

Small States Regional Cooperation

Republic of San Marino

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Regional Cooperation - Introduction

- **Strong international cooperation** at several economic and institutional levels developed over time
- Member of several **International organizations**: IMF, World Bank, CoE, CEB, EBRD, INTERPOL, etc.
- **Specific cooperation with EU** in order to simplify the free movement of goods, services, people and financial resources
 - Cooperation and custom union agreement (2002) → Abolition of custom duties
 - Monetary agreement (2012) → Euro is the legal currency
 - SEPA membership (2013) → Freedom of money transfer

Association agreement with the EU

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First Example of Regional Cooperation: History

Diplomatic relations since 1983

Cooperation and Custom Union Agreement

Signed in 1991 and in power from 2002

- Free circulation of goods in the single market
- Cooperation committee
- Common customs tariff
- Common commercial policy
- Common EU regulation on agricultural and veterinary products
- Avoid salary and health assistance discrimination

Monetary Convention

Signed in 2012

- Endorsement of the main European acts on:
 - i) Prevention of Money Laundering
 - ii) Prevention of Fraud and Counterfeiting
 - iii) Rules on Euro Banknotes and Coins
 - iv) Banking and Financial Legislation
 - v) Legislation on Collection of Statistical Information
- Euro as a legal tender
→ SEPA membership freedom of payment

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First Example of Regional Cooperation: Institutions

International cooperation

Economic issues

- CEB
- EBRD
- IMF / World Bank

Social issues

- CoE
- OSCE

Juridical issues

- European Court of Human Rights

Common European Home → CoE (1988)

- Committee of Ministers
Minister Beccari and Permanent Representative Bollini
- Parliamentary Assembly:
Delegation of 2 members (Giovagnoli and Nicolini) of the
Great and General Council
- European Court of Human Right:
Judge Felici



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First Example of Regional Cooperation: Policies

Relations with EU

- Since 1983, three main agreements have been made with the EU:
 - Customs cooperation
 - Taxation of savings income → DAC II
 - Monetary agreement
- Since 2011, European institutions have produced several documents, responding to a greater integration in the internal market of the UE by San Marino
- The last document, dated 2019, is a European Parliament recommendation to the Council and the Commission on the association agreement between the EU and Monaco, Andorra and San Marino

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Second Example of Regional Cooperation

Relations with Italy

- **Convention of Friendship and Good Neighbourhood (1939)**
 - key principles for further collaboration and cooperation
- **Economic Cooperation Agreement (2015)**
 - General framework
 - Supervisory banking control
- **Financial Collaboration Agreement (2015)**
 - Art. 2 lists the European legal provisions to be endorsed:
 - Regulation 1781/2006 and 1889/2005
 - Directive 2006/3/CE
 - International standards on AML/KYC

ARTICOLO 1 (Collaborazione in materia finanziaria)

Le Parti, nel rispetto dei principi che regolano i rapporti tra Stati sovrani, riconoscono il comune interesse allo sviluppo nella Repubblica di San Marino di un sistema finanziario stabile e trasparente, integrato con il sistema finanziario italiano ed europeo, soggetto ad una vigilanza adeguata.

Le Parti si impegnano a evitare il verificarsi di condizioni distorsive della concorrenza e collaborano per assicurare un'efficace vigilanza sulle attività finanziarie, per prevenire e per reprimere l'utilizzo del sistema finanziario a scopo di riciclaggio dei proventi di attività criminali e di finanziamento del terrorismo. Le Parti regolano in un separato accordo gli aspetti relativi alla collaborazione in materia finanziaria.

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Conclusion on regional cooperation

The strategic features

- Relevant diplomatic network, active foreign policy and international presence due to:
 - Small size
 - Historical political neutrality
- Strong bilateral agreements with Italy due to:
 - Economic relationship → Italy is the main commercial partner
 - Geographical location → landlocked country
- Several multilateral agreements with international bodies

Maintain Autonomy

**Strengthening local economy
and trade**

Develop cultural and social system

The next steps

San Marino Referendum (2013) → European integration with Andorra and Monaco