



**Communication no. 8/2020 of 23 July 2020**

**Expiration of the transition period of the UK withdrawal agreement - Instructions to British investment firms providing investment services and activities in Italy.**

Following [Warning Notice 3/20 of March 26, 2020](#), Consob reminds that, at the end of the "transition period" (on December 31, 2020), provided for in the agreement defining the procedures for the withdrawal of the United Kingdom from the European Union, British investment firms providing investment services and activities in Italy will be subject to the rules set out in Article 28 of the Consolidated Law on Finance (TUF) and in Articles 25 - 31 of Consob Regulation no. 20307/2018, as summarized in the Table below.

In particular, pursuant to the aforementioned rules, third country firms other than banks that intend to continue operating in Italy shall submit an application for authorization to Consob, which ascertains the fulfilment of conditions for the issue of the authorization within the term of 120 days, except cases of suspension or interruption. Therefore, a firm that does not submit the application within a timeframe compatible with the duration of the proceedings, may incur the need to cease of operation by the end of the transition period.

In the light of the aforementioned rules, Consob recommends that British investment firms wishing to continue operating in Italy, either as third country firms<sup>1</sup> or by transferring their business to an Italian investment firm (SIM) established for this purpose<sup>2</sup>, to submit the application for authorization promptly, also taking into consideration that the duration of authorization procedures can be subject to suspension and interruption.

British investment firms that intend to continue operating in Italy by transferring their activities to an EU investment firm are invited to complete such transfer by the end of the transition period and, where necessary, the procedures for passport notification into Italy.

UK investment firms that intend or are required to cease<sup>3</sup> their operation by the end of the transition period shall terminate their relationships with clients in ways that prevent them from being prejudiced and in compliance with the notice deadlines for the contract termination. These firms report the termination to Consob specifying whether the end of operations has already been notified to the competent UK authorities.

All British investment firms are required to provide Italian clients with up-to-date information on the consequences of the changed operating conditions deriving from *Brexit*.

Authorization applications and communications to Consob regarding *Brexit* must be sent to the following certified e-mail address: [din.Brexit@pec.consob.it](mailto:din.Brexit@pec.consob.it).

THE CHAIRMAN  
*Paolo Savona*

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<sup>1</sup> By the establishment of a branch or under the freedom to provide services (in the latter case, only towards qualified counterparties and professional clients by law).

<sup>2</sup> In this case, the authorization procedure is detailed in Article 7 and following of the aforementioned Consob Regulation no. 20307/2018.

<sup>3</sup> This is the case of a company operating under the freedom to provide services in favour of *retail* or professional clients on request.

The following table only provides a guide for submitting authorization applications. For authorization procedures, please refer to Article 28 of the Consolidated Law on Finance (TUF) and Consob Regulation no. 20307/2018 (Articles 25 - 31).

Typology of investment firm	Requirements	Rules
<p>United Kingdom investment firms operating in Italy through branches, which intend to continue to operate there, after the "transition period", as third-country firms with branches.</p>	<p>Submission to Consob of an application for authorization to establish a branch in Italy, containing the information and accompanied by the documentation referred to in Annex no. 1, Title I, Section I, of Consob Regulation no. 20307/2018.</p>	<p>Legislative Decree no. 58/1998: Art. 28, para. 1-3.</p>
		<p>Consob Regulation no. 20307/18: Articles 25, para. 1, and 28.</p>
<p>United Kingdom investment firms operating in Italy under the freedom to provide services to retail clients and professional clients upon request, who intend to continue to operate there, after the "transition period", as third-country firms.</p>	<p>Submission to Consob of an application for authorization to establish a branch in Italy, containing the information and accompanied by the documentation referred to in Annex no. 1, Title I, Section I, of Consob Regulation no. 20307/2018.</p>	<p>Legislative Decree no. 58/1998: Art. 28, para. 1-3.</p>
		<p>Consob Regulation no. 20307/18: Articles 25, para. 1, and 28.</p>
<p>United Kingdom investment firms operating in Italy under the freedom to provide services to qualified counterparties and professional clients by law, who intend to continue to operate there, after the "transition period", as third-country firms with branches.</p>	<p>Submission to Consob of an application for authorization to establish a branch in Italy, containing the information and accompanied by the documentation referred to in Annex no. 1, Title I, Section I, of Consob Regulation no. 20307/2018.</p>	<p>Legislative Decree no. 58/1998: Art. 28, para. 1-3.</p>
		<p>Consob Regulation no. 20307/18: Articles 25, para. 1, and 28.</p>
<p>United Kingdom investment firms operating in Italy under the freedom to provide services to qualified counterparties and professional clients by law, who intend to continue to operate there, after the "transition period", as third-country firms under the freedom to provide services.</p>	<p>Submission to Consob of an application for authorization to provide services and investment activities in Italy under the freedom to provide services, containing the information and accompanied by the documentation referred to in Annex no. 1, Title I, Section II, of Consob Regulation no. 20307/2018.</p>	<p>Legislative Decree no. 58/1998: Art. 28, para. 6.</p>
		<p>Consob Regulation no. 20307/18: Articles 25, para. 1, and 28.</p>

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United Kingdom investment firms operating in Italy, which intend to continue to operate there, after the "transition period", by transferring their business to a SIM devoted to this purpose.	Submission to Consob of an application for authorization to manage investment services and activities, compiled according to the model set out in Annex 1 of the Commission Implementing Regulation (EU) 2017/1945 of 19 June 2017 and accompanied by the documentation required by Commission Delegated Regulation (EU) 2017/1943 of 14 July 2016.	Legislative Decree no. 58/1998: Art. 19, para. 1-2.
		Consob Regulation no. 20307/18: Art. 7.