

Contracting Parties

Text of Laws and Decrees transmitted by the  
Italian Delegation in connection with the  
notification under paragraph 11 of Article XVIII  
(Addendum to GATT/CP.3/40/Add.1)

There is circulated herewith a letter from the Italian Delegation to the Contracting Parties, enclosing the text of the Laws and Decrees referred to in their letter of 7 June 1949, notifying of non-discriminatory measures under paragraph 11 of Article XVIII (GATT/CP.3/40/Add.1).

Annexes I to VII have been specifically referred to in the letter of notification. The title of Annex VIII, it is understood, should be added to the list under section III (relating to seed oils) of the original document.

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Annex VII Legislative Decree No. 1314 of 5 October 1933 concerning the fiscal treatment of seed oils.

Annex VIII Legislative Decree No. 511 of 11 June 1941 containing new fiscal provisions for seed oils. (Decree published in the "Gazzetta Ufficiale" of 20 June 1941, No. 143).

"27 August, 1949.

With reference to my letter of 7 June, 1949, (GATT/CP:3/40/Add.1) in which, on behalf of the Italian Government, I notified existing non-discriminatory measures under paragraph 11 of Article XVIII of the General Agreement on Tariffs and Trade, I have the honour to transmit herewith the French translation of the provisions referred to in that letter.

You will also find herein enclosed the text of Decree-Law No. 511 dated 11 June 1949, which was not included in those notified on June 7 1949. It should be understood, however, that the provisions of this Decree only supplement those of previous legislative texts.

I wish further to inform you that after the end of the war and subsequent to the devaluation of the lira, duties, taxes, charges of any kind, as well as fines specified in the herein annexed provisions, have been considerably increased."

ANNEX I

Law No. 234 of 8 January 1931

Procedure to be followed in respect of the installation and use of radio-electric sets belonging to private persons, and the issue of permits for the construction, sale and assembling of electrical equipment (law published in "La Gazzetta Ufficiale" No. 68 of 24 March 1931).

Art. 1

The provisions of Articles 3 and 6 of Decree-Law No. 1917 of 23 October 1925, which has been enacted as Law No. 562 of 18 March 1926, requiring that manufacturers of, or dealers in, radio electric sets (transmitters or receivers) should obtain a special permit issued by the Minister of Communications, are hereby extended, without any distinction, so as to apply to all manufacturers of, and dealers in, radio-electric equipment of all types, including commercial representatives for such materials. Assemblers of installations for the use of radio-electric sets and repairers of these sets shall likewise be required to obtain a permit issued by the Minister of Communications. The manufacturers, dealers and representatives referred to in the above provisions shall be required to pay the taxes imposed on manufactures and sales, as stipulated in Articles 3 and 6 of Legislative Decree No. 1917 of 23 October 1925.

Assemblers and repairers shall be subject to the payment of a yearly tax of fifty lire.

The proceeds of the above-mentioned taxes shall be apportioned on an equal basis between the Finance Ministry and the Ministry of Communications.

Art. 2

Any person wishing to import from abroad, for commercial purposes, complete radio-electric sets (transmitters or receivers) or spare parts for such sets subject to the above-mentioned tax, shall be required to obtain:

- 1 - the selling permit provided for in Article 1 above;
- 2 - a special permit issued by the Ministry of Communications to be applied for with respect to each type of set and accompanied with indications as to the number and types of sets the import of which is desired, and a statement of the reasons therefor.

Public services shall be exempted from the above-mentioned permit.

Any person desirous of importing radio-electric equipment into Italy, for personal use, shall only be required to obtain a permit from the Ministry of Communications which may also prescribe the quantity and nature of the equipment for which the permit is granted, as well as the date prior to which import has to take place.

Italian nationals residing abroad and aliens on temporary visits to Italy who are desirous of importing and using a radio-electric set shall be required to obtain a permit from the Ministry of Communications.

To that effect, applicants shall file requests with the Ministry for Foreign Affairs, as provided for in the Administrative Regulations for the application of this Law to be drawn up in consultation with the Finance Ministry and other Ministries concerned.

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## ANNEX II

Decree-Law No. 122 of 18 January 1934  
concerning the establishment of a  
National Committee of the Synthetic  
Organic Dyes industry (published in  
"La Gazzetta Ufficiale" No. 16 of 13  
February 1934).

### Art. 1

There shall be set up, under the Ministry of Corporations, a National Committee of the Synthetic Organic Dyes industry.

The composition of the Committee shall be as follows: one representative of the Ministry of Corporations; one representative of the Finance Ministry; one representative of the Committee for civilian mobilisation; three representatives of national producers of organic synthetic dyes, and two representatives of the industries utilizing such materials, who shall be appointed by the General Confederation of Italian industries; one representative of the National Confederation of industrial Unions, and one expert appointed by the Council for National Research.

The Committee shall be instituted by Royal Decree, upon the proposal of the Minister of Corporations, with the concurrence of the Finance Minister. Its Chairman shall be the Under Secretary of State for corporations, designated by the same Decree.

### Art. 2

The functions of the Committee shall be:

- 1) to stimulate any initiative intended to promote the expansion of the national production of synthetic organic dyes;
- 2) to assess periodically the situation of the national industry of synthetic organic dyes;
- 3) to give an opinion on the provisions relating to the Italian domestic industry of, and trade in, synthetic organic dyes.

The Committee shall adopt its own rules of procedure.

Art. 3

Upon the proposal of the Minister of Corporations with the concurrence of the Finance Ministry and after consultation with the Committee as provided for in Article 1 above, there may be set up, by Royal Decree, an Office for the sale of synthetic organic dyes which shall have civil capacity which, in the common interest of producers and importers, shall be responsible for the exclusive sale in Italy of such dyes whether produced in Italy or imported from abroad.

Art. 4

Any infringement of the provisions to be framed in application of this Decree-Law shall be subject to an administrative penalty not to exceed 10.000 lire.

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ANNEX III

Ministerial Decree of 29 August 1934 prohibiting the import of certain commodities

Art. 1

The following commodities are to be added to those included in Schedule 4 ("Articles, the importation of which is prohibited") annexed to Royal Decree-Law No. 1923 of 14 November 1926, which has been enacted as Law No. 1495 of 7 July 1927.

Tariff Item  
Number

744	Nitrobenzol
745	Aniline and crude toluidine (mixture of isomeres)
746	Hydrochlorate of Aniline
747	Aniline salts n.s.m.
748	Aniline derivatives n.s.m.
750	Naphtaline derivatives n.s.m.
752	Benzidine
753	Tolidine, dianisidine, ortho- and paratoluidine
754	Xylidine
755	Phenylendiamine, phenetidine, and anisidine
756	Derivatives of benzidine, toluidine, tolidine, dianisidine, xylidine, phenylendiamine, phenetidine, and of anisidine, n.s.m.
757	Anthraquinone
758	Resorcin
759	Naphtol (alpha and beta)
760	Derivatives of naphtol and of naphthylamine, n.s.m.
761	Derivatives of carboic acid, n.s.m.
762	Benzaldehyde and derivatives thereof
ex 763	Amidophenol and ethylamidophenol
764	Derivatives of benzol, toluol and xylol, n.s.m.
795	<b>Synthetic organic dyes.</b>
ex 797	Lacquer varnishes with base of synthetic organic dyes and organic solvent.

Art. 2

Contrary to the prohibition, licenses for the import of the commodities listed in the preceding article shall be granted by the Minister of Finance on the advice of the National Committee of the Synthetic Organic Dyes Industry established with the Ministry of Corporations in virtue of Decree-Law No. 122 of 18 January 1934.

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ANNEX IV

Law No. 143 of 7 April 1881 (3rd Series)  
establishing a tax on the manufacture  
of cottonseed oil (law published in "La  
Gazzetta Ufficiale" of 9 April 1881)

Art. 1

There is hereby established a tax of 14 lire per 100 kilogrammes on the manufacture of cottonseed oil produced domestically. This tax shall be levied through the permanent control of the agents of the Finance Ministry in the conditions stipulated in the Administrative Regulations to be issued.

A manufacturing surtax of 14 lire per 100 kilogrammes shall be levied on the importation from abroad of cottonseed oil, whether pure or mixed with olive or other oils.

The said Administrative Regulations shall determine the penalties to be applied under Law 1327 of 3 July 1864 and Legislative Decree No. 3018 of 28 June 1866.

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ANNEX V

Legislative Decree No. 1525 of 9 November 1916  
concerning the extension of the tax on manu-  
facture to all seed oils (Decree published in  
"La Gazzetta Ufficiale" of 16 November 1916)

Art. 1

In order to provide for the exceptional needs of the Treasury resulting from the state of war, the provisions included in the following Annexes signed by the Ministers who sponsored them, in pursuance of the order issued by us and relating to the following items, shall be regarded as a Law to remain in operation until the close of the financial year during which the peace is declared and, in any case, until the end of the financial year 1917-1918, with the exception of the provisions included in Article 1 of Annex G.

. . . . .

- i) tax on the manufacture of seed oils.

. . . . .

Art. 2

The provisions contained in this Decree shall be applied in the conditions and circumstances laid down by the same Annexes respectively.

Art. 3

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ANNEX I : Tax on the manufacture of seed oils

Article 1

The tax on the manufacture of cottonseed oil established in virtue of Law No. 143 (3rd Series) of 7 April 1881, is hereby increased from 14 to 15 lire per 100 kilogrammes, and is extended so as to apply to the manufacture of all other seed oils.

A manufacturing surtax of 15 lire per 100 kilogrammes shall be levied on seed oils of any kind imported from abroad, whether pure or mixed with olive oil.

This tax shall be levied on seed oils for whatever purpose intended, except oils which are prepared in pharmacies for medicinal use.

Article 2

The tax shall be assessed on the basis of the production capacity and the duration of the period of operation of the oil mill, through the permanent control methods of the agents of the Finance Ministry, on the basis of the daily output of the oil-mill, or on the basis of the quantity and quality of the seeds to be processed, as indicated in the statement of operations.

The Finance Ministry shall determine the tax assessment method to be applied in the case of each oil-mill.

Article 3

Oil-mills subject to the permanent control of the agents of the Finance Ministry shall pay the amount of the tax to the Provincial Treasury at such time as the product leaves the oil-mill to be delivered for consumption.

Other mills shall effect advance payment with the Provincial Treasury either for the indicated duration of operations or for a period of two months.

Payment to the Treasury may be effected by postal order addressed to the provincial Treasurer.

#### Article 4

Within 5 days after the date when this Annex enters into force, any person undertaking, or desirous of undertaking, to extract oil from seeds, whether of national or foreign origin, and any person in the possession of apparatus intended, or merely appropriate, for the extraction of seed-oils shall file, with the Technical Finance Bureau, a written statement in duplicate specifying:

- a) the surname and first name of the declarant;
- b) the town, street and street number where the establishment of the apparatus appropriate, or intended, for the extraction of seed oil is located;
- c) in the case of an oil-mill in current operation or intended to be put into operation, the blend of seeds from which oil is being extracted or intended to be extracted;
- d) the number and type of the apparatus used for the production and refining of these oils;
- e) the quantities and kinds of raw materials stored in the oil-mill itself or in its outbuildings, on the date when the statement was filed;
- f) the quantities and kinds of oils existing either in the oil-mill or in its outbuildings on the date when the statement was filed.

In the same statement, the declarant shall indicate whether the oil-mill is currently in operation or not; in the latter case, he shall indicate whether it is intended to resume production and if so, on what date.

With respect to oil-mills currently in operation, the declarant shall further indicate the quantity of oil that he intends to manufacture during a period of fifteen days and he shall also attach to his statement the receipt delivered by the Treasury for the payment of the tax corresponding to such a quantity of oil, or produce the receipt of the postal order addressed to the Provincial Treasurer.

#### Article 5

Upon receiving the statement referred to in the preceding article, the Technical Offices shall forthwith seal any apparatus declared to be idle so as to prevent its being utilized without prior filing of an operation statement.

With respect to oil-mills declared to be idle, the Technical Offices, taking into account on the one hand the number and production capacity of the apparatus existing in the oil-mill and, on the other, the nature of the seeds to be processed, shall ascertain that the production of edible oil does not exceed the quantity for which a tax has been levied in pursuance of the provisions of the preceding article, for a period of fifteen days from the date when the statement was filed.



To that effect, the Technical Offices may, with the concurrence of the Head of the local offices of the Finance Ministry, submit to permanent control such oil mills as have effected payment of a tax for a quantity of the product estimated to be smaller than the production capacity for fifteen days.

#### Article 6

Upon the entry into force of this Annex, the Technical Finance Offices may place under permanent control whatever oil-mills they know to be operating even before receiving the statement referred to in Article 4 above.

In such a case, the period of fifteen days for which the tax shall be paid on the basis of the daily output in the sense of Article 4 shall run from the date on which control has been instituted in the oil-mill, even though payment of the tax may not have been effected that same day, but the tax shall still have to be paid within five days from the date on which this Annex enters into force.

#### Article 7

If, at the end of the period of fifteen days for which the tax has been paid on the basis of the output stated by the owner of the oil-mill, the assessment of the tax to which the mill shall finally be subjected has not been determined under Article 2 above, the mill may still continue operating, subject to payment of the tax at the beginning of each fifteen day period on the basis of the production of such period to be indicated in a new working statement filed with the Technical Finance Office and accompanied with a voucher for the payment of the tax as stipulated in Article 4 above.

Oil extracting establishments over which permanent control has been established under Articles 5 and 6 above, may, however, be allowed to pay an appropriate tax at such time as the product leaves the oil-mill to be delivered for consumption, provided they agree to build a warehouse which will be considered as a customs warehouse, in which the product shall be stored until it is delivered for distribution.

#### Article 8

Seed oils directly exported abroad by the oil extracting establishments before being delivered for domestic consumption shall not be subject to the tax on manufacture.

#### Article 9

A fine of not less than 20 lire and not more than 50 lire shall be imposed upon any person who, after the expiry of five days after the date on which this Annex enters into force, is found in the possession of any apparatus intended, or even appropriate, for the extraction of seed-oils and who has not filed the relevant statement with the Technical Finance Office.

A penalty of 500 lire shall be imposed when the apparatus concerned is found to be assembled, arranged or coupled so as to constitute an effective installation for the extraction of seed-oils, or whenever oilseeds or waste products from oilseeds are found near such apparatus or in adjacent premises.

#### Article 10

The clandestine manufacture of seed oil shall be subject to a penalty of not less than twice and not more than ten times the amount of the tax and in any case, not less than two hundred lire.

Any apparatus, products and raw materials found in clandestine oil-mills shall be confiscated.

#### Article 11

A proportionate penalty of not less than twice and not more than ten times the amount of the tax evaded and, in any case, not less than 50 lire, shall be imposed whenever operations are found to be conducted in time or work conditions different from those indicated in the statement of operations relating to oil-mills taxed on the basis of the daily production capacity.

The same rate of penalty shall apply to any quantity of oil produced over and above that indicated in the statement of operations submitted by oil extracting establishments taxed on the basis of the quantity and kind of seeds to be processed.

#### Article 12

Administrative Regulations approved by a Decree of the Finance Minister shall determine the provisions relating to the statement to be filed by new oil-extracting establishments, to the assessment, liquidation and collection of the tax, to the control of oil-mills and any matter relating to the application of the surtax provided for in Article 1 above.

Pending the publication of such regulations, the provisions of the regulations relating to the tax to be levied on cottonseed oil, approved by Decree No. 183 (3rd series) of 1st May 1881, shall apply to oil-mills of any type whatever to the extent that they do not conflict with those contained in this Annex.

#### Article 13

Any increase in the tax and surtax on cottonseed oil and the surtax established under this Annex with respect to other seed oils shall also apply to oils of the said types which at the time this Annex enters into force are stored in any place whatever, in quantities exceeding 50 kilogrammes.

Any person who is in possession of more than 50 kilogrammes of seed oils shall be requested to file a statement to that effect with the local Finance Authorities within three days after the date on which this Annex enters into force.

The Finance Minister shall draw up the regulations applying to the establishment of the facts and the payment of the tax on all stored oils.

Any failure to notify the oil stored, or any inaccurate statement as to the quantities concerned, shall be subject to a penalty of not less than twice and not more than ten times the rate of tax applying to such quantities of oil as have not been declared.

Article 14

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ANNEX VI

Ministerial Decree of 8 July 1924  
approving the consolidated text of  
the laws concerning the tax on the  
manufacture of seed oils (Decree  
published in "La Gazzetta Ufficiale"  
of 20 August 1924)

The consolidated text of the legislative provisions concerning the tax on the manufacture of seed oils annexed to this decree is hereby approved.

ANNEX

Consolidated text of the existing legislative provisions concerning the tax on the manufacture of seed oils.

Article 1

A tax of 15 lire per hundred kilogrammes on the manufacture of oils made domestically from seeds of any kind is hereby established.

This tax shall be levied on seed oils for whatever purpose intended, except oils which are prepared in pharmacies for medicinal use only.

Article 2

Any person undertaking, or desirous of undertaking, to extract oil from seeds, whether of national or foreign origin, shall be required to obtain an operating licence which shall be subject to an annual tax of 200 lire in the case of oil-mills equipped with one of several hydraulic presses and of 20 lire in the case of all other mills.

### Article 3

To obtain the permit referred to in the preceding Article, any person desirous of extracting seed oils shall, file a written statement in duplicate with the Technical Finance Bureau at least 20 days before beginning operations, together with the receipt delivered by the Treasury for the payment of the permit tax. This statement shall show:

- a) the surname and the first name of the declarant;
- b) the town, street and street number where the establishment is located;
- c) the kind of seeds to be processed;
- d) the number and type of apparatus used for the extracting and refining of the oils;
- e) the quantities and kinds of raw materials stored in the outbuildings, on the date when the statement was filed, and the extracting process used.

Any person in possession of equipment intended for the production of seed oils not exclusively for medicinal use must also file a statement to that effect indicating the surname and name of the declarant as well as the town, street and street number where such equipment is located.

### Article 4

Upon receiving the statement referred to in the preceding Article, the Technical Offices shall forthwith seal any apparatus declared, so as to prevent its being utilized without the previous filing of an operation statement.

### Article 5

The Technical Finance Offices shall be empowered to install in oil mills, at the expenses of the enterprise concerned, apparatus for the control of the kind, quality and quantity of the products and raw materials utilized and the number of operations carried out.

### Article 6

The tax shall be assessed through the permanent control methods of the agents of the Finance Ministry on the basis of the production capacity of the oil-mill, the duration of operations, the daily output of the oil-mill or the quantity and kind of seeds to be processed, as indicated in the operation statement.

The Finance Ministry shall be responsible for the determination of the tax assessment method to be applied in the case of each particular oil-mill.

Article 7

Oil-extracting establishment subject to the permanent control of the Finance Offices shall pay the tax to the Provincial Treasury Office at such time as the product leaves the oil-mill to be delivered for distribution.

Other oil-extracting establishments shall be required to effect anticipated payment with the Provincial Treasury Office either for the duration of operations stated or for a period of two months.

Payment to the Treasury may be made by postal order addressed to the Provincial Treasurer.

Article 8

The amount of special deposit due for the moving or warehousing of products subject to the tax on manufacture shall be 10% of the tax applicable to the maximum quantity which it is intended to store or computed on the basis of the quantities effectively transported.

Article 9

An exemption from the tax on manufacture or the compensatory surtax levied on seed oils manufactured domestically or imported from abroad, for industrial use, may be granted subject to the terms and provisions to be drawn up by the Finance Minister.

Article 10

The right to tax exemption shall lapse unless the obligation for exemption is filed within five years from the date of the export clearance voucher.

Under the existing Customs legislation, the original export clearance voucher, duly accompanied with the certified report of the agents of the Finance Ministry, shall constitute the only valid proof of export abroad.

Article 11

Any wholly or partly uncollected monies due on account of taxes, including monies due on account of shortages in products subject to the tax, may be required to be paid by injunction. Any objection to such an injunction may be lodged within 15 days from the date of notification.

The objection lodged shall not be valid unless payment of the amount claimed has previously been effected.

Any action for payment shall lapse five years after the date on which payment should have been made.

As regards shortages in the products subjected to the tax, the period of five years shall run from the date when the existence of the shortage has been established.

However, when the responsible agent has failed, owing to personal neglect, to collect the full amount or part of the amount of the tax due, the Administration shall have, for another year, the right to receive compensation for the loss thus suffered, if in such a case, the action brought against the tax-payer has not resulted in the tax being paid, or if the agent who should have brought such an action against the debtor has allowed it to become invalid by prescription.

The specific provisions relating to prescription shall not apply to cases of fraud.

The prescription applying to civil action shall be suspended upon penal action being instituted. In this case, the five years time limitation relating to civil proceedings shall run from the date on which the penal judge pronounces final judgement.

Similarly, a manufacturer shall be entitled to a refund of any differences resulting from errors made in the computation for the liquidation of the tax or from the fact that the rate of tax effectively applied was not the rate applicable to the quantity of products indicated in the supporting documents, provided that the compensation claim be filed within five years from the date when payment was effected and provided also that the original receipt delivered by the Treasury for such payment be produced in support of the claim.

The action instituted shall lapse upon expiration of a period of five years.

When the auditing of account indicates that the manufacturer has been overcharged as a result of an error made in the computation of the tax or of the application of an inappropriate rate of tax, the corresponding refund shall be made without the tax-payer concerned having to submit a claim.

The five years prescription referred to above shall be extended so as to apply to refund of taxes for suspension of operations for any reason whatever, even though advance payment of the tax may have been effected in the form of a deposit.

#### Article 12

Any disputes arising as to the classification of products, under this Law, shall be settled in accordance with the procedure relating to the settlement of Customs differences.

#### Article 13

A penalty of not less than 20 lire and not more than 500 lire shall be imposed on any person found in the possession of apparatus intended or merely appropriate for the extraction of seed oils and who has not filed the relevant statement with the Technical Finance Offices.

A penalty of 500 lire shall be imposed whenever the apparatus concerned is found to be assembled, arranged or coupled so as to constitute an effective installation for the extraction of seed oils, or whenever oil seeds or waste products from oil seeds are found near such apparatus or in adjacent premises.

Article 14

The clandestine manufacture of seed oils shall be subject to a penalty of not less than twice and not more than ten times the amount of the tax and in any case, not less than 200 lire.

Any apparatus, products and raw materials found in clandestine oil-mills shall be confiscated.

Article 15

A proportionate penalty of not less than twice and not more than ten times the amount of the tax evaded and, in any case, not less than 50 lire shall be imposed whenever operations are found to be conducted in time or work conditions different from those indicated in the statement of operations relating to oil-mills taxed on the basis of the daily production capacity.

The same rate of penalty shall apply to any quantity of oil manufactured over and above that indicated in the statements of operations submitted by oil-extracting establishments taxed on the basis of the quantity and kind of seeds to be processed.

Article 16

Any other infringement of the provisions of this Law and the administrative regulations relating to the application thereof shall be subject to a penalty of not less than 10 lire and not more than 300 lire.

Article 17

When several persons are jointly responsible for any infringement of this Decree, each of them taken individually shall be liable to the full amount of the penalty applicable to the case.

Article 18

If the manufacturing tax has been or could have been evaded as a result of the offence, the offender shall be required to effect immediate payment of the tax, without prejudice to any further action and payment of the penalty that may be imposed.

Article 19

Any products, as well as the machinery and mobile equipment existing in the oil-mills, in any outlying warehouse or any other premises subject to any form of fiscal control, shall be held by the Administration as a guarantee for payment of the manufacturing tax, which shall have priority over any other creditor's claim.

Similarly, when the products, containers and means of transport used by the offender cannot be confiscated, they shall be held by the Administration as a guarantee for payment of taxes, penalties and charges of any kind to be paid by the offender or any other person held responsible under this Law, the said payment to have priority over any other creditor's claim.

Article 20

Certified reports for the establishment of the facts shall be drawn up by the agent who discovered the fraud and shall prove the case in the absence of any contrary evidence.

Article 21

At any stage in the proceedings and until the penal judgement pronounced by the Finance Intendant has become final, or the offender has been sentenced irrevocably, the offence may be dealt with through Administrative procedure.

Any request for a settlement through administrative procedure which has not been submitted at the time when the certified report for the establishment of the facts was drawn up, shall be filed with the Intendant who shall determine the amount of the sum to be paid, this sum to be not less than the minimum nor more than the maximum penalty.

When the penalty does not exceed 500 lire or when the prescribed minimum penalty does not exceed 500 lire, settlement through administrative procedure shall be referred to the Head of the Executive Office in charge of accountancy operations relating to the penalty, who shall further inform the Finance Ministry of the settlements made, every month.

The order of procedure applicable to the penal judgement to be pronounced by the Finance Intendant shall also apply to any settlement through administrative procedure concurred in by the Finance Intendant or the Head of an Executive Office.

In all cases of infringement of the Law concerning the manufacturing tax, when the offender applies for a settlement through administrative procedure and the intent to defraud is dismissed, the penalty can be settled by a nominal fine ranging from 10 to 300 lire, the tax remaining due in any case.



Article 22

Any penal action relating to infringements of this Law shall become invalid by prescription upon the expiration of a period of two years from the date on which the infringement concerned occurred, but any judicial action shall be a stay of prescription upon being instituted.

Article 23

In matters relating to the apportioning of the proceeds of penalties and in matters relating to infringements of this Law, beyond those explicitly provided for, the provisions of the Customs Legislation and the Administrative Regulations relating thereto shall be applied. However, the proceeds of the sales of confiscated goods shall accrue exclusively to the Treasury.

Article 24

The Finance Minister is hereby empowered to publish the text of the new set of regulations containing the provisions concerning operation statements, the assessment, liquidation and collection of the tax, the control of oil-mills and any matters relating to the application of the tax provided for in Article 1 above.

Pending the publication of such regulations, the provisions of the regulations relating to the application of the tax on cottonseed-oil, approved by Royal Decree No. 183 (3rd Series) of 1 May 1881, shall remain applicable to oil-mills of all kinds, to the extent that they do not conflict with the provisions of this Law.

ANNEX VII

Legislative Decree No. 1314  
of 5 October 1933 concerning  
the fiscal treatment of seed  
oils

Article 1

There is hereby established a tax of 65 lire per hundred kilogrammes on the manufacture of oils made domestically from seeds, whether imported or of domestic origin.

An equivalent compensatory surtax on the importation from abroad of seed oils is also established.

The tax shall be levied on seed oils of any kind for whatever purpose intended, except oils which are prepared in pharmacies for medicinal use only.

#### Article 2

Any person wishing to undertake to extract oil from oil seeds or to refine such oil, for whatever purpose intended, shall be required to obtain an operating licence which shall be subject to an annual tax of:

- a) 200 lire in the case of oil-mills equipped with one or several hydraulic presses and for all refineries;
- b) 300 lire for oil-mills with adjacent integrated refineries;
- c) 20 lire for any kind of oil-mills other than those indicated under a).

The manufacture of seed oils, which are prepared in pharmacies for direct sale to the public only, shall not be subject to the issuing of the above-mentioned licence.

#### Article 3

With a view to obtaining the licence referred to in the preceding article, any person wishing to operate an oil-mill equipped with a seed oil refinery shall file a written statement in duplicate with the Technical Finance Bureau at least twenty days before beginning operations and shall be required to produce the receipt delivered by the Treasury for the payment of the permit tax and to indicate:

- a) the surname and first name of the manufacturer or refiner and his representative;
- b) the town, street and street number where the oil mill or the refinery is located;
- c) the kind of seeds and oils to be processed and the manufacturing process to be used;
- d) the number and type of apparatus used for the extracting, purifying and refining of such oils;
- e) the maximum quantities of oils that it is intended to keep in storage;
- f) the quantities and kinds of raw materials and products that may happen to be stored in the oil mill or in the refinery on the date when the statement is filed.

#### Article 4

Upon receiving the statement referred to in the preceding article, the Technical Office shall forthwith seal any apparatus declared so as to prevent its being utilized without the previous filing of an operating statement.

#### Article 5

The manufacture, refining, transportation, storage of, and trade in, seed oils shall be subject to the control of the Finance Ministry.

The Finance Administration is hereby empowered to affix seals to any part of any apparatus and pipes in the oil mill or the refinery and to prescribe any work which it deems necessary for control to be carried out more efficiently, the resulting expenses to be charged to the manufacturing or refining establishment.

The Finance Administration shall also be empowered to install in oil mills, at the expenses of the enterprises concerned, apparatus for the control of the kind, quality and number of operations carried out.

With a view to ascertaining that the prescriptions set forth in this Law and in the administrative regulations relating thereto have been complied with, the personnel of the Technical Offices and dependent police agents shall have free access at any time to any shop and any other premises in which any industrial or commercial activity relating to this Law is conducted and to effect any control or search and to take samples free of charge.

The establishment of the facts relating to any infringement of the provisions of this Decree-Law and the Administrative Regulations relating thereto shall be effected not only by public officers listed in Chapter II of Section II of Law No. 4 of 7 January 1929, but also, within the terms of their responsibilities specified in the said Law, by the officers of the Finance Administration who shall be provided to that effect with the special identity cards provided for in the said Law.

Officers and non-commissioned officers of the Finance Guard shall be empowered to carry out house search whenever they are informed of, or justifiably suspect, any punishable infringement provided for in this Decree-Law and the administrative regulations relating thereto.

#### Article 6

In oil mills and adjacent, integrated refineries, the control of the products manufactured shall be effected through the permanent control methods of the Finance Guard.

As regards other oil mills, the control of the products manufactured shall be effected through permanent control measures after specific authorization has been given in each case by the Finance Ministry, or through intermittent control measures based on the quantity, kind and yield of seeds to be processed, due account being taken of the daily work schedule indicated in the operation statements.

In connection with each operation statement, it shall be open to the Technical Finance Officers to limit the number of working days to what they deem to be strictly essential for the whole operation to be carried out, and in so doing they shall take into account the production capacity of the oil mills, the quantity and kinds of the seeds which it is intended to process and the daily work schedule indicated in the statement.

Appeals against the measures applied by the Technical Finance Officers under the preceding paragraph may only be lodged with the Finance Ministry, which shall settle the matter in the last instance.

Any moving of raw materials and products, whether crude or refined, inside the oil-mills and refineries shall be entered in registers of a prescribed model to be supplied by the Administration.

If the control of the product manufactured is carried out on the basis of the quantity, kind and yield of the seeds utilized, the manufacturer shall not be authorized for any reason whatsoever to manufacture any quantities of oil in excess of the quantity resulting from the operation statement, unless he has previously filed an additional operation statement relating to any production over and above the figures originally stated.

#### Article 7

Taxes due shall be paid directly to the Provincial Treasury Section at such time as the product leaves the refineries to be delivered for consumption.

#### Article 8

Any oil refining or extracting establishment subject to the permanent control of the Finance Guard shall leave a guarantee amounting to 2% of the tax applicable to the maximum quantity of oil that it is intended to keep in storage.

Other oil extracting establishments, however, shall leave a guarantee equal to the actual amount of the tax to be levied on the maximum quantity of the product which may happen to be in the establishment.

#### Article 9

Subject to provisions and terms to be drawn up by the Finance Ministry, seed oils manufactured domestically or imported from abroad and intended for industrial or medicinal use after they have been denatured can be exempted from the manufacturing tax and the compensatory surtax.

#### Article 10

Seed oils manufactured domestically or imported from abroad and intended for human consumption shall be refined on the following basis:

- a) they shall have a total free acid content, computed on the basis of oleic acid, which shall not exceed 0.5%
- b) they shall react negatively to a rancidity test;
- c) when extracted from vegetables other than sesame, they shall be mixed with 5% of sesame oil with characteristic chromatic reaction.

Article 11

Crude seed oils manufactured in domestic oil-mills or imported from abroad shall be shipped to refineries in bond or denatured, in conditions to be determined by the Finance Ministry, to be used for industrial purposes.

Moving of crude seed oils in bond from one refinery to another shall be authorized.

The provisions of the customs legislation relating to the transport of goods from one customs office to another shall be applied to transport of oils hitherto not subject to the manufacturing tax. Guarantees to be deposited shall be computed on the basis of 10% of the tax itself, in pursuance of Article 6 of Royal-Decree No. 2395 of 21 October 1923.

Methylation free of charge shall be authorized even in the case of refined oils and shall be compulsory whenever such oils are not edible because they lack the necessary properties.

The Finance Ministry may grant releases from the obligation to refine and methylate specific grades of oils.

Any cost resulting from fiscal control of methylation operations shall be charged to the persons concerned.

Article 12

With the exception of the stipulations of Article 11 relating to shipment of crude oils in bond, the storing of seed oils of grades other than those prescribed in Article 10, in premises other than oil-mills and refineries shall be prohibited.

The sale or marketing, in any form whatever, for food purposes, of seed oils of grades other than those prescribed in Article 10 shall also be prohibited.

Article 13

The tax shall also be levied on any shortage, even of crude oil, if established that it has occurred in course of storage in oil-mills or in refineries, or any loss if established, upon arrival of the product, that it has occurred in course of transport in bond.

For the computation of the tax, allowance shall be made exclusively for refining waste or for losses of any kind whatever, when it has been duly established they they occurred for reasons beyond the control of the individuals concerned.

Article 14

The refining of seed-oils and olive oil in the same workroom shall be effected at different times or with apparatus or in sections that shall be totally distinct and separate.

Article 15

The manufacturing tax shall not be levied on seed-oils exported abroad by the oil-extracting or refining establishments themselves.

The right to claim an allowance for waste or loss shall lapse upon expiration of a period of five years from the date on which the customs clearance voucher was issued.

Under the provisions of the existing Customs Legislation, the original export clearance certificate together with the supporting certified reports of the Finance Agents shall constitute the only valid proof of export abroad.

Article 16

Any wholly or partly uncollected monies due on account of taxes, or penalties, including monies due on account of taxes on shortages in products bearing the tax, shall be made exigible by an injunction. Any objection to such an injunction may be lodged within fifteen days from the date of notification.

The objection lodged shall not be valid unless payment of the amount claimed has previously been effected.

Any action for payment shall lapse five years after the date on which payment should have been made.

As regards shortages in the products subject to the tax, the period of five years shall run from the date when the existence of the shortage has been established.

However, when the responsible agent has failed, owing to personal neglect, to collect the full amount or part of the amount of the tax due, the Administration shall have, for another year, the right to receive compensation for the loss thus suffered, if in such a case, the action brought against the tax payer has not resulted in the tax being paid, or if the agent who should have brought such an action against the debtor has allowed it to become invalid by prescription.

The specific provisions relating to prescription shall not apply to cases of fraud.

The prescription applying to civil action shall be suspended upon penal action being instituted. In this case, the five years time limitation relating to civil proceedings shall run from the date on which the penal judge pronounces final judgement.

Similarly, a manufacturer shall be entitled to a refund of any differences resulting from errors made in the computation for the liquidation of the tax or from the fact that the rate of tax effectively applied was not the rate applicable to the quantity of products indicated in the supporting documents, provided that the compensation claim be filed within five years from the date when payment was effected and provided also that the original receipt delivered by the Treasury for such payment be produced in support of the claim.

The action instituted shall lapse upon expiration of a period of five years.

When the auditing of account indicates that the manufacturer has been overcharged as a result of an error made in the computation of the tax or of the application of an inappropriate rate of tax, the corresponding refund shall be made without the tax-payer concerned having to submit a claim.

The five years prescription referred to above shall be extended so as to apply to refund of taxes for suspension of operations for any reason whatever, even though advance payment of the tax may have been effected in the form of a deposit.

#### Article 17

Any disputes arising as to the classification of products, under this Law, shall be settled in accordance with the procedure relating to the settlement of Customs differences.

#### Article 18

The clandestine manufacturing of seed-oils shall be subject to a penalty of not less than twice the amount of the tax applicable to the quantity of the product already manufactured or that can be manufactured out of the raw materials found in the oil-mill, or the refinery, and in adjacent or contiguous premises.

If the minimum penalty does not exceed 500 lire, the penalty effectively imposed shall be 500 lire.

Any apparatus, products and raw materials found in clandestine oil-mills shall be confiscated.

The presence of manufacturing or refining equipment and raw materials, waste products from oil-seeds or of crude or refined oils, in the same premises or in adjacent or contiguous premises, before the existence of the oil-mill or refinery concerned has been declared to the Technical Finance Office and controlled by the latter, shall constitute a valid proof of clandestine manufacture.

#### Article 19

A penalty of not less than twice and not more than ten times the amount of the tax evaded or that could have been evaded shall be imposed on any person who evades or attempts to evade by any means whatever the regular assessment of the tax on seed-oils. The penalty suffered shall not in any case be less than 100 lire.

Any products affected by evasion or attempt at evasion, and any equipment utilized in the fraud operations shall be confiscated.

The penalties provided for in the Penal Code shall be applied in cases of any kind of breaking of, or tampering with, seals affixed by the Administration.

Article 20

Whenever operations are found to be conducted in time or work conditions different from those indicated in the statement of operations, a penalty of between 100 and 500 lire and a proportionate penalty of not less than twice and not more than ten times the amount of the tax effectively evaded or that could have been evaded shall be imposed.

The same proportionate penalty of not less than twice and not more than ten times the amount of the tax shall apply to any quantity of oil manufactured over and above that indicated in the statements of operations submitted by oil extracting establishments not subject to the permanent control of the Finance Administration, that is such establishments as are subject to control of the products manufactured, on the basis of the quantity, kind and yield of the seeds to be processed.

Article 21

The storage, in circumstances other than those stipulated, of methylated oils and the partial or attempted regeneration thereof, or any tax evasion through a semblance of regenerating operation or any other fraudulent act, shall be punished with a penalty ranging between twice and ten times the amount of the tax evaded or which it was attempted to evade, without prejudice to further penalties provided for under other Laws.

The oil-mill, refinery or establishment in which an infringement of the above provisions occurs shall be deprived of the advantages resulting to them from the provisions of Article 9, and any apparatus, raw materials and products involved shall be confiscated.

Article 22

The storage, outside oil-mills or refineries, of methylated crude oils shall be deemed to be an act of contraband.

The storage of oils of grades other than that specified in Article 10 above shall be punished with an administrative fine ranging from 100 to 1000 lire, and if such storage is connected with any act aiming at tax evasion, the penalties provided for in the preceding article shall be applied.

Article 23

Any other infringement of the provisions of this Decree and Administrative regulations relating to the application thereof shall be subject to a penalty of not less than 20 and not more than 300 lire.

Article 24

When several individuals are jointly responsible for any infringement of this Decree, each of them taken singly shall be liable to the full amount of the penalty applicable to the case, under the provisions contained in the Penal Code.



Article 25

If the manufacturing tax has effectively been evaded or would have been evaded as a result of the offence, the offender shall be required to pay the full amount, without prejudice to penal action and payment of the penalty or of the administrative penalty.

The Administration shall be authorized to deny to, or withdraw from any person penalized for infringements of this Decree punishable with a penalty ranging between twice and ten times the amount of tax, the licence provided for in Article 2 above.

Article 26

Any products, as well as the machinery and mobile equipment existing in the oil-mills, in any outlying warehouse or any other premises subject to any form of fiscal control, shall be held by the Administration as a guarantee for payment of the manufacturing tax, which shall have priority over any other creditor's claim.

Similarly, when the products, containers and means of transport used by the offender cannot be confiscated, they shall be held by the Administration as a guarantee for payment of taxes, penalties and charges of any kind to be paid by the offender or any other person held responsible under this Law, the said payment to have priority over any other creditor's claim.

Article 27

Penalties and administrative penalties which have not been effectively applied on account of the offender's insolvency shall be commuted respectively to imprisonment or arrest for a period of six months or, in cases of relapse, of one year.

The provisions contained in the preceding paragraph shall be applied notwithstanding the provisions of Article 136 of the Penal Code; Article 135 of the Code shall however be applied for the commuting of penalties.

Article 28

The provisions of Law No. 4 of 7 January 1929 shall apply to proceedings relating to offences provided for in this Decree and also to orders of procedure applying thereto.

Certified reports shall be drawn up by the officials or agents who discovered the fraud.

Article 29

The time limitations shall be five years for offences and three years for infringements provided for in this Decree.

Article 30

The proceeds of penalties, administrative penalties and the sales of confiscated goods shall accrue to the Treasury exclusively.

Article 31

Pending the publication of a new set of regulations, the provisions of the regulations relating to the application of the tax on the manufacture of cottonseed oil, approved by Royal Decree No. 183 (3rd Series) of 1 May 1881, shall remain applicable to oil extracting and refining establishments utilizing seeds of any kind whatever, to the extent that such provisions do not conflict with this Law.

Article 32

Any refinery which on the date when this Decree enters into force has not obtained the necessary licence shall submit within 10 days the statement provided for in Article 3, containing the information required.

Any person operating an oil extracting establishment which has already effected payment of the tax or an undeclared refinery shall declare to the Technical Finance Office, within fifteen days after the publication of this Decree, the quantities of oil kept in storage, indicating the quantity of each grade, with a view to avoiding refining of these products without subsequent payment of the tax. Any quantity declared in excess of the quantities stored shall be regarded as contraband.

The quantities of seed-oils which, on the date when this Decree enters into force, happen to be held in shops in circumstances other than those stipulated in Article 10 above may still be delivered for direct consumption for a period of sixty days after the date on which this Decree enters into force.

Article 33

The legislative provisions contained in the text of the Law concerning the tax on the manufacture of seed oils, approved by the Ministerial Decree of 8 July 1929, and subsequent modifications thereto, are hereby abrogated.

ANNEX VIII

Legislative Decree No. 511 of 11 June 1941  
containing new fiscal provisions for seed  
oils. (Decree published in the "Gazzetta  
Ufficiale" of 20 June 1941 No. 143)

Article 1

The manufacturing tax of 120 lire per 100 kilogrammes is hereby extended so as to apply to all seed oils, whether produced domestically or imported from abroad, for whatever purpose intended.

The tax, assessed on the basis of the quantity of pure oil contained in refining pulp from seed oils over and above 10%, shall also apply to such refining pulp.

Article 2

A fiscal tax of 100 lire per 100 kilogrammes shall also be levied on seed oils (except castor oil, almond and linseed oils) other than edible oils, whether produced domestically or imported from abroad, and on refining pulp referred to in the preceding Article.

Article 3

Article 9 of Decree No. 1314 of 5 October 1933 is hereby abrogated. Subject to the provisions and terms to be drawn up by the Finance Minister, the exemption from the compensatory surtax and the fiscal tax levied on seed-oils produced domestically or imported from abroad and on refining pulp referred to in Article 1 above and intended for the manufacture of household soap, shall be maintained.

Article 4

The manufacturing tax and the fiscal tax provided for in Articles 1 and 2 above, shall also be levied on non edible oils, whether denatured or not, manufactured before the date of publication of this Decree and which, on that date, are located in oil-mills or refineries, or in the possession, in one way or another of manufacturers or refiners of seed oils, even though they may happen to be en route.

For the application of the preceding paragraph, manufacturers and refiners of seed oils shall be required to declare, within five days after the publication of this Decree, the quantities of seed oils referred to in the said paragraph, at the nearest sub-Finance Office of the Manufacturing Taxes Technical Office which has jurisdiction over the territory concerned.

#### Article 5

For the purpose of the application, liquidation and payment of the fiscal tax provided for in this Decree, the provisions relating to the application of the manufacturing tax on seed oils shall be applicable, with the exception provided for in the following paragraph.

On submitting the operation statement, any person operating oil-mills without adjacent integrated refineries and not subject to permanent fiscal control, who produces oil intended exclusively for non food purposes, shall be required to pay the full amount of the fiscal tax and of the manufacturing tax, with the exception of the additional payment to be effected upon submitting the additional statement, in cases provided for in the last paragraph of Article 6 of Decree Law No. 1314 of 5 October 1933. However, if the oil manufactured is intended partly for human consumption, partly for other purposes, whether the establishment is subject to permanent fiscal control or not, the manufacturer shall be required to store the oil concerned in a private warehouse under bond with the customs, to deposit a guarantee and also to pay the full amount of the tax and of the fiscal tax at such time as the product concerned is moved from the warehouse.

#### Article 6

The manufacturing tax and the fiscal tax due with respect to oil quantities declared by manufacturers or controlled by the Finance Offices or the Finance Agents with a view to the application of Article 4, and which have not been stored in a private warehouse under bond with the Customs, shall be paid on the 15th day following the notification of the liquidation. Any outstanding monies not paid in due time shall be subject to a penalty increase of 4%.

#### Article 7

The penalties provided for in Decree-Law No. 1314 of 5 October 1933, which has been enacted as Law No. 231 of 18 January 1934 applying to frauds, evasions and irregularities concerning the manufacturing tax, shall also apply in cases of frauds, evasions and similar irregularities concerning the fiscal tax provided for in Article 2 of this Decree.

#### Article 8

The Finance Minister is hereby empowered to alter the rate of the fiscal tax provided for in Article 2 above, taking into account the prices and yield of the oilseeds concerned and variations occurring in any other production cost factor, upon the advice of a commission consisting of two representatives of the Ministry of Finance, one representative of the Ministry of Agriculture and Forestry, one representative of the Ministry of Corporations and one representative for each of the following: the Confederation of Manufacturers, the Confederation of Agricultural Producers and the Confederation of Businessmen.

The Finance Minister is also empowered to frame regulations for the moving, warehousing and identification of seedoils subject to the fiscal provisions contained in this Decree.