

COMMISSION DECISION

of 19 December 1984

authorizing the Italian Republic to continue to apply certain protective measures pursuant to Article 108 (3) of the Treaty

(Only the Italian text is authentic)

(85/16/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 108 (3) thereof,

Whereas by Decision 74/287/EEC ⁽¹⁾, as amended by Decision 75/355/EEC ⁽²⁾, the Commission authorized the Italian Republic to take certain measures pursuant to Article 108 (3) of the Treaty;

Whereas the rise in the price of petroleum products that occurred in 1979 and 1980 has led to a marked deterioration of the balance on current transactions; whereas the improvement that began in 1983 is still fragile and dependent on continued efforts to reinforce the competitiveness of the Italian economy in conditions of increased domestic and external monetary stability;

Whereas the Italian authorities are committed to an economic and financial programme to control public expenditure, reduce the budget deficit and reduce the rate of inflation; whereas that programme is designed to contribute to the restoration of external equilibrium;

Whereas it is important to limit the costs arising from external indebtedness, which have substantially increased as a result, in particular, of the appreciation of the dollar and the rise in international interest rates in real terms;

Whereas the lifting of protective measures that Italy was authorized to take must be gradual to prevent long-deferred portfolio adjustments from leading to destabilizing capital movements and interrupting the

process of a return to external equilibrium; whereas it is therefore appropriate to maintain certain exchange controls on the capital movements liberalized on principle;

Whereas the Italian authorities have relaxed the protective measures originally authorized by way of derogation from Community obligations for the free movement of capital; whereas they are determined to continue the process of relaxation to match the degree of success in restoring a healthy balance of payments,

HAS ADOPTED THIS DECISION:

Article 1

1. The Italian Republic is authorized, temporarily and within the limits of the measures listed in the Annex hereto, to restrict the performance of transfers relating to the capital movements liberalized at the date of this Decision, pursuant to Articles 1 and 2 of the Council Directive of 11 May 1960 (First Directive for the implementation of Article 67 of the Treaty) as amended by the Directive of 18 December 1962.

2. Unless otherwise provided for by the Commission under the conditions laid down in Article 2 (3), this Decision shall remain in force for three years from the date of its adoption.

Article 2

1. The Commission shall keep the economic situation in Italy under close review.

2. It reserves the right to amend or repeal this Decision, after consulting the Member State concerned, if it finds that the circumstances underlying its adoption change significantly or that its effects are more restrictive than necessary for the attainment of its aim.

⁽¹⁾ OJ No L 152, 8. 6. 1974, p. 18.

⁽²⁾ OJ No L 158, 20. 6. 1975, p. 25.

3. If the Member State to which this Decision is addressed claims, before the expiration of the period of validity, that its balance of payments is still in difficulties or seriously threatened with difficulties, the Commission shall review the overall economic situation with a view to determining whether the protective measures still applied should be reviewed in whole or in part.

Article 3

Decision 74/287/EEC of 8 May 1974 is hereby repealed.

Article 4

This Decision is addressed to the Italian Republic.

Done at Brussels, 19 December 1984.

For the Commission

The President

Gaston THORN

ANNEX

Type of operation	Restrictions authorized by way of derogation from Community provisions
Investments in real estate	The construction or purchase abroad of real estate by residents is subject to the lodging in an interest-free bank deposit of an amount equivalent to 40 % of the value of the property.
Operations in securities	<p>(a) The acquisition by residents of foreign securities dealt in on a stock exchange is subject to the lodging in an interest-free bank deposit of an amount equivalent to :</p> <ul style="list-style-type: none">— 30 % of the value of the securities if they are issued by a European Community institution or the EIB,— 40 % of the value of the securities in other cases, <p>on condition the securities purchased are held for at least a year. Otherwise the deposit is equal to 50 % of the value of the securities.</p> <p>(b) The acquisition of foreign securities by a collective investment undertaking for transferable securities is exempt from the deposit requirement up to an amount equivalent to 10 % of the securities portfolio of the undertaking concerned.</p>