

Amendments to CONSOB regulations to ensure compliance with the European market abuse regime

Following a consultation completed in November 2016, CONSOB approved some amendments to the Issuers' Regulation.

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Following a consultation completed in November 2016, with the Resolution number 19925 of 22 March 2017 (published in the Official Journal on 14 April 2017), the Commissione Nazionale per le Società e la Borsa (CONSOB) approved some amendments to the Issuers' Regulation (Regolamento Emittenti, RE), the Market Regulation and the Regulation on transactions with Related Parties, in order to ensure compliance of the domestic legislation with the new European market abuse regime (MAR).

Both companies issuing financial instruments listed on regulated markets and those issuing financial instruments listed on multilateral trade facilities (MTF) - for example, the Alternative Investment Market in Italy (AIM Italia) with regard to stocks and equity instruments or ExtraMOT-Pro and EuroTLX as for debt instruments) - as recipients of said regulation, will be required to assess whether their procedures of internal dealing and of management of privileged information need to be amended in the light of the newly introduced European provisions.

The main innovations deriving from the compliance with MAR regulation

The regulations' amendments are mainly aimed at aligning the domestic legislation to the European rules, by repealing secondary provisions infringing the MAR and by coordinating even purely national provisions to the latter (for instance, in regards of the disclosure of privileged information concerning issuers of widely-held securities).

In the light of the above, relevant key issues are now directly and exclusively governed by the MAR, such as (i) the keeping of the so called insider register (pursuant to repealed Section 152-bis and following Sections of the RE), (ii) obligations related to ongoing and periodic disclosure, including the delay in the disclosure of any transaction, recommendations etc. (pursuant to repealed Section 66 and following Section of the RE) and (iii) the internal dealing regulations applicable to those who perform administration, management and control functions of the issuers. In such regard, in accordance with the option set forth by the European provisions, the new Issuers' Regulation has increased the minimum threshold for the information to be disclosed from €5,000 to €20,000 (Section 152-quinquies of the RE). The legal framework relating to the disclosure of any transaction relevant to the internal dealing by shareholders holding

an interest at least equal to 10% in companies whose financial instruments are listed on regulated markets is exclusively governed by the Issuers' Regulation.

Furthermore, transactions performed by members of the administration, control and coordination corporate bodies of any "relevant" subsidiary are no longer relevant for the purposes of internal dealing obligations, both with regard to companies issuing financial instruments listed on regulated markets and to companies issuing financial instruments listed on MTF.

Finally, considering the clarification requests by a number of market players, CONSOB launched a consultation on, among others, the adoption of two "Operational Guides", aimed at ensuring the management of privileged information and the drafting of the insider list by issuers both of equity and debt instruments - within the existing internal organisational procedures regarding the obligations of publication and of disclosure to the public and the market - as well as the accurate presentation of investment recommendations, the public disclosure of particular interests and the indications of conflicts of interest. The consultation on said Operational Guides, which will be adopted in the form of Communications of general nature, closes on 06 June 2017.

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