



Financial communication

By the term “financial communication” we mean all announcements that companies make to spread financial information about themselves to the public.

This type of communication is governed by a logic of service and transparency in relations between companies and their interlocutors; in some cases, however, it may be mandatory, in accordance with certain provisions of financial law.

Function

Financial communication is a service and as such it is largely regulated by the law.

It should not be limited to merely mandatory information, however; rather, it should be an occasion to provide a complete institutional message.

Types of communication

Financial communication may be conducted according to two methods:

- Simple communication of financially relevant information through narrow announcements with no creative input
- An occasion to communicate important institutional values through creative use of space and the visual element

The latter approach allows to produce pleasant and effective communication, in addition to transforming the obligation to inform the market on the company’s economic and financial condition into an occasion to promote the company’s image with the public of potential investors and private citizens/investors.

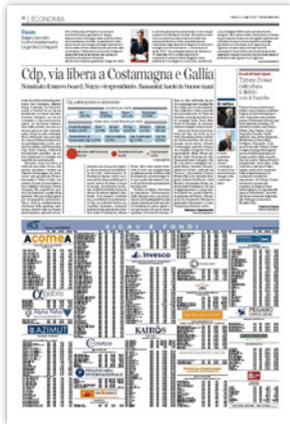
Target audience

- Journalists
- Politicians
- Shareholders
- Consumers
- Employees
- Companies

Legal provisions

Regulations governing financial communication consist of rules set forth by the main regulatory and supervisory authorities in the field of finance:

- **CONSOB regulations** governing companies listed on the stock exchange, companies listed on the restricted market, trust companies and Italian mutual funds.



- **ISVAP regulations** governing life insurance companies.

These regulations aim to guarantee transparency and uniformity of information of interest to shareholders, private citizens, and potential investors or lenders.

Legal provisions (Companies Intending to Obtain a Listing)

Companies intending to obtain a listing on the stock exchange must publish a series of notices in a national newspaper that inform the market of the entire listing process, as indicated in the table below:

- Publication of a prospectus once permission has been granted
- Publication of a brief notice
- Publication of any offers
- Price of the offer
- Outcome of the offer
- Green shoe, if exercised

Legal provisions (Listed Companies)

Companies listed on the stock exchange must publish notice of the following events in at least one national newspaper:

- Pact or agreement to limit or regulate voting rights, obligation to provide advance notice
- Amendments to pacts or agreements to limit or regulate voting rights or obligation to provide advance notice
- Withdrawal from pact or agreement to limit or regulate voting rights
- Renewal of pact or agreement to limit or regulate voting rights
- Solicitation of voting proxies
- Substitution of a broker - solicitation of voting proxies
- Interruption of the solicitation of voting proxies
- Call to meeting
- Dividends (distribution and payments)
- Statutory and consolidated financial statements (when filed)
- Half year report (when filed)
- Quarterly report (when filed)
- Issue of shares, bonds, or warrants to those entitled
- Bonds (payment of interest, repayment, conversion, use of warrants)
- Warrants (exercise of right to purchase or subscribe)
- Filing of documents required by the Civil Code - mergers or splits
- Filing of information document - acquisitions or sales



Public offers of securities

All companies that intend to engage in public offer of securities (stock, bonds, etc.) must publish a prospectus or a brief notice on the characteristics and conditions of the offer.

There are various types of public offers of securities:

- Public Offer for Sale
- Public Offer for Issue
- Public Takeover Offer
- Public Swap Offer
- Public Takeover and Swap Offer

In this case as well, as for companies that intend to obtain a listing on the stock exchange, when permission has been granted and the prospectus or brief notice has been published, the price of offer must then be announced to the market as well as the outcome of the offer:

Public Offer for Sale/Public Offer for Issue: publication of prospectus once permission has been granted; publication of the brief notice; publication of maximum price; price of offer; outcome of offer.

Public Takeover Offer/Public Swap Offer/Public Takeover and Swap Offer: publication of the document containing the offer; amendments to the offer; outcome of the offer.

Mutual Funds and Open-End Investment Companies

Savings management companies must publish a series of notices regarding the establishment, management, and variation in mutual funds they promote, as indicated in the table below:

- Publication of the prospectus (filing with the company and Consob)
- Call to meeting
- Payment of income
- Liquidation of open mutual funds
- Closed mutual funds (unit value of shares)
- Real estate funds (half yearly prospectus)
- Statutory amendments

Tombstone

Merchant and investment banks that promote financial transactions on behalf of third parties usually publish a notice (for informational purposes only) upon conclusion of said transactions to highlight their operations as primary representatives (lead managers, advisors, global coordinators).

The main financial operations that are announced are the following:

- Lines of credit
- Pool financing



- Mergers & acquisitions
- LBOs; MBOs; Family Buy Outs
- Project financing

For information, go to the representatives for different countries (see RCS Worldwide)