

CONSOB INTRODUCES A SHORTER AND SIMPLIFIED APPROVAL PROCESS FOR BOND PROSPECTUSES

The Italian authority for regulating the financial markets ("CONSOB") has announced that, in line with European best practice, it will streamline and simplify the approval process of bond prospectuses by reducing response times, lowering costs and allowing application forms to be submitted in English.

These initiatives are designed to make the Italian capital markets more attractive to issuers and to stimulate both wholesale and retail offers and listings of debt securities in Italy.

THE NEW INITIATIVES ADOPTED BY CONSOB

CONSOB has adopted new regulations aimed at implementing a shorter and simplified process for the approval of bond prospectuses¹.

These new regulations have been adopted as part of a broader policy aimed at simplifying and reorganizing the Italian legal and regulatory framework applicable to prospectuses. Previous steps in this direction include the initiatives taken at an EU level, such as the Listing Act, and in Italy, such as the Green Paper on the competitiveness of Italian financial markets published by the MEF in March 2023 and the Guidelines for the simplification of prospectuses developed by the Committee of Market Operators and Investors (COMI) in July 2023.

SIMPLIFIED APPROVAL PROCESS

In line with the best practices of other European competent authorities (such as the Central Bank of Ireland and the CSSF in Luxembourg), CONSOB has simplified the process for the approval of prospectuses for the offer and listing of debt securities, by reducing its review times and by introducing new streamlined templates of application forms.

Reduced Timing for Approval

Previously, the timing of CONSOB's review process was substantially in line with that provided for in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"), namely 10 working days, or 20 working days in case of a debut

Key points

- **Reduced response times for the review of draft prospectuses:** for the first submission, preliminary comments within **2 working days** and detailed comments within **6 working days** (reduced to **5 working days** for wholesale offers). For subsequent submissions, comments will be provided within **3 working days** (reduced to **2 working days** for wholesale offers).
- **Applications** will be based on **templates of application forms**, in line with common practice across the EU, and may be **submitted in English**.
- **Reduced and predetermined supervisory fees** for both institutional and retail offers.

¹ The new regulations are set out in (i) "*Indicazioni in ordine ai tempi di risposta nell'ambito dell'attività di scrutinio del Prospetto relativo ai titoli di debito*" published by CONSOB, (ii) CONSOB Resolution no. 22915 of 6 December 2023 and (iii) CONSOB Deliberation no. 23016 (*Modifiche del Regolamento Emittenti concernenti la disciplina dei prospetti*).

issuer, following the first submission of the prospectus and 10 working days for all subsequent submissions. However, such timing in the review process has not always allowed issuers of debt securities to take advantage of market windows in a timely manner.

Under these new regulations:

- following the **first submission** of the prospectus **(i)** preliminary comments will be provided within **2 working days** and **(ii)** detailed comments will be provided within **6 working days** (reduced to **5 working days** for offers of debt securities with a denomination of at least €100,000 ("**wholesale offers**"));
- for **all subsequent submissions** of the prospectus, comments will be provided within **3 working days** (reduced to **2 working days** for wholesale offers).

However, another feature of CONSOB's review process has an impact on the timing for approval: the final, formal approval resolution is adopted by the Commission itself. This means that once the competent office does not have further comments on the prospectus, approval can only be granted at the following meeting of the Commission and this could delay the approval of the prospectus of about one week with a significant impact on the launch of a transaction.

In order to further streamline the process, CONSOB also announced that a **new public consultation will be launched shortly** on the possibility of such approval being granted not by the Commission, but directly by the offices in charge of the review of the prospectuses.

Gioacchino Foti, Partner of the Global Financial Markets Department comments on all these new initiatives: "*These new rules represent an important step forward for the Italian financial market. Indeed, other European competent authorities already provide for a shorter and more consistent review period. With these new regulations, CONSOB has now aligned the timing of its review process with the best practices adopted by other European competent authorities*".

Simplified Application Forms

Following a public consultation launched in December 2023, CONSOB announced that issuers of debt securities will be able to use **new templates of application forms**, available **both in Italian and English**, which will be **easier to complete** than the existing ones, in line with common practice throughout the European Union. CONSOB has also **reduced** the number of documents that need to be filed with the application form and has allowed these new application forms to be **signed electronically**.

These changes should simplify the approval process for foreign issuers. It should be recalled that, in 2022, CONSOB had already allowed prospectuses to be approved in English.

REDUCED SUPERVISORY FEES

Further, for the period starting from 2 January 2024 to 31 December 2024, CONSOB has **reduced its supervisory fees** for both wholesale and retail offers of debt securities.

Fees for offers to institutional investors

CONSOB has introduced lower and predetermined fixed fees for wholesale offers, which now amount to **€15,000.00** for each prospectus submitted for approval, **increased by €1,000.00 for each Final Terms published in case of offers to institutional investors.**

Fees for retail offers

Fees for retail offers are as follows:

- a **fixed fee** of **€15,000.00** for each prospectus submitted for approval; and
- a **variable fee** due in case of an offering **exceeding €13,000,000**, equal to **0.07% of the amount exceeding such threshold**. However, this variable fee shall be **capped at €300,000.000** for each offering.

Fees for Registration Documents and Supplements

Finally, CONSOB has set a fixed fee of **€7,000.00** for registration documents and **€6,000.00** for each supplement.

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