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Italian Regulatory Update¹

Issue 2019 07

To: Primary contacts
Date: August 30, 2019
Re: Law-Decree of the **Italian Government** in order to avoid detrimental effects for Italian clients in case of “hard Brexit” **RATIFIED** by the Parliament

1 **The Brexit Law Decree became Law no. 41/2019 following ratification by the Parliament**

As illustrated in our previous newsletter no. 2019 04, Italy issued a “Law Decree” (Law Decree no. 22 of March 25, 2019 - the “Brexit Decree”) that includes in its scope the protection of the Italian markets and investors/clients from the potentially detrimental effects of a “no-deal” Brexit through the introduction of a transition period after Brexit during which the British intermediaries (jointly, the “British Intermediaries”) can continue to render investment/banking services and fund management in Italy with their existing branches or on a freedom to provide services basis. The Brexit Decree and its timing were designed in light of a Brexit that should have taken place on or about April 9, 2019.

According to the Italian Constitution, and as anticipated in said newsletter no 2019 04, a Law Decree has to be ratified by the Parliament within sixty days in order to become a Law (Act) of the State; failing such ratification – also known as “conversion” – the relevant Law Decree becomes null and void.

¹ **IMPORTANT INFORMATION** This memorandum is not given in performance of a professional engagement during an attorney-client relationship and is only given for a general information to the reader regarding the matters discussed herein. Therefore, this document should not be relied upon as a legal opinion and no action should be taken on the basis of the information herein contained.

Notwithstanding the fact that Brexit didn't take place in April 2019, the Brexit Decree has been ratified in any case by the Italian Parliament and became the Law no 41 of May 20, 2019 ("Law no. 41).

Following the conversion of the Brexit Decree through Law no 41, CONSOB issued the Communication no 10 of August 1st, 2019, that updates the preceding CONSOB Communication no. 7/2019 in light of the above "conversion".

The latter provided for notification requirements to be complied with by the British Intermediaries in order to continue to render their services in Italy after Brexit under the transition period allowed by the Brexit Decree.

With the August update, the CONSOB Communication no. 7/2019 has been integrated with the references to the Law no. 41; in the same occasion, CONSOB expressly stated that the notifications already submitted to CONSOB in late March-early April 2019 under the Brexit Decree for the above purpose of the continuation of the services during the transition period remain valid and will be good also for the Brexit planned for October 2019.

Please contact crocenzifp@crocenzilex.com for any clarification in connection with this matter.

Best regards

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