



Law 24 December 2012, n. 243

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 2012¹.

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Chapter I

Scope and definitions

Article 1 Scope

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 This Act may be repealed, amended or derogated only if expressly provided for by a subsequent law approved pursuant to Article 81.6 of the Constitution.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

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.

¹ Updated as of 13 September, 2016.

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

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

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

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

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

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

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

1. The budgets of regions, municipalities, provinces, metropolitan cities and the autonomous provinces of Trento and Bolzano shall be deemed balanced if at both the budget formation and the outturn approval stages they exhibit a non-negative commitment-based balance of final revenues and final expenditure, as modified, if appropriate, under article 10.

1-bis. For the purposes of the application of paragraph 1, final revenues are as indicated in titles 1, 2, 3, 4 and 5 of the balance sheet format prescribed by Legislative Decree 118 of 23 June 2011, and final expenditure is as indicated in titles 1, 2 and 3 of the same. For the years 2017-2019, the promulgation of budget laws shall be accompanied by the formation of a three-year tied revenue and expenditure fund, provided that the formation of the fund is compatible with public finance objectives. As of the fiscal year

2020, final revenues and expenditure shall include the multi-annual tied revenue and expenditure fund, which shall be capitalised from final revenues.

2. If, at the outturn approval stage, a local government authority as per paragraph 1 of this article reports a negative balance under the meaning of the same paragraph, then the authority in question shall adopt corrective measures with a view to making up the deficit in equal instalments over the ensuing three years. For the purposes referred to in paragraph 5, a national law may envisage different methods for making up the deficit.

[3. Repealed]

4. The national law implementing the provisions of this Article shall also set the bonuses and penalties applicable to the regions, municipalities, provinces, metropolitan cities and the autonomous provinces of Trento and Bolzano. The national law referred to in the preceding sentence shall adhere to the following principles:

- a) bonuses and penalties must be reciprocally proportionate;
- b) penalties and violations must be reciprocally proportionate;
- c) any income accruing from penalties must be used to defray the cost of assigning bonuses to analogous government authorities that have achieved their fiscal targets.

5. In accordance with the principles established by this Act and to ensure compliance with the constraints set by EU Law while also taking account of appropriate benchmarks of virtuous fiscal behaviour, national law, using the same criteria as applied to central government authorities, may impose additional obligations on the local authorities referenced in paragraph 1 in furtherance of the goal of achieving the fiscal targets of general government.

6. The provisions of 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

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 by this Article and national law.

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

3. Borrowing operations as referred to in paragraph 2 and investment operations financed using the income of prior fiscal years shall be carried out on the basis of special agreements entered into at a regional level in order to ensure that, in the relevant fiscal year, the final accounts of all the local authorities of the region in question, including the region itself, are balanced under the meaning of Article 9.1.

4. Where not provided for under special agreements as per paragraph 3, borrowing operations and investments financed using the income of prior fiscal years shall be carried out by means of national solidarity pacts. In any case, all local government authorities shall remain bound to the balanced budget requirements laid down by Article 9.1.

5. A decree of the President of the Council of Ministers, to be adopted with the agreement of the entire Conference, shall prescribe the criteria and methods for the implementation of this Article, including the substitution powers to be exercised by central government if the regions or the autonomous provinces of Trento and Bolzano take no action or are slow to act. A draft of the decree is submitted to the Houses of Parliament for consideration by the parliamentary committees responsible for financial matters. The opinions of the parliamentary committees shall be issued within fifteen days of the receipt of the draft decree, which may be adopted regardless as soon as this period expires.

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

1. Subject to Articles 9.5 and 12.1, central government, for cyclical economic reasons or in response to the occurrence of exceptional events, may contribute to the funding of essential levels of benefits and fundamental functions related to civil and social rights in a manner prescribed by national laws that is also compliant with the principles enshrined in this Act.

[2. Repealed]

[3. Repealed]

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

1. Regions, municipalities, provinces, metropolitan cities and the autonomous provinces of Trento and Bolzano shall contribute to the sustainability of general government debt in a manner prescribed by national laws that is also compliant with the principles enshrined in this Act.

2. Without prejudice to Article 9.5, local authorities such as referred to in paragraph 1, taking into consideration the performance of the economic cycle, shall contribute to the reduction of general government debt by paying into the Fund for the amortisation of government securities in a manner prescribed by national laws that is also compliant with the principles enshrined in this Act.

[3. Repealed]

Chapter V

Balanced budgets for non-territorial public entities

Article 13 Balanced budgets for non-territorial public entities

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

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

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

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 Chamber of Deputies 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 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

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

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. In order to enable the Office to perform its institutional duties, the bodies and entities referred to in paragraph 6 shall make all economic and public finance databases, set up or updated by them, accessible to

the Office. With respect to the use of collected data for statistical purposes, pursuant to Legislative Decree no. 322 of 6 September 1989, the Office shall have the same status of entities and offices belonging to the National System of Statistics.

Article 19 The funding of the Parliamentary Budget Office

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

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

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.