



Client Alert | Capital Markets

Italy

COVID-19 and Market Abuse Regulation: Communication on the Suspension of Business Activities

March 2020

1. Foreword

Following In light of the evolution of the epidemiological situation, the particularly widespread nature of the epidemic and the increase in the number of cases throughout Italy, by Prime Ministerial Decree of 22 March 2020 ("**Decree**"), Italian law-makers took action in order to adopt new urgent measures to contain the contagion throughout the entire national territory.

In this regard, Article 1, point a) of the Decree provides for the **suspension of all industrial and commercial production activities, with the exception of those indicated in Annex 1** to the Decree.

As an exception to the above, point c) of Article 1 of the Decree provides that the production activities to be suspended under point a) may in any case continue if they are **organised in such a way as to allow interpersonal safety distance** or in accordance with agile working (so-called **smart working**) **methods**.

Finally, the Decree specifies that the activities **functional to ensuring the continuity of the supply chains of the activities listed in Annex 1** as well as the **public-utility and essential services** under Law No. 146 of 12 June 1990 shall be permitted at all times.

2. Interruption of production activities and Market Abuse Regulation

As is known, Regulation (EU) 596/2014 (so-called "Market Abuse Regulation") requires listed companies to disclose, as promptly as possible, all inside information directly or indirectly relating to them.

Listed companies must therefore promptly inform the market of whether the business activity can continue, insofar as the conditions set out in the Decree are met, **or if the decision has been made to stop business** pursuant to the new rules set out in the Decree.



3. Continuation of activities already started until 25 March

Article 1 of the Decree also provides that the businesses whose activities are suspended under the new rules may complete the activities required for the suspension by 25 March 2020.

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