



# THE INTRODUCTION OF THE SIS (SIMPLE INVESTMENT COMPANIES)

The Italian legislator, in order to facilitate the collection of capital for the small-medium companies (SMEs), has recently introduced, with the “Growth Decree” n. 34/2019, a new investment vehicle, which is called “*Simple Investment Company*” (or SIS).

The new regulation about the SIS provides, first of all, that this kind of companies should have the legal form of public limited companies with some legal requirements, for instance:

- a. they must directly manage the assets collected through the subscription of equity securities;
- b. the shareholders' equity value must be at maximum equal to 25 million euros;
- c. the share capital must be at least equal to 50.000 euro;
- d. the sole core business must be the direct investment of the collected capital into small-medium companies not listed on regulated markets, according to the art. 2, par. 1 lett. f), Regulation EU n. 2017/1129, which are at the early stages of their business.

For what concerns the SIS regulation and obligations, they are highly simplified compared to the other collective investment undertakings. In fact, the provisions of art. 6, paragraphs 1, 2 and 2-*bis* of the TUF (Finance Unique Code) do not apply to the SIS and, as a consequence, not even the strict regulation issued by the Bank of Italy and Consob, concerning capital requirements, criteria and the prohibitions on investing in assets, on corporate governance, accounting statements, management of risk, remuneration policies, transparency and on correct conduct.

On the other side, the supervision and control rules related to the concept of “healthy and prudent management”, issued by the EU and Italian Regulation, shall apply to the SIS.

Moreover, differently from what the first draft of the “Growth Decree” provided, the admitted investors to the SIS should not necessarily belong to the “professional category”, which identifies “*who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs*” (as provided by MiFID Directive), but they can also be not-qualified investors (*retail* or not).

As a result, this new investment vehicle appears to be very attractive and a good opportunity for different kind of investors.