreign countries (**Article 322-bis Criminal Code**).

[19] It should also be noted that the risk could be direct where the payment of bonuses/incentives/benefits is not due and is given to personnel who are attached to or indicated by public officials or the senior management of trade counterparties, in order to secure a favour from them.

[20] See note 18.

AREA OF AT-RISK ACTIVITY

Personnel administration

RELATED CRIMES

Area of indirectly at-risk activity for:

- Public corruption[21]
- Private-to-private corruption
- Incitement to private-to-private corruption
- Trafficking in illicit influences
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Fraudulent statement by using invoices or other documents for non-existent operations
- Fraudulent statement by other artifices
- False declaration (Article 4 of Legislative Decree 74/2000) *
- False corporate communications
- Minor instances

ORGANISATIONAL AND SUPERVISORY CONTROLS

- Code of Ethics
- General Anti-Corruption Guidelines

AREA OF AT-RISK ACTIVITY

Managing social security and pensions compliance obligations

RELATED CRIMES

Area of directly at-risk activity for:

- Non-payment of certified withholding taxes (Article 10 of Legislative Decree 74/2000) *
- Undue offsetting (Article 10-quater of Legislative Decree 74/2000) *

Area of indirectly at-risk activity for:

- Money laundering
- Receiving money, goods or assets of unlawful origin
- Self-laundering
- False corporate communications
- Minor instances

ORGANISATIONAL AND SUPERVISORY CONTROLS

- Code of Ethics
- General Anti-Corruption Guidelines

[21] We refer in particular to the following offences:

- Illegal inducement to give or promise benefits (**Article 319-quater Criminal Code**);
- Penalties for the corruptor (**Article 321 Criminal Code**), with specific regard to the penalties for the giver or promisor of money or other benefit to a public official or public service officer in the context of the crimes envisaged in **Articles 318 Criminal Code** (Corruption in the performance of duties), **319 Criminal Code** (Corruption in an action contrary to official duties), **319-ter** (bribery in judicial proceedings) and **320 of the Criminal Code** (Bribery of a public service officer);
- Incitement to bribery (**Article 322 Criminal Code**);
- Embezzlement, extortion, illegal inducement to give or promise benefits, bribery and incitement to bribery of members of the bodies of the European Communities and officials of the European Communities and foreign countries (**Article 322-bis Criminal Code**).

AREA OF AT-RISK ACTIVITY

Managing travel expenses

RELATED CRIMES

Area of directly at-risk activity for:

- Money laundering
- Self-laundering

Area of indirectly at-risk activity for:

- Public corruption[22]
- Private-to-private corruption
- Incitement to private-to-private corruption
- Trafficking in illicit influences
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Fraudulent statement by using invoices or other documents for non-existent operations
- Fraudulent statement by other artifices
- False declaration (Article 4 of Legislative Decree 74/2000) *
- False corporate communications
- Minor instances

ORGANISATIONAL AND SUPERVISORY CONTROLS

- Code of Ethics
- General Anti-Corruption Guidelines
- OGL - "Managing expense sheets"
- OGL - "Managing travel services"

[22] We refer in particular to the following offences:

- Illegal inducement to give or promise benefits (**Article 319-quater Criminal Code**);
- Penalties for the corruptor (**Article 321 Criminal Code**), with specific regard to the penalties for the giver or promisor of money or other benefit to a public official or public service officer in the context of the crimes envisaged in **Articles 318 Criminal Code** (Corruption in the performance of duties), **319 Criminal Code** (Corruption in an action contrary to official duties), **319-ter** (bribery in judicial proceedings) and **320 of the Criminal Code** (Bribery of a public service officer);
- Incitement to bribery (**Article 322 Criminal Code**);
- Embezzlement, extortion, illegal inducement to give or promise benefits, bribery and incitement to bribery of members of the bodies of the European Communities and officials of the European Communities and foreign countries (**Article 322-bis Criminal Code**).

AREA OF AT-RISK ACTIVITY

Managing expenses for donations, sponsorships, entertainment and gifts for third-parties

RELATED CRIMES

Area of directly at-risk activity for:

- Money laundering
- Self-laundering

Area of indirectly at-risk activity[23] for:

- Public corruption[24]
- Private-to-private corruption
- Incitement to private-to-private corruption
- Trafficking in illicit influences
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Fraudulent statement by using invoices or other documents for non-existent operations
- Fraudulent statement by other artifices
- False declaration (Article 4 of Legislative Decree 74/2000) *
- False corporate communications
- Minor instances
- Crimes for the purposes of terrorism, international terrorism or subversion of democracy

ORGANISATIONAL AND SUPERVISORY CONTROLS

- Code of Ethics
- General Anti-Corruption Guidelines
- OGL - "Managing sponsorships"
- OGL - "Managing gifts"
- OGL - "Managing expenses for donations"
- OGL - "Managing expense sheets"

[23] It should also be noted that the risk could be direct where the donation/sponsorship is unduly granted for the benefit of public officials or persons attached to suppliers/counterparties, to secure a favour from them.

[22] We refer in particular to the following offences:

- Illegal inducement to give or promise benefits (**Article 319-quater Criminal Code**);
- Penalties for the corruptor (**Article 321 Criminal Code**), with specific regard to the penalties for the giver or promisor of money or other benefit to a public official or public service officer in the context of the crimes envisaged in **Articles 318 Criminal Code** (Corruption in the performance of duties), **319 Criminal Code** (Corruption in an action contrary to official duties), **319-ter** (bribery in judicial proceedings) and **320 of the Criminal Code** (Bribery of a public service officer);
- Incitement to bribery (**Article 322 Criminal Code**);
- Embezzlement, extortion, illegal inducement to give or promise benefits, bribery and incitement to bribery of members of the bodies of the European Communities and officials of the European Communities and foreign countries (**Article 322-bis Criminal Code**).

AREA OF AT-RISK ACTIVITY

Management of legislative compliance for health and safety at work

RELATED CRIMES

Area of directly at-risk activity for:

- Manslaughter
- Personal injury through negligence

ORGANISATIONAL AND SUPERVISORY CONTROLS

- Code of Ethics
- General Anti-Corruption Guidelines
- Manual of the System for Health and Safety in the Workplace
- PG SIC 01: "Hazard identification, risk assessment and control for health and safety"
- PG SIC 02: "Identification and management of technical and legal requirements"
- PG SIC 03: "Policy, Objectives and Regular Meetings"
- PG SIC 04: "Resources, roles, responsibilities and powers"
- PG SIC 05: "Information, education and training of workers in health and safety in the workplace"
- PG SIC 06: "Communication, participation and consultation"
- PG SIC 07: "Control of documentation"
- PG SIC 08: "Operational control"
- PG SIC 09: "Management of emergencies"
- PG SIC 10: "Monitoring and measurement of performance"
- PG SIC 11: "Incident investigation and analysis"
- PG SIC 12: "Nonconformities, corrective and preventive actions"
- PG SIC 13: "Audit"
- PL SIC: "Policy for Health and Safety in the Workplace"
- PO: "Personal Protective Equipment"
- PO: "Health surveillance"
- PO: "Procurement"
- PO: "Temporary or mobile construction sites"
- PO: "Management of health emergencies"
- PO: "Management of emergencies - fire and evacuations"

AREA OF AT-RISK ACTIVITY

Managing legal compliance for the protection of the environment

RELATED CRIMES

Area of directly at-risk activity for:

- Environmental pollution
- Collection, transportation, recovery, disposal, trade and brokerage of non-hazardous waste without the required authorisation, registration or communication
- Construction or management of an unauthorised landfill
- Construction or management of an unauthorised landfill intended, at least in part, for the disposal of hazardous waste
- Unauthorised mixing of waste

ORGANISATIONAL AND SUPERVISORY CONTROLS

- Code of Ethics
- General Anti-Corruption Guidelines
- OGL - "Environmental protection requirements"

AREA OF AT-RISK ACTIVITY

Managing and disclosing inside information

RELATED CRIMES

Area of directly at-risk activity for:

- Insider dealing
- Stock price manipulation
- Market manipulation

Area of indirectly at-risk activity[25] for:

- Receiving money, goods or assets of unlawful origin
- Self-laundering
- Receiving money, goods or assets of unlawful origin
- Public corruption[26]
- Private-to-private corruption
- Incitement to private-to-private corruption
- Trafficking in illicit influences
- Inducement to refrain from making statements or to make false statements to the legal authorities

ORGANISATIONAL AND SUPERVISORY CONTROLS

- Code of Ethics
- General Anti-Corruption Guidelines
- OGL "Managing and disclosing inside information"

AREA OF AT-RISK ACTIVITY

Obtaining confidential information

RELATED CRIMES

Area of directly at-risk activity for:

- Public corruption[27]
- Private-to-private corruption
- Incitement to private-to-private corruption

ORGANISATIONAL AND SUPERVISORY CONTROLS

- Code of Ethics
- General Anti-Corruption Guidelines

[25] It should be noted that the risk could also be direct where the undue payment is made in favour of a public official or a competitor/ trade counterparty.

[26] We refer in particular to the following offences:

- Illegal inducement to give or promise benefits (**Article 319-quater Criminal Code**);
- Penalties for the corruptor (**Article 321 Criminal Code**), with specific regard to the penalties for the giver or promisor of money or other benefit to a public official or public service officer in the context of the crimes envisaged in **Articles 318 Criminal Code** (Corruption in the performance of duties), **319 Criminal Code** (Corruption in an action contrary to official duties), **319-ter** (bribery in judicial proceedings) and **320 of the Criminal Code** (Bribery of a public service officer);
- Incitement to bribery (**Article 322 Criminal Code**);
- Embezzlement, extortion, illegal inducement to give or promise benefits, bribery and incitement to bribery of members of the bodies of the European Communities and officials of the European Communities and foreign countries (**Article 322-bis Criminal Code**).

[27] We refer in particular to the following offences:

- Illegal inducement to give or promise benefits (**Article 319-quater Criminal Code**);
- Penalties for the corruptor (**Article 321 Criminal Code**), with particular regard to the penalties for the giver or promisor of money or other benefit to a public official or public service officer in the context of the crimes envisaged in **Articles 318 Criminal Code** (Corruption in the performance of duties), **319 Criminal Code** (Corruption in an action contrary to official duties) and **320 of the Criminal Code** (Bribery of a public service officer);
- Incitement to bribery (**Article 322 Criminal Code**);
- Embezzlement, extortion, illegal inducement to give or promise benefits, bribery and incitement to bribery of members of the bodies of the European Communities and officials of the European Communities and foreign countries (**Article 322-bis Criminal Code**).

AREA OF AT-RISK ACTIVITY

Managing judicial, extra-judicial and arbitration proceedings

RELATED CRIMES

Area of directly at-risk activity for:

- Public corruption[28]
- Private-to-private corruption
- Incitement to private-to-private corruption
- Inducement to refrain from making statements or to make false statements to the legal authorities
- Self-laundering

Area of indirectly at-risk activity for:

- Receiving money, goods or assets of unlawful origin
- Money laundering
- Self-laundering
- Fraudulent statement by using invoices or other documents for non-existent operations
- Fraudulent statement by other artifices
- False declaration (Article 4 of Legislative Decree 74/2000) *

ORGANISATIONAL AND SUPERVISORY CONTROLS

- Code of Ethics
- General Anti-Corruption Guidelines
- OGL - "Managing legal disputes"
- OGL - "Procuring and managing third-party professional services"

[28] We refer in particular to the following offences.

- Illegal inducement to give or promise benefits (**Article 319-quater Criminal Code**);
- Penalties for the corruptor (**Article 321 Criminal Code**), with particular regard to the penalties for the giver or promisor of gain to a public official or public service officer in the context of the crimes provided for in **Articles 319 Criminal Code** (Bribery in judicial proceedings);
- Incitement to bribery (**Article 322 Criminal Code**).

AREA OF AT-RISK ACTIVITY

Managing the Company's IT systems

RELATED CRIMES

Area of directly at-risk activity for:

- Fraud in a public electronic document or a document with probative force
- Malicious hacking of an information or computer system
- Unauthorised possession and distribution of access codes to information and computer systems
- Distributing computer equipment, devices or programs for the purpose of damaging or blocking an information or computer system
- Installing devices aimed at wiretapping, blocking or interrupting computer or information technologies communications
- Wiretapping, blocking or illegally interrupting computer or information technology communications
- Damaging computer information, data and programs used by the State or any other public entity or by an entity providing public services
- Damaging computer information, data and programs
- Damaging information or computer systems
- Damaging public utility information or computer systems
- Reproducing, transferring to another medium, distributing, communicating, presenting or displaying in public the contents of a database; extracting or reusing the database; distributing, selling or leasing databases
- Abusive duplication of computer programs for a profit; importing, distributing, selling or possessing or leasing programmes contained on media not marked by the SIAE; preparing means for removing or circumventing computer program protection devices
- Making all or part of a protected intellectual work available to the public in a system of telematic networks
- Crime stated in the point above involving works of others that are not intended for publication or by usurping authorship
- Abusive duplication, reproduction, broadcasting or public dissemination of: • intellectual works intended for television networks, cinema, sales or rentals of records, tapes or similar media or any other medium containing phonograms or videograms of assimilated musical, cinematographic or audiovisual works or sequences of moving images; • literary, drama, scientific, educational, musical, music-drama or multimedia works, even if included in collective or composite works or databases. • Holding videos, music, cinematographic or other work for sale, distribution, transfer or public screening without the SIAE mark. • Illegally reproducing, duplicating, broadcasting or disseminating, selling, trading, transferring for any reason or illegal importing more than fifty copies or copies of specimens of works protected by copyright and related rights; illegally introducing all or part of an intellectual work protected by copyright in a system of telematic networks
- Concealing or destroying accounting documents

Area of indirectly at-risk activity for:

- Money laundering
- Receiving money, goods or assets of unlawful origin
- Self-laundering
- False corporate communications
- Minor instances
- Public corruption[29]
- Private-to-private corruption
- Incitement to private-to-private corruption
- Trafficking in illicit influences
- Inducement to refrain from making statements or to make false statements to the legal authorities

[29] We refer in particular to the following offences:

- Illegal inducement to give or promise benefits (**Article 319-quater Criminal Code**);
- Penalties for the corruptor (**Article 321 Criminal Code**), with specific regard to the penalties for the giver or promisor of money or other benefit to a public official or public service officer in the context of the crimes envisaged in **Articles 318 Criminal Code** (Corruption in the performance of duties), **319 Criminal Code** (Corruption in an action contrary to official duties), **319-ter** (bribery in judicial proceedings) and **320 of the Criminal Code** (Bribery of a public service officer);
- Incitement to bribery (**Article 322 Criminal Code**);
- Embezzlement, extortion, illegal inducement to give or promise benefits, bribery and incitement to bribery of members of the bodies of the European Communities and officials of the European Communities and foreign countries (**Article 322-bis Criminal Code**).

ORGANISATIONAL AND SUPERVISORY CONTROLS

- Code of Ethics
- General Anti-Corruption Guidelines
- Operating instructions in the field of Information Security
- OGL - "Managing users and authorisation profiles SAP management and accounting system"
- OGL - "Using control systems for accessing reserved business areas"
- OGL - "Information security policy"
- OGL - "Information security governance"
- OGL - "Information security engineering"
- OGL - "Information security operations"
- OGL - "Use of information technology tools"
- Managing IT systems;

ANNEX D

Mediaset Group
General Anti-Corruption Guidelines[1]

Introduction

In recent years there has, almost all countries have been engaged in an international strengthening of the fight against, both public and private, corruption at the international level, as required by almost all countries, in line with international conventions (e.g. The UN Convention against Corruption, the OECD Convention on combating the bribery of public officials) as well as), international anti-corruption treaties, and public and commercial laws and regulations in specific countries (e.g. the Foreign Corrupt Practices Act in the United States and more recently the UK Bribery Act in the UK).
Italy is among those that have taken action, through **Law 190 of 6 November 2012** (on "*Measures for the prevention and combating of corruption and illegality in public administration*" – the so-called **Anti-Corruption Law**), which ratified the Strasbourg Convention of 1999. The law strengthens the tools at Italy's disposal for tackling corrupt practices, including harsher punishments for the perpetrators of various crimes and promoting greater transparency in administrative procedures. It also expanded the so-called catalogue of predicate crimes under Legislative Decree 231/01 (i.e. crimes that result in corporate administrative liability, adding "*illegal inducement to give or promise benefits*" (Article 319-quater of the Criminal Code) to crimes against the public administration and reformulating "*private-to-private corruption*" (Article 2635 of the Civil Code) as a corporate crime.
Legislative Decree 38 of 15 March 2017, entitled "*Implementation of Framework Decision 2003/568/JHA on combating corruption in the private sector*" also introduced a series of significant changes to private-to-private corruption, in particular a new formulation of Article 2635 of the Civil Code, extending the list of the perpetrators of the crime to include – in addition to those who hold top management and control positions – also those who carry out work activities with the exercise of managerial duties at companies and private entities. Also, Article 2365 bis (*Incitement to private-to-private corruption*) was added, which was therefore added to the list of crimes that can result in corporate administrative liability.
Finally, with **Law No. 3 of 9 January 2019** ("*Measures to combat crimes against the Public Administration as well as on the prescription of the crime and on the transparency of political parties and movements*") Italian lawmakers, in order to further strengthen the regulatory framework aimed at combating corrupt practices, tightened the main and accessory penalties for corruption crimes, making the preliminary investigations more effective and limiting the access of convicts to prison benefits. This measure also introduced significant changes to Legislative Decree 231/01, including among the predicate offences "*trafficking in illicit influences*" (Article 346 bis of the Criminal Code) and increasing the duration of disqualification sanctions against companies responsible for offences against the Public Administration.

Definitions

Areas of at-risk activities: Corporate areas where, because of the activities actually performed by the individual Mediaset Group companies, there is a direct or indirect risk of offences envisaged by law.
Code of Ethics: The Code of Ethics of the Mediaset Group currently in force.
Contract Staff: Person holding an autonomous employment relationship - of any nature - with companies of the Mediaset Group.
Recipients: As indicated in Article 1 of the Code of Ethics and Compliance Programmes pursuant to Legislative Decree 231, directors, auditors, and all persons linked by an employment contract with the Mediaset Group companies (employees) and all those who work for/with the Mediaset Group, in whatever capacity and form, even temporary, that binds them to the same.
Giving: the offer or receipt of money, goods or other benefits to or from any person (public or private) intended as an incentive to do something, to refrain from doing something or to influence

[1]Updated February 2019.

a decision. For example, "giving" can involve a payment of money in order to (i) obtain, retain or impede commercial activities; (ii) to obtain any undue or improper advantage in the conduct of an activity (such as tax or contribution breaks); or (iii) to influence the judgment or conduct of a third party or cause a desired outcome or action.[2]

Legislative Decree 231: Legislative Decree 231 of 8 June 2001 setting out "*Regulations on the administrative liability of legal entities, companies and associations with or without legal personality.*"

Employee: The person holding an employment relationship - of any nature - with companies of the Mediaset Group.

Institutions: National, European and international public institutions.

Anti-corruption laws: The rules contained in the Criminal Code, the Civil Code, Legislative Decree 231, the other current norms of public and commercial law against corruption at the national, European and international level (including treaties, international conventions and the UK Bribery Act).

Compliance Programmes pursuant to Legislative Decree 231: The compliance programmes adopted pursuant to Legislative Decree 231 by the Boards of Directors of each of the Mediaset Group companies.

Supervisory and Control Bodies (SB): The bodies appointed in compliance with Article 6, paragraph 1, letter. b) and d) Legislative Decree 231 by the Boards of Directors of each of the Mediaset Group companies and as defined in the Compliance Programmes pursuant to Legislative Decree 231 currently adopted by the companies.

Corrupt practices[3]: Any activity involving giving, offering, promising, granting, requesting or accepting money, goods or any other benefits in order to induce or reward an unlawful act (i.e. illegal, unethical[4] or contrary to the duties of any individual).

Private individual(s): any person that is not a Public Official.

Company procedures: Organisational Guidelines and/or operating procedures, adopted by the Mediaset Group companies and currently applicable to the same.

Public official(s): the public official(s)[5] or public service employees[6], i.e. bodies, representatives, agents, members, employees, consultants, officers of public functions or services, public institutions, public administrations, public entities, including economic entities or public companies at local, national or international level.

Mediaset Group companies: means Mediaset S.p.A. and all the companies/entities of the Mediaset Group under its direct or indirect control, with the exception of listed companies and their subsidiaries or affiliates.

---

[2]The "other gains" can be both "economic" and "non-economic" and may consist of:
- money;
- loans;
- donations (including charitable donations);
- incentives;
- employment contracts;
- consulting contracts;
- favourable treatment;
- confidential information;
- gifts and hospitality;
- travel;
- any other advantage or benefit that is deemed or perceived to be of value by the recipient or another person (e.g. a family member or friend of the recipient).

[3]For the different kinds of ***corruption***, see Articles. 318, 219, 319-bis, 319-ter, 319-quater, 321, 322, 322-bis and 346-bis of the Criminal Code and Articles 2635, 2365 bis and 2365 ter of the Civil Code (***Annex A***).

[4]"*Unethical behaviour*" means conduct that, while not illegal, is not "correct" or what should be expected, in general, from an employee of the Mediaset Group or one of the Recipients.

[5]Article 357 of the Criminal Code: "*For the purposes of criminal law, public officials are those who perform a public legislative, judicial or administrative function. For the same purposes, public functions are administrative functions regulated by the provisions of public law and by authoritative acts, characterised by the manifestation of the will of the Public Administration or by its implementation by means of authoritative or certification powers.*"

[6]Article 358 of the Criminal Code: "*Public service officers are those who, for any purpose, perform a public service. A public service is understood to be an activity governed in the same ways as a public function, but characterised by the lack of powers typical of the latter, and excludes the performance of simple executive duties and works of a merely material nature.*" This includes, for example, the credit collectors of a gas distribution company, employees of public agencies who assist public officials in their work, the caretaker of a cemetery, security guards driving an armoured cash delivery vehicle. Public service is identified as an activity subject to the same rules of the civil service, but without the typical powers that characterise it, such as deliberative, authoritative and certification powers, which qualify it as a mere material activity. It is therefore a residual category, including those that can not be called either public officials or operators of an essential public service.

Purpose and scope

In line with the principles and values expressed in the Code of Ethics, all the activities of the Mediaset Group companies are carried out in compliance with current laws and regulations in the jurisdictions in which they operate and in compliance with the commonly recognised ethical principles of business conduct: honesty, propriety, loyalty, transparency and good faith. . In this regard the Mediaset Group companies reject and deplore the use of unlawful or improper behaviour (including bribes) to achieve its economic objectives and have adopted appropriate organisational structures designed to prevent any violations of the law (including, in particular, Anti-Corruption Laws), and to pursue the principles and values expressed in the Code of Ethics, the Compliance Programmes pursuant to Legislative Decree 231 and company procedures, and also to ensure continued compliance.
The aim of this document is to provide a systematic framework on preventing corrupt practices by Mediaset Group companies, providing a summary of the rules of ethical conduct which the Recipients must strictly follow in order to comply with current laws and regulations on the subject. The contents of this document therefore complement the principles and values set out in the Code of Ethics, the Compliance Programmes pursuant to Legislative Decree 231, and the Organisational Guidelines (and procedures) currently in force. These documents contain more specific guidance on preventive controls to be implemented, the operational procedures to be followed to prevent offences, and the implementation of the provisions of Legislative Decree 231.

Recipients

The provisions contained in this document apply to the Recipients of the Mediaset Group companies.

References

- Code of Ethics of the Mediaset Group
- Compliance Programmes pursuant to Legislative Decree 231 adopted by the individual Mediaset Group companies
- Anti-corruption laws
- Company procedures

General Principles

Mediaset Group companies comply with all the rules and provisions contained in the Anti-Corruption Laws. In accordance with the provisions of Article 17 of the company's Code of Ethics, the Mediaset Group Companies require the Recipients to carry on business relationships based on the principles of legality, loyalty, propriety, transpareny and efficiency, and to refrain from engaging in corrupt practices of any kind.

The Mediaset Group companies deplore and condemn any and all corrupt behaviour or activity including, without limitation, illegitimate favouritism, collusion, solicitations - made directly and/or through third parties - for personal benefits of any kind for themselves or for others

Any Recipient acting in the name or on behalf of Mediaset Group companies in **business relationships with public or private entities** must therefore always and in all circumstances behave in an ethical manner according to the law and in full compliance with the aforementioned principles.

In general, Recipients are forbidden to directly or indirectly give, receive, pay, demand or offer compensation of any kind, promises and/or undue offers of money, gifts, economic benefits, benefits of any kind or other benefits from or to a **Public Official** and/or entity that they directly or indirectly

represent that: **(i)** arise from solicitations of any kind; **(ii)** are likely to be interpreted as intended to unduly influence the relationship between the Mediaset Group companies and the public official and/or the entity represented by the same, irrespective of whether they were pursuing, even exclusively, the interest or advantage of the individual company and/or the Mediaset Group.

Similarly, the Recipients are forbidden to directly or indirectly give, receive, pay, demand or offer compensation of any nature, promises and/or undue offers of money, gifts, economic benefits, or benefits of any kind or other gains, either to a **private individual** and/or entity that they directly or indirectly represent that: **(i)** are not of a modest value or related to solicitations of any kind; **(ii)** are likely to be interpreted as intended to unduly influence the relationship between the Mediaset Group companies and the private individual mentioned and/or the entity represented by the same, irrespective of whether they were pursuing, even exclusively, the interest or advantage of the individual company and/or the Mediaset Group.

Recipients are also prohibited from accepting, exerting, making or giving pressure, recommendations or instructions that could harm the Mediaset Group companies or result in undue advantages for themselves, for the Mediaset Group or third parties.

In relations with **suppliers**, **customers** and **third parties** in general, it is not permitted to make personal promises, offers of money, gifts, payments, economic benefits, benefits or other assets that are aimed at obtaining undue advantages, real or apparent, of any kind.

The **traceability** must also be guaranteed of every operation, transaction or, in general, activity that the Mediaset Group companies perform and, in particular, those carried out in "*areas of at-risk activities*", as indicated in the Compliance Programmes pursuant to Legislative Decree 231 of the individual companies.

This is so that it is always possible to reconstruct *ex post* the reasons for choices made, the persons responsible for the individual activities undertaken, and any further information relevant to the assessment of the substantial correctness, legality and propriety of decisions taken.

Areas of At-Risk Activities

Based on the results of the activities to identify risks within the Mediaset Group companies, below are the main areas of remotely relevant activities identified as being "*at risk*", with specific reference to the possible commission of the crimes of public and private corruption.

Therefore, this is a summary of the main areas where particular attention must be paid to *corporate compliance*, with specific regard to the prevention and combating of corrupt practices.

- Managing relations with public authorities and institutions
- Procurement of goods and services
- Sale of goods and services
- Managing relationships with agents and intermediaries
- Managing gifts and entertainment expenses
- Managing sponsorships and donations
- Selecting, recruiting and managing personnel
- Obtaining confidential information
- Managing financial resources

With regard to *areas of at-risk activities*, each company of the Mediaset Group has defined general and specific controls, also adopting Corporate Procedures where necessary. Listed below are the "*key*" preventive controls with reference to the areas of at-risk activities mentioned above.

Managing relations with public authorities and institutions

The Mediaset Group maintains collaborative and transparent relations with institutions.

The **relations** of the Mediaset Group companies with **institutions** and **public bodies** are maintained in compliance with current regulations, (including, in particular, Anti-Corruption Laws), the principles and values expressed in the Code of Ethics, the Compliance Programmes pursuant to Legislative Decree 231 and Company Procedures, on the basis of the general criteria of propriety, transparency and loyalty.

Consequently, it is prohibited to make illegal payments in relations with institutions and with Public Officials. Also prohibited are practices of corruption, favouritism, collusion, solicitations for direct and/ or indirect advantage through donations or promises of personal gain with respect to any part of the Public Administration or to other connected parties connected (i.e. relatives, in-laws, etc.).

Procurement of goods and services

Suppliers of **goods and/or services** are selected based on checks of their reliability, reputation and diligence in terms of compliance with rules and regulations (with particular reference to the specific provisions governing their own activities) as well as the appropriate technical/professional qualifications.

Activities relating to the selection of suppliers, the procurement of goods and/or services and the definition of the conditions of purchase must:

(I) ensure the timely identification of suppliers and the traceability of supply channels;
(II) be based on the evaluation of objective parameters such as quality, price, service guarantees, timeliness and efficiency;
(III) ensure the quality and legitimacy of the goods or services purchased;
(IV) be characterised by impartiality and the granting of equal opportunities to all suppliers who meet the requirements.

In the procurement process for goods and services, the Mediaset Group companies must ensure that:

(I) relations with suppliers are managed by people of independent judgment and appropriate abilities;
(II) the experience, technical requirements and existence of any negative events relating to the suppliers (e.g., absence of pending investigations/judgments, including in relation to corrupt practices) are assured before finalising business relationships;
(III) contracts are in writing, according to the standards used by Mediaset Group companies, and accompanied by specific clauses that, among other things, oblige counterparts to respect the ethical principles contained in the Code of Ethics and the Compliance Programme pursuant to Legislative Decree 231 (including those relating to anti-corruption);
(IV) the consideration paid to the counterparts is supported by adequate documentation proving that the services provided by the suppliers are in line with contractual provisions.

Sale of goods and services

Mediaset Group companies pursue their own **sales activities** by offering **goods and services** at competitive conditions, in compliance with the rules of the sector and those for the protection of competition and consumers, recognising that the appreciation of customers is paramount to business success.

In the sale of goods and services, the Mediaset Group companies must ensure that:

(I) customer relationships are managed by people of independent judgment and appropriate abilities;
(II) the reliability of clients with whom business relations are maintained is assured before entering into commercial relations via an analysis of financial indicators, and that clients are reviewed in order to verify corporate transparency and detect any prejudicial events and/or impediments;
(III) the contracts governing relations with customers are prepared according to the standards used by Mediaset Group companies, accompanied by specific clauses that, among other things, oblige counterparts to respect the ethical principles contained in the Code of Ethics and the Compliance Programme pursuant to Legislative Decree 231 (including those relating to anti-corruption);
(IV) services for customers are carried out in accordance with currently valid contracts.

Managing relationships with agents and intermediaries

If, in the conduct of its activities, any company of the Mediaset Group uses **agents** and/or **intermediaries**, prior to the establishment of contractual relations each company must:

(I) verify the financial benefit of intermediation;
(II) ascertain the identity, experience, qualifications and reputation of the agents and/or intermediaries;
(III) verify if the agents and/or intermediaries have the technical/professional/organisational competences needed to perform the activities requested properly; and
(IV) ascertain whether the agents and/or intermediaries have been subject to investigations relating to crimes of corruption or other illegal or otherwise at-risk activities.

Managing gifts and entertainment expenses

Mediaset Group companies offer gifts and incur expenses on behalf of third parties only for commercial, institutional and promotional purposes, in compliance with current laws and regulations, ethical principles and company procedures.

In relationships with suppliers, customers and third parties in general, it is prohibited to give gifts or offer money or benefits of any kind - even personally - in order to obtain undue advantage, real or apparent, for any of the Mediaset Group companies.

Managing sponsorships and donations

Mediaset Group companies grant sponsorships and make donations exclusively for promotional, cultural, philanthropic and sports reasons.
Sponsorships and donations must be granted in line with the principles defined in the Code of Ethics and in line with the procedures established by the company and formalised through the standards in use by all of the Mediaset Group companies.
Prior to the award of a sponsorship and/or donation, Mediaset Group companies must always perform appropriate checks on the formal requirements of individual operations and the characteristics of the beneficiary.

Selecting, recruiting and managing personnel

The process of selection and recruitment of staff in the Mediaset Group companies is conducted in compliance with the principles defined in the Code of Ethics and the provisions of Corporate Procedures, with the aim of promoting equal opportunities, training, development and professional growth, and the exclusion of all forms of discrimination.
Policies for the management and development of human resources put in place by the Mediaset Group companies are conducted with respect for personality and enhancement of the skills of each individual, based on a process of assessment of staff skills, conduct and performance.

Obtaining confidential information

It is not permitted to have direct or indirect relationships with any third party in order to improperly obtain confidential information (e.g. strategic projects, databases of competitors, etc.).

Managing financial resources

It is not permitted to directly or indirectly give, receive, pay, demand or offer money from or to public and private individuals/entities that: **(i)** arise from solicitations of any kind that are not supported by an appropriate current legal relationship; **(ii)** are likely to be interpreted as intended to improperly influence the relationships between the Mediaset Group companies and the persons mentioned and/or entities represented by the same, irrespective of whether the aim pursued, even exclusively, was in the interest or advantage of individual Mediaset Group companies and/or of the Mediaset Group.

Violations, whistleblowing and penalties

If an Employee or Collaborator[7], in the performance of his or her work activity and/or task or function, on the basis of precise and consistent factual elements, becomes aware of violations of this document, he or she may report such situations using the dedicated computer system made available by the Mediaset Group, in accordance with the procedures and terms described in the specific "*Organisational Guidelines for reporting violations and illegal conduct relevant to Legislative Decree 231/01*," from time to time in force. Alternatively, if provided for in the Compliance Programmes pursuant to Legislative Decree 231, where adopted, specific e-mail addresses dedicated to the Supervisory and Control Bodies may also be used, where established by individual companies.

Even other categories of Recipients (such as, for example, suppliers, customers) in the event that they become aware of violations of this document may, however, contact - in addition to the competent corporate functions - also the Supervisory and Control Bodies, through the specific e-mail addresses dedicated to them.

Reports that are relevant, detailed and based on precise and consistent factual elements are handled - without prejudice to legal obligations - ensuring absolute confidentiality on the identity of the whistleblowers, guaranteeing them the utmost protection, as provided for by current legislation[8], also in order to avoid retaliatory attitudes or any form of discrimination or penalisation against them.

If a Recipient receives an offer from a third party or a request for money, gifts or benefits of any kind, except for commercial use or gifts of nominal value, they must immediately inform their line manager or, as appropriate, report it to the Supervisory and Control Bodies, so that appropriate action can be taken.

In order to protect the interests of the Mediaset Group companies, proven violations of this document may lead to the Recipients responsible being subject to the sanctions mentioned, for example, in the Compliance Programmes pursuant to Legislative Decree 231 of the Mediaset Group companies, in accordance with current legislation.

Information and training

In accordance with Legislative Decree 231, the Mediaset Group companies' information and training activities include specific training on the contents of this document. This training is delivered in a manner and at a level of detail that varies according to the position, function and responsibilities of the individual Recipients involved and the actual level of risk of the activity in which they operate.

ANNEX A

Article 318 of the Criminal Code - Corruption in the performance of duties

A public official who, in exercising their functions or powers, unduly receives, for themselves or for a third party, money or other benefits, or accepts a promise thereof, shall be liable to imprisonment for a term of one to five years.

Article 319 of the Criminal Code - Corruption in an action contrary to official duties

A public official who receives money or other benefits (or accepts a promise thereof) for themselves or for a third party, in order to omit or delay (or for having omitted or delayed) an official act, or in order to perform (or for having performed) an act contrary to official duties, shall be liable to imprisonment for a term of four to eight years.

---

[7]These categories include the persons referred to in Article 5, paragraph 1, letters a) and b) of Legislative Decree 231/01, i.e., both *persons in a senior position* (or who in any case hold positions of representation, administration or management in the Company or in an organisational unit with financial and functional autonomy or who exercise, even de facto, the management or control thereof) and *persons subject to their management or supervision*.

[8]Reference is made to Law no. 179 of 30 November 2017 ("Provisions for the protection of the authors of reports of crimes or irregularities of which they have become aware in the context of a public or private employment relationship").

Article 319-*bis* of the Criminal Code - Aggravating circumstances
The penalty is increased if the offence referred to in Article 319 relates to the allocation of public jobs, salaries or pensions or to the stipulation of contracts involving the public administration to which the public official belongs or the payment or reimbursement of taxes.

Article 319-*ter* of the Criminal Code - Bribery in judicial proceedings
If the offences identified in Articles 318 and 319 are committed to favour or damage a party in civil, criminal or administrative proceedings, the penalty shall be imprisonment for a term of from four to ten years.
If the offence results in the unjust conviction of another individual to imprisonment not exceeding five years, the penalty shall be imprisonment for a term of five to twelve years; if it results in the unjust conviction to imprisonment for more than five years or a life sentence, the penalty shall be imprisonment for a term of six to twenty years.

Article 319-*quater* of the Criminal Code - Illegal inducement to give or promise benefits
Unless the offence constitutes a more serious crime, a public official or public service officer who abuses their powers, inducing someone to give or unduly promise money or other benefits to them or to a third party, shall be liable to imprisonment for a term of three to eight years.
In the cases envisaged in the first paragraph, those who give or promise money or other benefits, shall be liable to imprisonment for a term of up to three years.

Article 320 of the Criminal Code - Bribery of a public service officer
The provisions of Articles 318 and 319 also apply to public service officers.
In any case, penalties are reduced by not more than a third.

Article 321 of the Criminal Code - Penalties for the corruptor
The penalties envisaged in the first paragraph of Article 318, Article 319, Article 319-*bis*, Article 319-*ter* and Article 320 in relation to the aforementioned provisions contained in Articles 318 and 319, also apply to those who give or promises money or other benefits to a public official or public service officer.

Article 322 of the Criminal Code - Incitement to bribery
Anyone who offers or unduly promises money or other benefits to a public official or a public service officer, for exercising their functions or powers, shall be liable, when the offer or promise is not accepted, to the penalty established in the first paragraph of Article 318, reduced by one third. If the offer or promise is made to induce a public official or a public service officer to omit or delay an official duty, or to perform an act contrary to his/her duties, the offender is subject, where the offer or the promise is not accepted, to the penalty laid down in Article 319, reduced by one third. The penalty specified in the first paragraph shall apply to a public official or a public service officer who solicits the promise or giving of money or other benefit for exercising their functions or powers. 4. The penalty specified in the second paragraph applies to a public official or a public service officer who solicits the promise or giving of money or other benefits from a private individual for the purposes indicated in Article 319.

Article 322-*bis* of the Criminal Code - Extortion, bribery and incitement to bribery of members of the European Communities and officials of the European Communities and foreign States
The provisions of Articles 314, 316, 317 to 320 and 322, third and fourth paragraph, also apply to:
1) members of the European Commission, the European Parliament, the Court of Justice of the European Communities and the European Court of Auditors;
2) officials and agents employed by contract under the Staff Regulations of officials of the European Communities and the Conditions of Employment of other servants of the European Communities;
3) persons delegated by Member States or by any public or private body to the European Communities, who perform functions corresponding to those of officials or servants of the European Communities;
4) members and employees of entities constituted in accordance with the treaties establishing the European Communities;

5) people who, within the Member States of the European Union, carry out duties or activities that correspond to those of public officials and public service officers.

5-*bis*) judges, prosecutors, deputy prosecutors, officials and agents of the International Criminal Court, people directed by the States who are party to the Treaty establishing the International Criminal Court who perform functions corresponding to those of officials or servants of the Court, and members and employees of entities constituted under the Treaty establishing the International Criminal Court.

The provisions of Articles 319-quater, second paragraph, 321 and 322, first and second paragraph, are applicable also if the money or other benefits are given, offered or promised to:

1) the people indicated in the first paragraph of this article;
2) people who perform functions or activities corresponding to those of public officials or public service officers within other foreign States or international public organisations, when the offence is committed in order to secure an unlawful advantage for themselves or for third parties in regard to international economic transactions or to obtain or maintain an economic-financial activity.

The people indicated in the first paragraph are considered to be public officials, when they perform similar functions, and public service officers in all other instances.

Article 346-*bis* of the Criminal Code - Trafficking in illicit influences

Whoever, with the exception of cases of complicity in the offences referred to in articles 318, 319, and 319-ter and in the corruption offences referred to in article 322-bis, exploiting or boasting existing or alleged relations with a public official or with a person in charge of a public service or one of the other persons referred to in article 322-bis, unduly causes money or other benefits to be given or promised, to him/herself or others, as the price of his or her own illicit mediation towards a public official or person in charge of a public service or to remunerate him or her, in relation to the exercise of his or her functions or powers, shall be punished by imprisonment of one year to four years and six months.

The same penalty applies to those who unduly give or promise money or other benefits.

The penalty is increased if the person who unduly causes money or other benefits to be given or promised to him/herself or to others is a public official or a person in charge of a public service.

Penalties are also increased if the acts are committed in the exercise of judicial activities or to remunerate the public official or the person in charge of a public service or one of the other subjects referred to in art. 322-bis in relation to the performance of an act contrary to the duties of the office or the omission or delay of an act of his or her office.

If the facts are particularly negligible, the penalty is reduced.

Article 2635 of the Civil Code - Private-to-private corruption

Unless the offence constitutes a more serious crime, the directors, general managers, financial reporting officers, statutory auditors and liquidators of companies or private organisations who, including via an intermediary, solicit or receive money or other undue benefits for themselves or for others or agree to a promise thereof to commit or fail to carry out acts in breach of the obligations arising from their office or duties of loyalty, shall be liable to imprisonment for a term of one to three years. The same penalty shall apply if the offence is committed by those persons who, within the organisation of the company or private organisation, perform managerial functions other than those of the persons referred to in the previous clause.

The penalty of imprisonment up to one year and six months shall be imposed if the offence is committed by those who are subject to the direction or supervision of one of the parties indicated in the first paragraph.

Anyone who, via intermediary, gives or promises money or other benefits to the persons specified in the first and second paragraph shall be liable to the penalties envisaged therein.

The penalties established in the paragraphs above are doubled for companies listed on regulated markets in Italy or other European Union countries or widely circulated among the public pursuant to Article 116 of Legislative Decree 58 of 24 February 1998 as amended.

Without prejudice to the provisions of Article 2641, the confiscation by equivalent value cannot be less than the value of the benefits, promises or offers given.

Article 2365-*bis* of the Civil Code - Incitement to private-to-private corruption
Anyone who offers or promises money or other undue benefits to directors, general managers, financial reporting officers, statutory auditors and liquidators of companies or private organisations, as well as those who work in them with the exercise of managerial functions, so that they perform or omit an act in violation of the obligations inherent in their office or loyalty obligations, is subject, if the offer or promise is not accepted, to the penalty established in the first paragraph of article 2635, reduced by one third.
The penalty referred to in the first paragraph applies to directors, general managers, financial reporting officers, statutory auditors and liquidators of companies or private organisations, as well as those who work in them with managerial functions, who solicit for themselves or others, even through an intermediary, a promise or donation of money or other benefits, to perform or to omit an act in violation of the obligations inherent to their office or loyalty obligations, if the solicitation is not accepted.

Article 2635-*ter* of the Civil Code - Ancillary penalties
Conviction for the crime referred to in the first paragraph of Article 2635, in all cases, implies temporary disqualification from the management of legal entities and companies referred to in Article 32-bis Criminal Code against those who have already been convicted for the same crime or for the crime referred to in Article 2635-bis, second paragraph.