



**Camera
dei
Deputati**



**Senato
della Repubblica**

**LAW 243 OF 24 DECEMBER 2012
PROVISIONS FOR THE APPLICATION OF THE BALANCED
BUDGET PRINCIPLE PURSUANT TO ARTICLE 81.6 OF THE
CONSTITUTION**

**5th ANNUAL MEETING OF OECD PARLIAMENTARY BUDGET OFFICIALS
AND INDEPENDENT FISCAL INSTITUTIONS**

20-22 February 2013

Law 243 of 24 December 2012.

Provisions for the application of the balanced budget principle pursuant to Article 81.6 of the Constitution.

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Law 243 of 24 December 2012.

Provisions for the implementation of the principle of a balanced budget pursuant to Article 81.6 of the Constitution. ⁽¹⁾

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The Chamber of Deputies and the Senate have approved; **THE PRESIDENT OF THE REPUBLIC**
Promulgates
the following law:

Chapter I
Scope and definitions

Article 1 *Scope*
In force as of 30 January 2013

1. This Act gives effect to Article 81.6 of the Constitution, as amended by *Constitutional Law no. 1 of 20 April 2012*, and to Article 5 of said Constitutional Law.
2. This Act may be repealed, amended or derogated only if expressly provided for by a subsequent law approved pursuant to Article 81.6 of the Constitution.

Article 2 *Definitions*

In force as of 30 January 2013

1. For the purposes of this Act, the following definitions shall apply:
 - a) "general government" includes any entities that, in accordance with the legal order of the European Union (EU Law), are identified as such in procedures and documents relating to legislation on public accounts and finances, and are further subdivided in central government entities, local government entities and national social security agencies;
 - b) the term "consolidated account" refers to the consolidated statement of income of general government, which consists of the revenue and expenditure aggregates of general government agencies, which are classified in accordance with the procedures established by EU Law;
 - c) the "balance of the consolidated accounts" refers to net borrowing or net lending as defined for the purposes of the excessive deficit procedure in the Treaty on the Functioning of the European Union;
 - d) the "structural balance" is the balance of the consolidated accounts adjusted to allow for the effects of the economic cycle, net of any one-off or temporary measures, and, in any case, defined in accordance with EU Law;
 - e) "medium-term objective" refers to the value of the structural balance determined using the criteria established in EU Law;

f) an "adverse phase of the economic cycle" or a "favourable phase" of the same are identified as such using the criteria established by EU Law;

g) "budget targets" are those defined below in Article 3 paragraph 3;

h) general government "net lending/borrowing" is the difference between revenues – tax revenues, non-tax revenues, the sale and amortisation of public assets, the recovery of amounts receivable – and total current and capital spending.

2. The targets referred to in paragraphs 1(c) and 1(d), and the value referred to in paragraph 1(e) are set forth in the financial and budgetary planning documents that the Government submits to the Houses of Parliament for consideration.

Chapter II

Balanced budgets and the sustainability of general government debt

Article 3 *The balanced budget principle*

In force as of 30 January 2013

1. Pursuant to Article 97.1 of the Constitution, general government entities shall contribute to the achievement of balanced budgets.

2. The balancing of budgets corresponds to the medium-term objective.

3. The financial and budgetary planning documents shall set out, for each fiscal year in the planning period, the target balance of the consolidated accounts, which shall be broken down into subsectors so as to ensure the attainment of at least the medium-term objective or else, in the cases envisaged in Articles 6 and 8 below, adherence to the adjustment path towards it. The same documents shall indicate what measures need to be taken to achieve the target balance of the consolidated account.

4. The targets referred to in paragraph 3 above may, in compliance with EU Law, take account of the financial effects of structural reforms that make a significantly positive impact on the sustainability of public finances.

5. Budgets shall be deemed to be balanced when the structural balance, which is calculated in the first half of the successive year, meets at least one of the following two conditions:

a) it is at least in line with the medium-term objective, or shows a deviation from the same that is less than the limit indicated in Article 8, paragraph 1; or

b) in the cases envisaged in Articles 6 or 8, it ensures adherence to the adjustment path towards the medium-term objective, or shows a deviation from the same that is less than the limit indicated in Article 8, paragraph 1.

Article 4 *The sustainability of the public debt*

In force as of 30 January 2013

1. Pursuant to Article 97.1 of the Constitution, general government entities shall contribute to the sustainability of the public debt.
2. The financial and budgetary planning documents shall set targets for the ratio of public debt to gross domestic product that are consistent with the provisions of EU Law.
3. If the ratio of public debt to gross domestic product exceeds the reference value specified in EU Law, then the setting of the targets as described in Article 3, paragraph 3 shall also take account of the need to reduce the amount of the excessive debt in accordance with the debt criterion and the rules on relevant factors as envisaged in EU Law.
4. Without prejudice to Article 6.6, borrowing shall not be undertaken to perform financial asset transactions.

Article 5 *Spending rules*

In force as of 30 January 2013

1. The annual target rate of growth in general government expenditure, net of items specified by EU Law, may not exceed the reference rate as calculated in accordance with EU Law.
2. For the purposes of compliance with the rate of expenditure growth referred to in paragraph 1 and the achievement of the budget targets, the financial and budgetary planning documents shall specify the level of general government expenditure for the three-year period to which they refer.
3. The Minister of the Economy and Finance, with the assistance of relevant state bodies, shall monitor compliance with the expenditure level referred to in paragraph 2. If the Government foresees a breach of that level, it shall send a report to both Houses of Parliament setting out the corrective measures to be taken in order to ensure the budget targets are achieved.

Article 6 *Exceptional events and deviations from the structural budget target*

In force as of 30 January 2013

1. Without prejudice to Article 8, temporary deviations from the target structural budget balance shall be permitted only in the case of exceptional events.
2. For the purposes of this Act, exceptional events, in accordance with EU Law, refer to:

a) periods of severe economic recession in the euro area or in the entire European Union;

b) extraordinary events beyond the control of the State, including serious financial crises and natural catastrophes that have a major impact on the general financial position of the country.

3. If , in order to address events as per paragraph 2 above, the Government deems it indispensable to deviate temporarily from the budget targets, it shall, after consultation with the European Commission, submit a report to the Houses of Parliament, containing an updated set of public finance targets, as well as a specific authorisation request specifying the expected magnitude and duration of the deviation from the original target, indicating the purposes for which the resources available as a consequence of the deviation will be allocated and setting out its plan for realigning the public accounts with the budget targets. The Government shall also ensure that the duration of the plan is commensurate with the seriousness of events referred to in paragraph 2. With due account being given to the economic cycle, the realignment plan shall come into effect in the fiscal year subsequent to those in which, as a result of events as defined in paragraph 2, the deviation from the budget target was authorised. Each House of Parliament shall authorise the deviation and approve the realignment plan with an absolute majority vote of its members.

4. Funds raised on the open market, pursuant to paragraph 3 above, may be used exclusively for the purposes specified in the authorisation request referred to in the same paragraph.

5. The realignment plan may be updated following the procedures provided in paragraph 3 if further exceptional events should occur or if the Government, responding to the economic cycle, intends to introduce modifications thereto.

6. The procedures referred to in paragraph 3 shall also apply if the Government intends to undertake borrowing to perform financial asset transactions in order to address extraordinary events as defined in paragraph 2 b).

Chapter III

The correction mechanism

Article 7 *Monitoring deviations from fiscal targets*

In force as of 30 January 2013

1. The Minister of the Economy and Finance shall ensure the monitoring of the performance of public finances. If the Government foresees that in the course of the current fiscal year the consolidated financial accounts or the structural balance are liable to deviate from the budget targets, it shall report to the Houses of Parliament on the matter.

Article 8 Mechanism for correcting deviations from the structural budget target

In force as of 30 January 2013

1. In its financial and budgetary planning documents, the Government shall, on the basis of the outturn of the previous year or else the cumulative outturns of the previous two fiscal years, determine whether a negative deviation from the structural budget target has occurred, which is greater than or equal to the deviation considered 'significant' by EU Law or by any relevant international agreements, except for deviations authorised under paragraph 6. If the Government estimates that said negative deviation will affect the results of the fiscal years included in the financial planning period, it shall indicate the magnitude of the expected deviation, and the causes thereof; it shall also indicate the measures to be taken to realign the public finances with the structural budget target, beginning at the latest from the fiscal year following that in which the deviation was ascertained.
2. The financial and budgetary planning documents shall determine the size and timescale of the corrective measures under paragraph 1 and their breakdown by individual sub-sectors, while taking into account the extent to which each sub-sector contributed to the deviation and the need for the coordination of public finance.
3. Under the procedures referred to in Article 6, paragraph 3, Parliament may decide to defer the activation of the correction mechanism provided for in this Article until the fiscal year preceding that in which the realignment plan pursuant to Article 6, paragraph 3 is put into effect.

Chapter IV

Balanced budgets for regions and local authorities and the contribution of the same to the sustainability of the public debt

Article 9 *Balanced budgets for regions and local authorities*

In force as of 30 January 2013

1. The accounts of regions, municipalities, provinces, metropolitan cities and the autonomous provinces of Trento and Bolzano are deemed to be in balance if, both at the budget formation and the outturn approval stages, they show:
 - a) a non-negative commitment- and cash-based balance of final revenues and final expenditure;
 - b) a non-negative commitment- and cash-based balance of current revenues and current expenses, including principal repayment instalments on loans.
2. Except as provided in Article 10, paragraph 4, if the operating report shows that a region or a local authority pursuant to paragraph 1 has a negative balance as defined in paragraphs 1(a) and 1(b), the region or the authority in question shall adopt corrective measures to ensure budgetary realignment within three years.

3. Any positive balances shall be used to pay off accrued debt. In compliance with the constraints set by EU Law and with balanced budget rules, such positive balances may be also used to finance investment expenditure in the manner specified in Article 10.

4. National legislation shall set the penalties to be imposed on the regions and local authorities, as per paragraph 1 above, that fail to balance their operational budgets; the penalties shall remain in place until a balanced budget, as also defined in paragraph 1(a) and (b), is restored, which may also entail the adoption of specific realignment plans.

5. In accordance with the principles established by this Act and to ensure compliance with the constraints set by EU Law, national legislation may, on the basis of criteria similar to those applied for central government entities while taking account of appropriate benchmarks of virtuous fiscal behaviour, impose additional obligations on regions and local authorities as defined in paragraph 1 above, in furtherance of the goal of achieving the fiscal targets for general government as a whole.

6. The provisions referred to in paragraph 5 shall apply to special-statute regions and to the autonomous provinces of Trento and Bolzano in so far as they are compatible with the statutory autonomy of the regions and provinces in question and with the relevant implementing legislation.

Article 10 *Borrowing by regional and local authorities*

In force as of 30 January 2013

1. Regions, municipalities, provinces, metropolitan cities and the autonomous provinces of Trento and Bolzano may borrow only in order to finance investment expenditure in the manner and within the limits laid down in this Article and by national legislation.

2. In implementation of the foregoing paragraph 1, borrowing operations may be carried out subject to the adoption of repayment plans that have a duration not exceeding the useful life of the investment, show the costs of servicing the debt for each future fiscal year and specify how such costs will be covered.

3. Borrowing operations referred to in paragraph 2 shall be carried out on the basis of special agreements reached at a regional level in order to ensure that, in the reference year, the final cash-based accounts of all the local authorities of the region in question, including the region itself, pursuant to Article 9.1(a), are balanced. To this end, pursuant to the Decree of the President of the Council of Ministers referred to in paragraph 5 of this Article, municipalities, provinces and metropolitan cities shall apprise annually the region or the autonomous province to which they belong of the final cash balance referred to in Article 9.1(a), that they intend to attain, as well as of any planned investments to be financed by recourse to borrowing or through funds available from previous fiscal years. Each region or local authority may in any case borrow within the limits set in their budget plan for the cost of debt servicing.

4. If at the outturn approval stage the budget balance referred to in the first sentence of paragraph 3 above has not been achieved, the deficit shall be computed in the cash-based accounts of the subsequent fiscal year of all the local authorities of the region, including the region itself, and it shall be distributed among the authorities, including the region, that failed to meet their budget targets.

5. The criteria and mode of implementation of this Article shall be regulated by a Decree of the President of the Council of Ministers adopted in agreement with the Permanent Conference for the Coordination of Public Finances.

Article 11 *Government transfers to fund basic levels of fundamental services and functions during adverse phases of the economic cycle or upon the occurrence of exceptional events*

In force as of 30 January 2013

1. The estimates of the Ministry of Economy and Finance provide for the establishment an Extraordinary Fund that, during adverse phases of the cycle or upon the occurrence of exceptional events, can be used to contribute to the financing of basic levels of fundamental services and functions relating to civil and social rights. The Fund shall be capitalised through a share of the total borrowing that has been authorised to adjust the consolidated accounts for the effects of the economic cycle. The capitalisation of the Fund shall be set in the financial and budgetary planning documents and based on an estimate of the effects of the economic cycle, taking account of the impact of the cycle on the own revenues of the regions and local authorities referred to in Article 10.1.

2. If the Houses of Parliament, acting pursuant to Article 6, authorise a temporary deviation from the structural budget target, the value of the Fund referred to in paragraph 1 of this Article shall be determined also by taking into account the impact of the events referred to in Article 6 on the finances of the regions and authorities referred to in Article 10.1.

3. By Decree of the President of the Council of Ministers and following consultation with the Permanent Conference for the Coordination of Public Finances, the Fund referred to in paragraph 1 above shall be apportioned between the regions and local authorities referred to in Article 10.1, taking account of the effects of the economic cycle on their own revenues, and of the impact of the events mentioned in paragraph 2 of this Article on their individual financial results. The draft decree shall be submitted to the Houses of Parliament in order that the parliamentary committees with responsibilities for financial matters may issue their opinions. Such opinions shall be issued within thirty days of the submission, after which the decree may still be adopted regardless.

Article 12
Contribution of the regions and local authorities to the sustainability of the public debt

In force as of 30 January 2013

1. Regions, municipalities, provinces, metropolitan cities and the autonomous provinces of Trento and Bolzano shall contribute to the sustainability of general government debt as provided by this Article and

according to procedures to be laid down in national legislation, in compliance with the principles established by this Act.

2. During favourable phases of the economic cycle, the financial and budgetary planning documents, taking account of the effects of the economic cycle on the own revenues of the regions and local authorities referred to in Article 10.1, shall determine the size of the overall contribution of the regions and local authorities as a whole to the fund for the amortisation of government securities. The contribution in question shall be recognised as an item of expenditure as defined for the purposes of Article 9.1(a).

3. The burden of contribution referred to in the preceding paragraph 2 shall be shared out among the regions and local authorities referred to in paragraph 1 by a Decree of the President of the Council of Ministers, after consultation with the Permanent Conference for the Coordination of Public Finances and account being taken of the effects of the economic cycle on the own revenues of each region or local authority. The draft decree shall be submitted to the Houses of Parliament in order that the parliamentary committees with responsibilities for financial matters may issue their opinions. Such opinions shall be issued within thirty days of the submission, after which the decree may still be adopted regardless.

Chapter V

Balanced budgets for non-territorial public entities

Article 13 *Balanced budgets for non-territorial public entities*

In force as of 30 January 2013

1. The accounts of non-territorial public entities that use commitment-based accounting are deemed to be in balance if, both at the budget formation and the outturn approval stages, they show:

a) a non-negative commitment- and cash-based balance of final revenues and final expenditure.

The operating surplus, to the extent that it has been effectively realised, may be counted towards the balance only after approval of the outturn, and in any case by ensuring compliance with the terms, conditions and limits set by national legislation.

2. The accounts of non-territorial public entities that use exclusively accrual-based accounting are deemed to be in balance if they conform to the criteria set down in national legislation.

3. National legislation may set additional criteria to ensure the balancing of the budgets of the non-territorial public entities referred to in this Article, also in relation to individual categories of entities; it may also set criteria for the adjustment of deficits, and determine the penalties to be incurred for failure to adhere to budget targets.

Chapter VI

The State budget

Article 14 *The principle of a balanced State budget*

In force as of 30 January 2013

1. The State budget shall be deemed to be balanced when net lending or borrowing is consistent with the budget targets as defined in Article 3.3.
2. The budget law shall set the target referred to in paragraph 1 for each of the three years of the reference period.
3. New or increased expenditure arising from the budget law must be compatible with the goal of balancing the revenues and expenditure of the budget itself as prescribed in Article 3 and in paragraph 1 of this Article.
4. The General Financial Statement of the State shall indicate the effective net borrowing requirement for the reference year and highlight, on the basis of autonomous calculations, any deviation from the target indicated in the budget law pursuant to paragraph 2. The report attached to the government bill containing the General Financial Statement of the State shall provide the reasons for the deviation from the target set in the budget law, to which end it shall also take into account any variations arising from the application of the statistical methods used to calculate the structural balance as required by EU Law.

Article 15 *Content of the budget law*

In force as of 30 January 2013

1. The budget bill shall contain quantitative provisions relating to revenues and expenditure that are functional to the attainment of the budget targets set in the economic and financial planning documents and in the revenue and expenditure projections made on the basis of existing legislation. The budget bill, which is divided into two sections, shall form the basis for the financial management of the State.
2. The first section shall contain provisions for the three-year period of reference relating to the revenues and expenditure mentioned in paragraph 1 above. The financial effect of such provisions shall begin at the start of the three-year period covered by the budget. Specifically, the first section shall indicate, in separate Articles referring both to commitment- and cash-based appropriations, the net borrowing requirement, which must be in keeping with the prescriptions of Article 14, as well as the maximum amount of funds that may be raised on the financial market. The bill may not include delegated legislation, regulatory or organisational measures or any provisions that relate to local governance or specific micro-sectors.
3. The second section of the budget bill shall contain revenue and expenditure projections (expressed on a commitment and cash basis) based on legislation currently in force and taking into account the economic parameters indicated in the financial and budgetary planning documents, along with any

proposed updates thereof in accordance with the terms, conditions and limits of national legislation. The projections, which shall in any case be based on autonomous calculations, shall include any variations resulting from the first section of the bill.

4. The second section shall contain separate Articles, arranged in the order of their tabling and vote, relating to revenue estimates, expenditure estimates divided by Ministry, along with a general overview referring to the three-year period. A specific article shall set the annual maximum value of government securities that may be issued in Italy and abroad, net of the value of securities to be redeemed.

5. Revenues are broken down by revenue basis, according to their nature and origin, their recurring or non-recurring quality and type, for the purpose of asset verification. Budget expenditure is divided between missions, which are the most important functions and strategic objectives, and programmes, i.e. aggregates the purpose of which is to fulfil the objectives set in the missions. Parliament shall vote on individual revenue types and spending programmes.

6. The budget bill shall be accompanied by a technical-explanatory note. The note shall provide information linking the budget bill to the consolidated accounts; it shall set out the contents of the bill, show how it will affect the public finances, and illustrate the criteria used for the calculation thereof.

7. Regulatory changes contained in the first section of the budget bill and proposed updates relating to individual estimates contained in the second section shall be accompanied by a technical report quantifying the financial effects of each provision, and indicating how the relevant costs will be funded. Appended to the technical report is a summary of the financial effects of each provision on net borrowing in the State budget, as well as on the general government cash balance and the net consolidated debt of general government.

8. National legislation shall regulate the progressive shift away from bookkeeping based on special accounts or Treasury current accounts and the ensuing transfer of the relevant financial resources to the State budget.

9. A budget review bill, which must be prepared in compliance with existing legislation, may be drafted to allow compensatory changes in the financial allocations, including those relating to different revenue types and spending programmes, pursuant to the terms, conditions and limits of national legislation.

10. National legislation shall govern the procedures for the implementation of this Article.

Chapter VII

Independent body for the analysis and monitoring of public finance developments and evaluation of compliance with the budget rules

Article 16 *Establishment of a Parliamentary Budget Office*

In force as of 30 January 2013

1. Pursuant to Article 5.1(f) of Constitutional Law no. 1 of 20 April 2012, an independent body for the analysis and monitoring of public finance developments and evaluation of compliance with the budget rules shall be established. Known as the Parliamentary Budget Office, it shall be based at the Parliament in Rome.

2. The Office shall enjoy full autonomy and independence in its judgements and assessments. It shall consist of a Board made up of three members, one of whom shall be the Chair, appointed by a decree jointly adopted by the Presidents of the Senate and of the Chamber of Deputies, who shall choose from a shortlist of ten nominees whose names the parliamentary committees with responsibilities in the area of public finance will have selected on the basis of a two-thirds majority of committee members, in the manner prescribed in the parliamentary Rules of Procedure. The Board members shall be nominated from among persons of recognised independence and proven expertise and experience in the field of economics and public finances at a national and an international level. The Chair shall receive a total salary equal to that provided to the Chair of Italian Competition Authority. Members of the Board shall receive a total salary equal to 80 per cent of that of the Chair.

3. Board members are appointed for one six-year term only. Under penalty of forfeiture of office, they may not engage in any professional or advisory activity, and may not be directors or employees of public or private entities, or hold other public office of any kind. Public sector employees shall be on secondment for the entire term of their membership of the Board. For serious violations of official duties, members of the Board may be removed from office by a decree jointly adopted by the Presidents of the Senate and the Chamber of Deputies on the basis of a recommendation to this effect adopted by a two-thirds majority of the members of the parliamentary committees with responsibilities in the area of public finance, in the manner prescribed in the parliamentary Rules of Procedure.

4. The Chair shall represent the Board, convene its meetings and set the agenda. The Board, with the approval of the Presidents of the Senate and the Chamber of Deputies, shall adopt one or more regulatory texts setting out the rules for its own organisation and operations, the legal status and remuneration of staff, and the management of costs. Within the limits of its allocated budget, the Office shall provide independently for the costs of its operation, including those of its staff.

Article 17 *The human and technical resources and seat of the Parliamentary Budget Office*

In force as of 30 January 2013

1. The Office shall act with complete autonomy in the selection of its staff, basing its choices solely on merit and competence and its own operational needs.

2. The Office staff shall consist of:

a) permanent staff hired by the Office by means of public competition;

b) staff from the administrations of Senate and the Chamber of Deputies or from government or other public offices who shall be on temporary outplacement for the duration of their appointment;

c) staff selected through public comparative selection procedures for the performance of duties for a limited period of time not exceeding three years whose contract may be renewed once.

3. The formal secondment of staff from government or other public bodies is mandatory and shall be done pursuant to the internal protocols of the body in question, but may also entail the derogation of temporal, numerical and any other restrictions envisaged by the same protocols. The Office may transfer staff seconded from the Houses of Parliament, local governments and other public offices back to their original post. The termination of the secondment of staff from the parliamentary administrations is subject to the approval of the Office.

4. In the first three years of operation, the number of staff may not exceed thirty. Thereafter, the number may not exceed forty.

5. The operations of the Office shall be supervised by a Director-General with specific expertise and experience in the field of economics and public finances, who shall be appointed by the Chair from among the staff, as referred to in paragraph 2.

6. The Presidents of the Senate and the Chamber of Deputies shall concur on making available premises to be used as the seat of the Office along with the necessary equipment.

Article 18 *The functions of the Parliamentary Budget Office*

In force as of 30 January 2013

1. The Office, also on the basis of its own projections, shall perform analyses, audits and assessments of:
 - a) macroeconomic and public finance forecasts;
 - b) the macroeconomic impact of major legislative measures;
 - c) public finance developments, including by subsector, and the compliance with budget rules;
 - d) the long-term sustainability of the public finances;
 - e) the activation and use of the corrective mechanism referred to in Article 8 and deviations from targets arising from exceptional events, as referred to in Article 6;
 - f) other matters of economics and public finances pertinent to the analyses, audits and assessments referred to in this paragraph.

2. The Office shall also prepare analyses and reports at the request of the parliamentary committees with responsibilities in the area of public finances. The Chair, if invited, may also testify before parliamentary committees of the type indicated in the previous sentence.

3. If the Office, in the exercise of the functions referred to in paragraph 1, makes assessments that significantly diverge from those of the Government, then at the request of at least one third of the members of a parliamentary committee with public finance responsibilities, the Government shall illustrate why it believes its assessments should be confirmed, or else align them with those of the Office.

4. The Office shall follow an annual programme of activities, which in any case must include the exercise of the functions assigned to it pursuant to EU Law; the Chair of the Board of the Office shall present said programme to the parliamentary committees with responsibilities in the area of public finances. The analyses and reports produced as part of the exercise of the functions referred to in paragraph 1 shall be adopted by the Board at the proposal of the Chair. The annual programme of activities as well as analyses and reports referred to in the second sentence shall be published on the institutional website of the Office.

5. The Board may establish a Scientific Committee composed of people of proven experience and expertise in the field of economics and public finances at a national, European or international level, whose task shall be to offer guidance on the operational methodology of the Office.

6. For the exercise of the functions referred to in paragraph 1, the Office shall interact with all branches of general government, public bodies and entities under partial state control and require them not only to communicate data and information, but also to cooperate in any way that the Office deems helpful to the fulfilment of its institutional duties.

7. To facilitate the Office in the performance of its institutional duties, the bodies and entities referred to in paragraph 6 shall guarantee access to all databases they have created and/or maintain relating to the economy and public finances.

Article 19 *The funding of the Parliamentary Budget Office*

In force as of 30 January 2013

1. As of the year 2014, an appropriation of € 3 million shall be made to each House of Parliament to defray the expenses necessary to the operation of the Office. The foregoing appropriation may be reviewed only by the budget law and after advice has been taken from the Board, and must in any event be sufficient to ensure the effective performance of the functions described in Article 18.

2. The financial management of the Office depends on a budget that shall be approved by the Board of the Office by 31 December of the year preceding that for which the budget refers. The financial report for the Office shall be approved by 30 April of the successive year. Both the Office's preliminary budget and its financial report on the previous year shall be forwarded to the Presidents of the two Houses of Parliament and published as an annex to their financial reports.

3. The operating costs, €6 million per year starting from 2014 as indicated in paragraph 1, shall be covered by means of a corresponding reduction in the projected value of the special current account fund for 2014, which, for accounting purposes, shall be recognised in the three-year budget for 2012-2014 under the "contingency and special funds" programme, which forms part of the "Funds to be allocated" mission in the 2012 estimates of the Ministry of the Economy and Finance. Part of the sum, €2 million per year starting from 2014, shall be drawn down from the Ministry's appropriation, and the remaining €4 million euro per year as of 2014 from the appropriation of the Ministry of Labour and Social Policies.

4. The Minister of Economy and Finance is authorised to issue decrees to make budgetary changes as necessary.

Chapter VIII

Final provisions

Article 20 *Court of Auditors' oversight of general government financial reports*

In force as of 30 January 2013

1. The Court of Auditors shall carry out the ex-post audit on the budgetary management of the entities identified in Articles 9 and 13 with a view to coordinating public finances and balancing the budget in accordance with Article 97 of the Constitution. The special statute regions and the autonomous provinces of Trento and Bolzano shall comply with the provisions of this paragraph pursuant to their respective statutes and the relevant implementing legislation.

2. National legislation shall regulate the types and modes of audit referred to in paragraph 1.

Article 21 *Transitional and Final Provisions*

In force as of 30 January 2013

1. Authorisation is hereby granted to the carrying out of a trial, which may entail simulation activities, to test the effects of "zero-based budgeting" on the national accounts and determine how the transition away from the use of historical expenditure may enhance the planning and resource-allocation aspects of the budget. The trial is to be done by the Office of the State Accountant General at the Ministry of the Economy and Finance. Before June 2014, the Minister of the Economy and Finance should present a report on the trial to the Houses of Parliament showing the consequences of zero-based budgeting on the system of public accounting and finance.

2. With effect from 1 January 2016, all references to the Stability Law cited in [Article 11 of Law no. 196, of 31 December 2009](#) (as amended), and to the Finance Act, cited in [Article 11 of Law no. 468 of 5 August 1978](#) (as amended) contained in legislative provisions or other acts with the force of law shall be understood as referring to the Budget Act, as defined in Article 15 of this Act.

3. The provisions of this Act shall apply from 1 January 2014, with the exception of Chapter IV and Article 15, which shall apply from 1 January 2016. This Act, bearing the seal of the State, shall be included in the official Records of Legislative Acts of the Italian Republic.

This Act shall be respected and enforced as national law of the State by all parties to whom it pertains.