relating to exports of goods and services, four years for credits relating to the execution of works abroad and two years for credits granted in connexion with goods deposited abroad for consignment selling. These limits are exceeded only in special cases when the Ministry of the Treasury authorizes the Istituto Nazionale delle Assicurazioni to guarantee suppliers' credits for longer periods.

221. The financing, which takes the form of advances against the export bills as collateral or the discounting of those bills, is not likely to exceed the percentage of the credit guaranteed by the Istituto Nazionale delle Assicurazioni (85 per cent of the credit for exports of goods and services, 30 per cent of the value of the contract in the case of works executed abroad and 65 per cent of the value of Italian products stocked abroad for sale; the bill now before the Italian Parliament proposes that the maximum cover for exports of goods and services should be increased to 90 per cent of the credit and that similar cover should be made available for the execution of works abroad).

222. The medium-term and long-term credit institutions obtain advances from Mediocredito to refinance up to 75 per cent of the advances they have made to the exporter or rediscount with Mediocredito up to 75 per cent of the export bills they have discounted. Mediocredito charges a special interest rate of 3 per cent for such refinancing and as already noted will, if it lacks funds, grant the financing institutions an interest subsidy to make up the difference between the cost of borrowing on the market and the special interest rate of 5.90 per cent charged to the exporter. Since the medium-term and long-term credit institutions finance up to 85 per cent of the credit and Mediocredito refinances 75 per cent of this financing out of government funds, such funds are used to finance up to 64 per cent of medium-term and long-term suppliers' credits.

Long-term export credits (suppliers' credits and financial credits) granted under Act, No. 635 of 5 July, 1961, chapter III, articles 20 and 21

223. These articles deal with long-term export credits granted by Italian suppliers or the Italian medium-term and long-term credit institutions to foreign governments, public entities or private firms guaranteed by their governments for the purchase of Italian goods and services, and long-term credits (which need not necessarily be tied to the purchase of Italian goods and services) granted by these institutions to foreign governments or central banks for "economic rehabilitation". All these credits must be authorized by the Ministry of Foreign Trade in agreement with the Ministry of the Treasury and are financed as follows:

(*a*) Under article 20(*a*), the Italian supplier receives from the foreign buyer promissory notes expressed in Italian lire or foreign currencies for the amount of the credit (usually 50 per cent of the invoice value). These notes are guaranteed by the Istituto Nazionale delle Assicurazioni up to 85 per cent of their nominal value and then financed by the medium-term and long-term credit institutions, which buy the notes or make advances against them, generally up to the insured percentage. The credits are refinanced by Mediocredito according to the procedure described above;

(*b*) Under article 20(*b*), the foreign buyer issues promissory notes to the order of the Italian exporter or, at the latter's request, to the order of the financing institutions. These notes are guaranteed by the Instituto Nazionale delle Assicurazioni up to 85 per cent of their nominal value. The financing institution receives these instruments and in exchange gives the exporter special securities called *titoli rappresentativi*, expressed in Italian lire or foreign currencies representing possession of the promissory notes. The exporter may use the *titoli rappresentativi* to obtain advances from the financing institution which issued them or from any other medium-term and long-term credit institution. The *titoli rappresentativi* may be refinanced with Mediocredito according to the procedure described above;

(*c*) Under article 20(*c*), the medium-term and long-term credit institutions grant credits to the foreign buyer; the latter issues promissory notes to the order of the institution, which may be guaranteed by the Istituto Nazionale delle Assicurazioni up to 100 per cent of their nominal value. The institution pays the exporter with bonds which, unlike the *titoli rappresentativi*, are issued within the limitations set forth in article 2410 of the Italian Civil Code [2] and represent

---

[2] "A corporation may issue registered or bearer bonds for an amount not exceeding its paid-up capital stock shown in the last approved balance sheet".