

AIM ITALIA/MERCATO ALTERNATIVO DEL CAPITALE

LEGISLATIVE DECREE NO. 139 OF 18.8.2015 (THE SO-CALLED “*DECRETO BILANCI*”)

HALF-YEARLY REPORTS CONCERNING THE 2016 FINANCIAL YEAR: RECOMMENDATION

Legislative Decree no. 139 of 18.8.2015 (the so-called “*decreto bilanci*”), published in Gazzetta Ufficiale no. 205 of 4.9.2015, transposed Directive 2013/34/EU into the Italian legal system, with respect to the part concerning the annual financial statements and the consolidated financial statements of companies with limited liability and of other entities adopting the same rules.

The above Directive replaced the EU regulations in force, with the aim of improving the information scope of the accounting document and initiating a simplification process for administrative burdens. The new rules are known to address also the general basis of preparation of financial statements, the initial recognition of some items, the measurement methods, and the information to be described in the notes to the financial statements and in the directors’ report.

Under Article 19 of the Rules for Companies, financial statements or annual reports of AIM Italia companies are subject to statutory audit prior to publication. The issuer may choose to draw up and present such financial statements in compliance with:

- **the Italian Accounting Standards;** or
- the International Accounting Standards;

For AIM Italia companies drawing and presenting their financial statements pursuant to the Italian Accounting Standards, the new provisions apply to the financial year beginning on 1 January 2016.

Article 12 of the Decree n. 139 containing Final and transitional provisions expressly sets out that Decree provisions ***enter into force from 1 January 2016 and are applicable to the financial statements for the financial years starting from that date.*** In addition, under the Decree, the *Organismo italiano di contabilità* (OIC) is required to update the Italian accounting standards as per Article 9-bis, paragraph 1, letter a), of Legislative Decree No. 38 of 28 February 2005, based on Decree provisions. It is common knowledge that the OIC has started its accounting standards review process.

Decree No. 139 does not specify the rules applicable to interim accounting statements for the 2016 financial year, as it expressly refers to financial statements. On the other

hand, article 45 of Legislative Decree No. 136 of 18 August 2015, which implements Directive 2013/34 concerning the financial statements of certain types of companies (intermediaries), expressly provides for the application of the new rules to interim accounting statements “*which are drawn up to comply with specific statutory provisions*”.

In addition, please note that, pursuant to Article 18 of the Rules for Companies, AIM Italia companies are required to publish **the half-yearly report** within three months of the closing date of the relevant period. *The half-yearly report must be prepared and drawn up according to methods that are consistent with those adopted in the annual financial statements or report of the AIM Italia issuer, having given due consideration to the accounting standards applicable to them.*

For AIM Italia companies drawing up and publishing their financial statements pursuant to the Italian Accounting Standards, taking into account the entry into force of Decree No. 139, the following is specified:

- half-yearly reports required by the Market Rules are not drawn up to comply with a specific statutory provision, but on a voluntary basis, because this is in compliance with market provisions derived from contracts and not from public law;
- half-yearly reports related to the first half of 2016 are not subject to Decree no. 139 as such Decree applies *to the financial statements for the financial years beginning on 1 January 2016*;
- as it must be prepared and drawn up consistently with the financial statements, the half-yearly report must be drawn up consistently with the new Decree, following the publication of the financial statements for 2016.

Now, therefore, considering the impact expected for the 2016 financial statements as a result of implementing the new provisions, AIM Italia companies, in any case, are recommended to adopt an approach for their accounts that is consistent with the new rules contained in Decree No. 139. Specifically, where material effects are likely to arise from the transition to the new rules, they are recommended to contact their auditor and their Nominated Adviser to assess market disclosure methods.