



APRIL, 2016

## Listing and Trading UCITS on Borsa Italiana

In late 2014, Borsa Italiana opened a new market specifically for trading open ended UCITS funds. In the first year, over 100 funds from 16 issuers have been listed and actively trade on the market. This new market has opened up a new distribution channel for UCITS selling into Italy. Dillon Eustace has already listed a number of UCITS funds for its clients on Borsa Italiana and we expect further interest as the market develops.

### How does the market work?

- ▣ The market is set up as a separate segment of the ETF-plus market - the “ETF plus Open-ended CIUs Segment”.
- ▣ The Fund contracts with a single appointed intermediary (the “AI”) which undertakes to match orders and execute any buy/sell imbalance on any trading day.
- ▣ Trading in the shares takes place between 8 - 11 am at the NAV of the relevant securities on that trading day. There is no spread between buy and sell orders on the market. Typically, the fees of the AI are borne by the Fund, therefore investors trade only at NAV.
- ▣ Minimum thresholds and dealing sizes are decided by the Fund.
- ▣ Orders do not display prices, only quantity, and are based on the NAV of that trading day (T). Orders are ranked on a time priority basis.

For further information  
on any of the issues  
discussed in this article  
please contact:



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- ▣ Trades occur only on days when NAV is calculated.
- ▣ The Fund notifies the NAV of the listed securities to Borsa Italiana upon calculation (T+1).
- ▣ Settlement (T+3) through Monte Titoli. This is not a cleared market segment, and there is no central counterparty.
- ▣ All intermediaries in Borsa Italiana have access to and may trade in the securities.
- ▣ A range of Irish fund structures, including ICAV, plc and unit trust have already listed or are at application stage.
- ▣ AML and KYC performed by the client's intermediary, not the Fund.

### Advantages

- ▣ A new and innovative distribution channel for UCITS through the exchange.
- ▣ Reduced fund expenses as a result of reduced back office requirements by removing transfer agency and moving AML/KYC functions to the intermediaries.
- ▣ Regulated and supervised official market.

### The Process

- ▣ The Fund must be passported for sale into Italy, which is undertaken directly between the Irish Central Bank and CONSOB in Italy. The notification process takes 10 days.
- ▣ The Fund is required to produce a short form listing document in the Italian language, which may be submitted directly by the Fund to Borsa Italiana, with no local Listing Sponsor required. This listing document is usually prepared by Italian legal counsel, and describes the features of the Fund, general risks involved and the dealing policies of the Fund.
- ▣ A Copy of the Prospectus, KIID, Articles of Incorporation or Bye-Laws, together with a copy of the last annual or semi-annual financial report (where available), UCITS Declaration, summary form and application form are also provided to Borsa Italiana.

## Borsa Italiana Fees

### Admission Fee<sup>1</sup>

€8,500 for each fund. This is capped at €50,000 for up to 15 funds, and €8,500 for each fund in excess of 15.

### Semi-Annual Fee<sup>2</sup>

Based on asset under management, at a rate of €10 for each €500,000, with a cap of €6,000 and a floor of €500.

For further information please contact Tara O'Callaghan or your local financial services contact.

**April, 2016**

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<sup>2</sup> Reductions available for Group Issuers and entities which are also listed on the London Stock Exchange.