GITTI AND PARTNERS

CLIENT ALERT 5/2020

3M GENERAL SHORTSELLING BAN

(IN THE WAKE OF THE FINANCIAL TURMOIL FOLLOWING THE "LOCKED-IN ITALY" GOVERNMENTAL MEASURES ADOPTED TO FIGHT THE COVID-19 PANDEMIC)

After the resolution passed on 12 March 2020 and renewed on 16 March (for the trading sessions, respectively, of 13 and 17 March), about which we already informed in our previous Client alert, available here, yesterday, and effective form today, CONSOB, the Italian supervisory Authority on financial markets, adopted two additional resolutions, no 21303 and 21304.

By the first resolution, adopted pursuant to article 20 of the UE Regulation no. 236/2012, CONSOB, for the first time, has established a **three months general shortselling ban on all shares listed on the Italian Stock Exchange**, targeting all and any kind of speculative, bearish transactions, including those realized through derivative instruments and those carried out intraday. Such ban will be in force until 18 June 2020.

By the second resolution, adopted pursuant to article 120, paragraph 2-*bis*, of the Consolidated Act on Finance, CONSOB has established an enhanced transparency regime for 48 companies listed on MTA - *Mercato Telematico Azionario* sorted by capitalization and particularly widespread shareholding structure.

In particular, now the threshold triggering the obligation to disclose the shareholding in the mentioned issuers has been lowered to 1% with regard to all companies other than SMEs and to 3% with regard to SMEs. This transparency obligation will be in force until 18 June 2020, too.

All the shareholders holding interests exceeding the above mentioned thresholds are required to comply with the disclosure obligations **within 10 working days**.

We will continue to carefully monitoring this financial markets situation on an ongoing basis. For any clarification you may have do not hesitate to contact us.

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The only purpose of this Newsletter is to provide general information. It is not a legal opinion nor should it be relied upon as a substitute for legal advice.

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