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Groupe d'États contre la corruption

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FOURTH EVALUATION ROUND

Corruption prevention in respect of members of
parliament, judges and prosecutors

SECOND COMPLIANCE REPORT

ITALY

Adopted by GRECO at its 87th Plenary Meeting
(Strasbourg, 22-25 March 2021)

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I. INTRODUCTION

1. The Second Compliance Report assesses the measures taken by the authorities of Italy to implement the recommendations issued in the Fourth Round Evaluation Report on Italy (see paragraph 2) covering "Corruption prevention in respect of members of parliament, judges and prosecutors".
2. The Fourth Round Evaluation report on Italy was adopted at GRECO's 73rd Plenary Meeting (21 October 2016) and made public on 19 January 2017, following authorisation by Italy (GrecoEval4rep(2016)2).
3. The Compliance Report was adopted by GRECO at its 81st Plenary Meeting (7 December 2018) and made public on 13 December 2018, following authorisation by Italy (Greco RC-IV (2018) 13E). As required by GRECO's Rules of Procedure, the authorities of Italy submitted a Situation Report on further measures taken to implement the pending recommendations. This report was received on 16 October 2020 and served as a basis for the Second Compliance Report.
4. GRECO selected Spain (with respect to parliamentary assemblies) and San Marino (with respect to judicial institutions) to appoint Rapporteurs for the compliance procedure. The Rapporteurs appointed were M. Rafael VAILLO, on behalf of Spain and M. Eros GASPERONI, on behalf of San Marino. They were assisted by GRECO's Secretariat in drawing up the Second Compliance Report.

II. ANALYSIS

5. GRECO, in its Fourth Round Evaluation Report, addressed 12 recommendations to Italy. In the Compliance Report, GRECO concluded that recommendations viii and xii had been implemented satisfactorily, recommendation ix had been dealt with in a satisfactory manner, recommendations i, iv, v, vii and xi had been partly implemented and recommendations ii, iii, vi and x had not been implemented. Compliance with the pending recommendations is examined below.

Corruption prevention in respect of members of parliament

Recommendation i.

6. *GRECO recommended strengthening the integrity framework for parliamentarians, including through (i) the formalisation of the Code of Conduct in the Rules of Procedures of the Chamber of Deputies; (ii) its further refinement through detailed guidance on its provisions; and (iii) the establishment of an effective enforcement and accountability regime. The same measures are recommended for the Senate.*
7. In the Compliance Report, GRECO gave credit to the confidence building measures that the Advisory Committee on the Conduct of Deputies had undertaken to root the Code of Conduct in the Chamber. It however considered that more needed to be done to provide for an effective enforcement and accountability regime of the Code - a task which necessarily encompassed the formalisation of the Code of Conduct in the Rules of Procedures of the Chamber of Deputies. GRECO further noted that the Senate was yet to adopt its own Code. Consequently, GRECO assessed this recommendation as partly implemented.
8. The authorities of Italy provide the following updates from the Congress of Deputies: in relation to the first component of the recommendation, the Advisory Committee on the Conduct of Deputies initiated the discussion to prepare a proposal for an amendment to the Rules of Procedures of the Chamber. A draft has been put forward by the Committee's Presidency and awaits subsequent examination by the Committee

on the Rules of Procedure. Regarding the second component of the recommendation the Advisory Committee on the Conduct of Deputies has continued to provide guidance on the Code of Conduct, notably regarding financial declarations. In the light of the experience gained in this area, and the uncertainties and interpretative doubts that have emerged regarding financial disclosure, the development of targeted guidelines, and the eventual review of the declaration forms currently in use, is foreseen. Work is underway in this respect and awaits further consideration by the Election Committee.

9. The Rules of Procedure of the Senate, as amended in 2017, expressly provide for the adoption of a Code of Conduct, as well as the introduction on specific internal rules on lobbying. Both issues are currently being examined and require approval by the Council of the Presidency of the Senate.
10. GRECO notes, concerning the first element of the recommendation, that the formalisation of the Code of Conduct Ethics has still not been achieved. With regard to the second component, it acknowledges the constructive approach of the Advisory Committee on the Conduct of Deputies to advance implementation of the Code of Conduct. Its advisory guidance is certainly valuable and to some extent in line with the second component of recommendation ii, but it only concerns some particular provisions at the moment and the development of targeted guidelines is still underway.
11. Regarding the third component of the recommendation: the effective enforcement and accountability regime of the Code requires the formalisation of the Code of Conduct in the Rules of Procedures of the Chamber of Deputies. GRECO recalls its concern as to the need to further develop the range of non-criminal sanctions for unethical behaviour, as suited to the parliamentary mandate (Fourth Evaluation Report, paragraphs 45 and 75). On a different note, and in relation to criminal responsibility, GRECO points at a recent judgement of the court of Milan, which found a former parliamentarian member of the Italian delegation of the Parliamentary Assembly of the Council of Europe (PACE) guilty of a corruption offence (cash-for-votes); he was sentenced to four years imprisonment. It is recalled that, in 2018, PACE itself set up an independent external investigation body on this matter; a report was issued thereafter.
12. Lastly, the Senate has yet to embark on a similar path to promote a strong integrity ethos among its members, a Code of Conduct for senators is still lacking.
13. GRECO concludes that recommendation i remains partly implemented.

Recommendation ii.

14. *GRECO recommended that (i) clear and enforceable conflict of interest rules be adopted for parliamentarians, including through a systematisation of the currently dispersed ineligibility and incompatibility regime; and (ii) the process of verification of ineligibility/incompatibility be further streamlined and thereby performed in an effective and timely manner.*
15. In the Compliance Report, GRECO regretted that the concrete initiatives which were taken by the previous legislature to systematise and streamline rules on conflicts of interest had not been followed-up. In the absence of any tangible improvement in this domain, GRECO considered this recommendation as not implemented.
16. The authorities of Italy refer to a draft Law, which would amend Law No. 215/2004 on Conflicts of Interest (virtually replacing all of its provisions) and is currently undergoing discussion in the Chamber of Deputies (C. 702 Fiano, C. 1461 Macina and

C. 1843 Boccia)¹. It is applicable to political office holders, including members of parliament, and contains *inter alia* a definition of what constitutes a conflict of interest. The draft includes additional cases of ineligibility and incompatibility for MPs and more stringent rules in their respect, including particular provisions applicable to senators and regional councillors. In addition to general incompatibility provisions (e.g. the exercise of a professional activity or self-employment of any kind, even if non-remunerated and also when performed abroad), the draft includes the so-called financial incompatibilities (a political appointee who owns - also through family members - 2 % of a company that works with the public sector, in advertising, media or energy, must place his/her assets in a blind trust that has a representative of the State within it). Furthermore, pursuant to the draft, the Italian Competition Authority (*Autorità Garante della Concorrenza e del Mercato* - AGCM) is to be entrusted with important powers in this domain. Notably, on the basis of the asset declaration form filed by an MP, AGCM is to make an assessment of whether a case of general incompatibility exists. If that is the case, AGCM is to invite the MP concerned to opt for one or the other position; failing to opt, the MP will lose his/her office. In addition to the above-mentioned investigative responsibilities, AGCM is also to be vested with sanctioning powers. The Anticorruption Authority (ANAC) is foreseen to be responsible for monitoring compliance with the rules on financial incompatibilities.

17. The process of verification of ineligibility/incompatibility is carried out by the respective chamber (Elections Committee) and no delays or obstacles have emerged in their relation during the present legislature. Moreover, the authorities expect the timeliness of the verification process to be further improved in future legislatures given that the number of MPs has been significantly reduced (from 945 to 600)².
18. GRECO takes note of the draft Law amending Law No. 215/2004 on Conflicts of Interest, which is reportedly aimed at streamlining the applicable rules, tightening them and enhancing their enforceability. In this connection, GRECO recalls that the existing rules on conflicts of interest and incompatibility are contained in a high number of dispersed laws (and corresponding amendments), and that this lack of consolidation and rationalisation creates difficulties when it comes to their practical comprehension and application. GRECO notes that improvements are expected to take place on this front: on the one hand, because, following a recent legislative reform, the number of MPs has been reduced; and on the other hand, because the draft Law on Conflicts of Interest, which is underway, reinforces the verification process by vesting the Italian Competition Authority (AGCM) and the Anticorruption Authority (ANAC) with key surveillance powers in this domain. GRECO is hopeful that the planned reforms will yield concrete results already in the current legislature and urges the authorities to speed up the process.
19. In the light of the new developments reported, GRECO concludes that recommendation ii has been partly implemented.

Recommendation iii.

20. *GRECO recommended establishing a robust set of restrictions concerning donations, gifts, hospitality, favours and other benefits for parliamentarians, and ensuring that the future system is properly understood and enforceable.*
21. In the Compliance Report, GRECO took note of the intention of the authorities to further advance in the regulation of gifts, hospitality, favours and other benefits for deputies, including in connection with their obligation to declare travel,

¹ Parliamentary session of 6 October 2020. According to Article 22 of the draft Law, its entry into force is foreseen on 1 July 2021.

² Change introduced following the constitutional referendum of September 2020 and its related Constitutional Law No. 1/2020, which entered into force on 5 November 2020.

accommodation and expenses covered by sponsors. However, in the light of any tangible output in this respect, it concluded that recommendation iii had not been implemented.

22. The authorities of Italy make reference to a new proposal put forward by the Advisory Committee on the Conduct of Deputies expanding on the content of the Code of Conduct and laying out detailed rules on donations, gifts, hospitality, favours and other benefits for deputies, including in connection with their obligation to declare travel, accommodation and expenses covered by sponsors³. This proposal has gone through and is currently being considered by the Bureau of the Chamber of Deputies.
23. GRECO is pleased to note that the current legislature is further looking into the development of a robust regime for gifts and other benefits. A draft has been prepared, but still awaits adoption. GRECO urges the authorities to maintain action in this respect, including by taking on board the advice of the Advisory Committee on the Conduct of Deputies. Furthermore, it will be important to ensure that the elaboration of the Code of Conduct of the Senate also includes due attention to this issue.
24. GRECO concludes that recommendation iii has been partly implemented.

Recommendation iv.

25. *GRECO recommended that a (i) a study be carried out in order to identify post-employment restrictions for members of Parliament which might be required to avert conflicts of interests; and (ii) post-employment restrictions in such cases be introduced, as necessary.*
26. In the Compliance Report, GRECO welcomed the introduction of post-employment restrictions in respect of former parliamentarians to carry out lobbying activities, but called on the authorities to think more expansively on other situations that could be performed after the parliamentary mandate and which could also give rise to conflicts of interest. GRECO assessed this recommendation as partly implemented.
27. The authorities of Italy refer to the draft Law on Conflicts of Interest (C. 702 Fiano, C. 1461 Macina and C. 1843 Boccia), which imposes to former parliamentarians a ban of one year, following the end of their office, from carrying out business activities or taking on a position in private/public companies unless prior authorisation is obtained from the AGCM. Such an authorisation is to be provided within one month of the request and once AGCM has verified the absence of a conflict of interest. In the event of a breach of the cooling off provision, AGCM may apply a fine ranging between two or four times the economic advantage gained from the banned activity/position.
28. GRECO welcomes the consideration paid to this recommendation and the fact that draft legislation includes a concrete provision on a cooling-off period for MPs in cases that may give rise to conflicts of interest (beyond the case of lobbying). GRECO takes note of the ongoing discussion as to the sufficiency of the one-year cooling off period in the Italian context and encourages the authorities to pursue their reflection on this matter in order to ensure full effectiveness of the related provisions. While it is clear that a parliamentary mandate will not, as a rule, span a whole career, and that parliamentarians should therefore be provided with fair opportunities to seek outside employment, a proportionate approach is needed in order to prevent instances where the parliamentary mandate, and thereby the legislative process, could potentially be

³ It is recalled that the Advisory Committee had already put forward a proposal in the previous legislature, but it was not approved by the Bureau (see also Fourth Evaluation Round Compliance Report on Italy, paragraph 18).

misused by an individual member for personal interest purposes to secure outside employment (notably, in the private sector) once s/he leaves office. GRECO also notes that institutional arrangements have been proposed in this domain, i.e. by designating AGCM as the responsible body for the enforcement of the applicable cooling-off requirements. That said, the draft legislative amendments still await adoption.

29. GRECO concludes that recommendation iv remains partly implemented.

Recommendation v.

30. *GRECO recommended further developing the applicable rules on how members of Parliament engage with lobbyists and other third parties who seek to influence the parliamentary process, including by developing detailed guidance on the matter and securing its effective monitoring and enforcement. The same measures are recommended for the Senate.*
31. In the Compliance Report, GRECO acknowledged the steps taken to regulate lobbying in the Chamber of Deputies, notably, through the establishment of a lobbyist register. This, in GRECO's view, tackled one side of the equation, i.e. lobbyists. GRECO insisted on the need to develop targeted guidance which would give deputies clear directions on how to engage with lobbyists and the expected conduct of behaviour. Furthermore, GRECO urged the Senate to regulate on this matter too. GRECO concluded that recommendation v had been partly implemented.
32. The authorities of Italy recall that Decision No. 208/2017 on Lobbying in the Chamber of Deputies establishes a mandatory public register of lobbyists for any individual or legal entity representing collective interests. That applies also to former members of Parliament (or members of Government), who intend to carry out lobbying activities – but, in order for them to register, at least one year must have elapsed from the end of their mandate. The registered individual/entities must also submit an annual report on the activities carried out in the previous year.
33. The authorities further provide an update on the implementation of the aforementioned Decision. In particular, following a guideline of the College of Quaestors, which was issued in 2019, lobbyists are required to provide in their annual reports the names of the deputies with whom they have met (and not just generic indications). As of end of July 2020, 393 lobbying actors (natural persons in an individual capacity and legal entities' representatives) and 231 legal entities are registered. As to sanctions, in 2019 and 2020, penalties were imposed on 11 legal entities and 3 lobbying actors that did not comply with the obligation to submit the annual report or submitted reports which were not formally verified.
34. The authorities, nevertheless, recognise that a comprehensive law regulating lobbying has not yet been adopted. That said, legislative proposals are in the pipeline⁴. As part of the legislative drafting process, the Constitutional Affairs Committee has carried out (and is still carrying out) fact-finding activities.
35. The Senate refers to the adoption, in 2017, of the Guidelines for Consultations Promoted by the Senate, which articulate channels of participation of citizens and stakeholders in regulatory and administrative procedures. Likewise, the Senate points at a web tool developed in the former legislature to enable expert consultation.
36. GRECO takes note of the information provided regarding experience with implementation of Decision No. 208/2017 on Lobbying in the Chamber of Deputies.

⁴ C. 196 Fregolent, C.721 Madia and C. 1827 Silvestri.

While indeed valuable, GRECO reiterates the need to develop targeted guidance which would give deputies clear directions on how to engage with lobbyists and the expected conduct of behaviour. GRECO further notes that the Senate is yet to develop its own rules on lobbying. While in the Compliance Report, the Senate mentioned a proposal under study (i.e. the so-called *Nencini* proposal for the establishment of a lobbyist register in the Senate), no update has been provided in this respect, and the Senate has rather referred to public and expert consultation examples, which are different from what is required by recommendation v. GRECO understands that further action in this domain may take place in the context of adoption of a comprehensive legal framework on lobbying, which is currently underway. The time is ripe to do so as the issue continues to be topical in the parliamentary agenda.

37. GRECO concludes that recommendation v remains partly implemented.

Recommendation vi.

38. *GRECO recommended that practical measures be put in place to support the implementation of clear parliamentary integrity rules including through the development of dedicated training activities.*
39. In the Compliance Report, GRECO called for additional measures to support implementation of the Code of Conduct. It noted that the mere distribution of the code to new legislatures did not suffice as a genuinely proactive measure to this aim and concluded that recommendation vi had not been implemented.
40. The authorities of Italy indicate that the Advisory Committee has dealt with this issue in several meetings held in this legislature and is examining the implementation of training activities for deputies on topics within its competence.
41. GRECO regrets the lack of any tangible result regarding this recommendation by neither the Congress of Deputies nor the Senate and concludes that recommendation vi has not been implemented.

Corruption prevention in respect of judges and prosecutors⁵

Recommendation vii.

42. *GRECO recommended that (i) a deliberate policy for preventing and detecting corruption risks and conflicts of interests be developed within the fiscal jurisdiction; (ii) appropriate measures be taken with a view to enhancing the professional and integrity supervision over members of fiscal courts, inter alia, by introducing a system of periodic assessment and regular training, including on questions of ethics, expected conduct, corruption prevention and related matters; (iii) a set of clear standards/code of professional conduct, accompanied by explanatory comments and/or practical examples, is established.*
43. In the Compliance Report, GRECO positively valued the measures taken to boost professional and integrity supervision within the fiscal jurisdiction, as well as to improve available resources. GRECO also conceded that good steps had been taken to intensify training opportunities on integrity for members of fiscal courts, although it insisted in the need to assure that such training formed part of a regular rolling programme. GRECO considered this recommendation as partly implemented and called for additional steps to effectively meet its three components.
44. The authorities of Italy state that the Presidency Council of Fiscal Courts (CPGT) has put in place several prevention, supervision and enforcement actions to enhance

⁵ It is recalled that in Italy prosecutors and judges belong to the same professional order of "magistrates".

professionalism and integrity of members of fiscal courts. As a starting point, the authorities refer to the Code of Conduct for tax judges which was issued in 2015 and which enforceability is assured through disciplinary provisions set out in separate regulation of the CPGT (Resolution No. 2980/2015).

45. More recently, the incumbent CPGT, whose terms of tenure runs from 2018 to 2022, issued, at the start of its mandate, Resolution No. 7/2019 which provides for more rigorous organisational criteria in the composition of tax courts. It also establishes new criteria for case allocation (including on appeals), with the triple aim of (i) enhancing the objectivity of the assignments, (ii) avoiding conflicts of interest and (iii) further rationalising work (i.e. chambers that are no longer active as a result of personnel transfers, a reduced workload and possible fewer new cases are to be closed down). The Resolution also provides for the drafting of backlog disposal plans, foresees periodic rotation of members of fiscal courts and places additional transparency and responsibility requirements on court presidents. Mismanagement of members of fiscal courts (e.g. on timely delivery of judgments or the fixing of hearing dates) bears consequences for appointment, confirmation to senior roles and transfer purposes and may give rise to disciplinary liability.
46. The authorities furthermore submit that it is for court presidents to duly report to the presidents of regional courts (*Commissioni Regionali*) any irregularity in this area. This facilitates early detection of misconduct. Additionally, Resolution No. 5/2019 provides a set of guidelines for the presidents of regional courts on how they are to perform their supervisory responsibilities. It includes rules to standardise practices within the national territory (for example, in the event of delays in delivering judgments, which is the most recurrent disciplinary violations, or when complaints are filed). The CPGT considers this to be a valuable measure to assure coherence regarding the assessment of judicial misconduct in case of complaints.
47. As regards inspections, the authorities refer to a new set of rules that has been in use in the past two years, which not only speeds up inspections, but also probes findings in depth, both for regular and extraordinary inspections. This enables the identification of red flags and presupposes coordination with other law enforcement bodies (e.g. tax police and the prosecution service) in the sharing of relevant data. Details have been provided regarding disciplinary cases and penalties imposed in 2018-2019, as well as inspections carried out.
48. Digitalisation of the proceedings before fiscal courts became mandatory in July 2019. This is an important tool to improve transparency in fiscal proceedings, from the submission of the parties' observations to the trial stage and until the delivery of the decision, according to the authorities. More recently, Decrees of 6 and 11 November 2020 of the Finance Department further regulate the applicable procedures for holding remote court hearings.
49. The authorities also provide detailed data regarding training activities carried out in the biennium 2018-2019 by the Training Commission (*Commissione Formazione e Aggiornamento*). These training sessions combine theoretical knowledge with the analysis of specific case-law and have been carried out by the Training Commission alone, as well as in collaboration with the Supreme Court of Cassation, the High School of the Judiciary and several Italian Universities.
50. Finally, as to appraisal procedures, the authorities indicate that these are periodically performed for tax judges who perform managerial functions (heads of offices). They have a bearing in reappointment processes. In addition, tax judges are subject to the appraisal procedures which are established for them as ordinary judges, audit court judges, lawyers, etc.

51. GRECO welcomes the multifaceted measures undertaken by the CPGT to prevent and detect corruption risks and conflicts of interests within the fiscal jurisdiction, in line with the first part of the recommendation, which is now implemented. This is indeed a commendable effort in an area which has witnessed recurrent irregularities (the Fourth Round Evaluation Report already referred to corruption schemes in this area, but other cases have come to public light in more recent years).
52. Concerning the second part of the recommendation, GRECO also welcomes the intense training activity performed by the Training Commission on integrity related matters. Regarding the introduction of a system of periodic assessment, this is formally in place for management positions and, to a certain extent for other members of fiscal commissions too, i.e. magistrates are subject to quadrennial appraisal. For lay members (non magistrates) such a system of regular assessment does not appear to be fully homogeneous or systematic and this is an area where the authorities may wish to take additional action in the future.
53. As to the third part of the recommendation, the authorities refer, for the first time, to a Code of Conduct of fiscal jurisdiction, which was issued in 2015. GRECO already noted, at the time of the Fourth Round Evaluation Report, that there was a stringent incompatibility regime and disciplinary framework for members of fiscal courts, and is pleased to note now that the infringement of ethical provisions may also lead to disciplinary action, providing thus for enforceability of the Code. As to the development of explanatory guidance and/or practical examples, this is said to happen through training, which is also a welcome development. Since this is an area which continues to be topical - as corruption schemes involving members of fiscal courts have been uncovered in recent years - GRECO encourages the authorities to reassess the opportunity to issue written guidance based on experiential learning (i.e. taking on board the experience gathered during training sessions and also in the light of findings on actual/recurrent incidents of misconduct arising from disciplinary cases). The issuance of such guidance can well serve as, yet, another valuable preventive tool to remind members of fiscal courts of their ethical obligations and help solve potential ethical dilemmas they may encounter when performing their functions.
54. Finally, GRECO notes that four different draft laws on the reform of the fiscal jurisdiction were tabled in 2019-2020. The common element of these proposals refers to the need to step up the independence of fiscal courts, as well as the professionalisation and specialisation (and commensurate pay thereafter) of its members. GRECO understands that, more recently, a draft law on the reform of fiscal jurisdiction is foreseen (ref. Economic and Financial Paper, as approved by Parliament on 15 October 2020). This looks as another promising move on this front. The authorities may wish to keep GRECO informed on its progress.
55. GRECO concludes that recommendation vii has been dealt with in a satisfactory manner.

Recommendation x.

56. *GRECO recommended (i) that a restriction on the simultaneous holding of the office of magistrate and that of a member of local government be laid down in law; and more generally, (ii) that the issue of political activity of magistrates be dealt with in all its aspects at legislative level, given its impact on the fundamental principles of independence and impartiality, both real and perceived, of the judiciary.*
57. In the Compliance Report, GRECO took note of draft legislation tightening the requirements for magistrates to participate in political activities. It however

highlighted several lacunae in this respect. Moreover, in the absence of any tangible output, GRECO concluded that recommendation x had not been implemented.

58. The authorities of Italy refer to a draft Law on the Reform of the Justice System which was approved by the Council of Ministers on 7 August 2020 and awaits further discussion by Parliament (AC 2681, Chapter III, Articles 12 to 19)⁶. Pursuant to this draft, there are three key changes to be highlighted (as compared to the situation described in the Fourth Round Evaluation Report): (i) judicial and political functions cannot be performed at the same time; (ii) magistrates must take special leave if they compete for elections, as well as during the entire period they perform a political mandate – and in both cases without pay; (iii) stricter discipline governing the return to the bench.
59. More particularly, the draft law provides that magistrates may not be elected to certain political national and local offices⁷ if they are/have been on duty with judicial offices located in the constituency in the two years before the election. Also, they may not be elected if they have not taken leave without pay for at least two months. Magistrates holding or taking over national, regional or local government offices (apart from municipalities with less than 5 000 inhabitants), must take leave without pay and be deployed outside the judiciary for the whole duration of the mandate, according to the draft.
60. When it comes to magistrates' return to the bench after participation in elections, the draft law foresees that those who have been political candidates, without being elected, may not be reassigned for three years to a judicial office located in the constituency where they ran as candidates, nor may they be reassigned to the district where they used to exert judicial functions before running for a political mandate. A three-year ban, without territorial exceptions, is provided for the functions of pre-trial investigation judge and preliminary hearing judge or public prosecutor, and to hold or be assigned executive or semi-executive mandates or roles.
61. Magistrates who have held political offices (including municipalities with more than 100 000 inhabitants) for at least one year, may no longer perform judicial functions and be deployed to autonomous roles with the government. Magistrates who have held local offices in municipalities with more than 5 000 and less than 100 000 inhabitants, may resume their judicial functions upon expiry of their mandate, but with an office in a district other than that in which they have held their administrative mandate, where they could also be resumed after at least three years. Magistrates who have held top level roles (national and regional offices) may not apply for executive roles for two years after the end of the mandate, as provided for in the draft law.
62. GRECO takes note of the reported draft Law on the Reform of the Justice System, which draws a stricter line between judicial and political functions, both regarding the move of magistrates to fulfil a political/executive mandate, as well as their return to the bench. GRECO notes that the issue of direct participation of judges in political life continues to be a current (and controversial) issue in Italy which points at the need to effectively implement recommendation x as a matter of priority.
63. Given that the draft is yet to be adopted, GRECO can only conclude that recommendation x has been partly implemented.

⁶ The Bill was presented to the Chamber of Deputies on 28 September 2020 and its examination by the competent Committee started on 14 October 2020.

⁷ Member of Parliament, president or member of the regional government, regional or provincial councillor, mayor of municipalities with more than 100 000 inhabitants

Recommendation xi.

64. *GRECO recommended strengthening the follow-up of the financial declaration forms filed by magistrates, notably, by ensuring a more in-depth scrutiny of the declarations and subsequently sanctioning the identified violations.*
65. In the Compliance Report, GRECO welcomed the launching of several initiatives to implement this recommendation (reminders of the CSM to judges and prosecutions on financial disclosure obligations, the decision to establish a mechanism of systematic control of the asset disclosures submitted by magistrates, the possibility to review the system for public accessibility of the submitted declarations). However, given that such initiatives needed to be effectively developed in practice, it concluded that recommendation xi was partly implemented.
66. The authorities of Italy report that a Resolution was issued by the High Council of the Judiciary (CSM) in 2018, which established a mechanism of systematic control of the asset disclosures submitted by magistrates (through random checks). A note on this move was published on the website of the CSM to make judges aware of the new development.
67. On 15 November 2019, the CSM adopted the Circular Letter No. P.19146 on the Asset Registry for Ordinary Magistrates (*Circolare sull'anagrafe patrimoniale dei magistrati*), which repealed and replaced the previous 1998 rules. It contains detailed provisions on the procedure for compiling and filing asset declarations (which also concern spouses and cohabiting children who have given their consent thereto), specifying which data is relevant. Also, a new mechanism has been put in place enabling magistrates to submit their asset declarations electronically. Magistrates may also authorise the CSM to directly obtain the relevant tax documents from the Revenue Agency (*Agenzia delle Entrate*). A guide is enclosed with the Circular Letter, which explains in detail the procedure for inserting the requested data.
68. Specific deadlines have been set for complying with such an obligation. In particular, such deadlines have been differentiated depending on whether this obligation is imposed on newly employed magistrates (initial declaration to be filed within three months after joining the office), on magistrates already on duty (periodical disclosures, three months after notice on the approval of the Circular Letter and in the following years one month after any change in their asset situation), and on magistrates upon termination of their term of office (three months after notice of termination). The Council also provided for the prompt transmission of a letter to all presidents of courts of appeal and the heads of prosecution offices to remind magistrates on their asset disclosure obligation.
69. Supervision of asset disclosure requirements falls on the CSM which performs random checks on a yearly basis. The aim of this supervision is not only to assess compliance with asset disclosure obligations, but also to perform a crosscheck between these disclosures and the income tax returns filed by magistrates.
70. GRECO welcomes the actions taken by the High Council of the Judiciary to establish detailed provisions on the procedure for compiling and filing asset declarations in respect of magistrates as well as to set up a mechanism of systematic control and supervision of the financial declaration forms filed by magistrates. The system also provides for measures in case of non-compliance with financial disclosure requirements, like a warning and its possible mention in the case file of the magistrate.
71. GRECO concludes that recommendation xi has been implemented satisfactorily.

III. CONCLUSIONS

72. **In view of the foregoing, GRECO concludes that Italy has implemented satisfactorily or dealt with in a satisfactory manner five of the twelve recommendations contained in the Fourth Round Evaluation Report.** Of the remaining recommendations, six have been partly implemented and one remains not implemented.
73. More specifically, recommendations viii, xi and xii have been implemented satisfactorily, recommendations vii and ix have been dealt with in a satisfactory manner, recommendations i, ii, iii, iv, v and x have been partly implemented and recommendation vi has not been implemented.
74. The formalisation of the codes of conduct in both chambers of Parliament remains to be achieved. That said, the Advisory Committee on the Conduct of Deputies continues to provide advice and concrete proposals to reinforce the implementation of the Code of Conduct of the Chamber of Deputies. Some initiatives were also tabled to systematise and streamline rules and compliance proceedings regarding conflicts of interest. Although work is under way on different fronts (e.g. rules on incompatibilities, gifts and other benefits, lobbying), tangible outputs are still expected. The Senate has yet to embark on a similar path to promote a robust integrity ethos among its members. More than four years after the Fourth Round Evaluation Report on Italy was adopted, the results in this domain have, overall, proceeded rather slowly and more determined steps are needed to tackle all recommendations issued for parliamentarians.
75. As far as the judiciary is concerned, targeted measures have been taken to strengthen the financial disclosure regime of magistrates. Likewise, multifaceted measures have been taken to prevent and detect corruption risks and conflicts of interests within the fiscal jurisdiction and to enhance training on integrity related matters. Draft legislation has been prepared to provide for stricter regulation to limit the participation of magistrates in political life – this is a long-awaited reform, which concerns a particularly sensitive issue in Italy, and thus requires more resolute action.
76. Italy must substantially step up its response to GRECO's outstanding recommendations. Since seven (out of twelve) recommendations are yet to be implemented, GRECO in accordance with Rule 31 rev, paragraph 9 of its Rules of Procedure asks the Head of the Italian delegation to provide a report on the progress made in implementing recommendations i, ii, iii, iv, v, vi and x by 31 March 2022.
77. Finally, GRECO invites the authorities of Italy to authorise, as soon as possible, the publication of the report, to translate it into the national language and to make this translation public.