

Article 176
Use and divulgence of confidential information
[Repealed]³⁵³

Article 177
Illegal financial relationships with the audited company

1. The directors, audit partners and employees of an auditing firm who contract loans in whatsoever form, whether directly or through nominees, with a company audited by the firm, or a parent or subsidiary company thereof, or who have such a company provide guarantees for their own debts shall be punished by imprisonment for between one and three years and by a fine of between four hundred thousand and four million lire.

Article 178
Illegal compensation

1. The directors, audit partners and employees of an auditing firm who receive, directly or indirectly, from a company audited by the firm compensation in money or kind beyond that legitimately agreed shall be punished by imprisonment for between six months and three years and by a fine of between four hundred thousand and two million lire.

2. The same punishment shall apply to the directors, managers and liquidators of the company audited by the firm who paid the compensation not due.

Article 179
Common provisions

1. Where the cases provided for in the articles of this chapter result in serious injury to the auditing firm or the company audited, the punishment shall be increased by up to one half.

2. Criminal judgements issued against directors, partners or employees of an auditing firm for offences committed in the performance or because of the duties provided for in this decree shall be communicated to Consob by the clerk of the judicial authority that issued the judgement.

3. The provisions of this chapter shall apply in the cases of compulsory auditing of accounts pursuant to this decree or other statutory or regulatory provisions and where the auditing of accounts or submission of annual accounts to the opinion of an auditing firm constitutes a statutory or regulatory condition for engaging in a given activity or obtaining benefits or subsidies.

TITLE I-BIS³⁵⁴
INSIDER TRADING AND MARKET MANIPULATION

Chapter I
General provisions

Article 180
Definitions

1. For the purposes of this title:

a) "financial instruments" shall mean financial instruments referred to in Article 1(2) admitted, or for which an application has been made for admission, to trading on an Italian regulated market or on a

³⁵³ Article repealed by Article 8 of Legislative Decree 61/2002 (published in *Gazzetta Ufficiale* no. 88 of 15.4.2002). See Article 622 of the Penal Code as amended by Article 2 of Legislative Decree 61/2002: "Article 622 (Violation of professional secrecy) - 1. Any person who is in possession of confidential information, as a consequence of his/her status or office, or profession or activity, and divulges it without just cause, or uses it for his/her own benefit or for the benefit of others shall be punished, if the act may cause harm, by a term of imprisonment of up to one year or by a fine of between 60,000 and 1 million lire. 2. The punishment shall be increased if the offence is committed by directors, general managers, members of the board of auditors or liquidators or if it is committed by persons who audit the company's accounts. 3. The offence shall be punishable on the basis of a complaint lodged by the injured party."

³⁵⁴ Chapter IV – "Unauthorized use of inside information and manipulation involving financial instruments", comprising Articles from 180 to 187-bis was replaced by Title I-bis (Articles 180-187-quaterdecies) by Article 9 of Law 62/2005 (the 2004 Community Law).

regulated market of another EU country and any other instrument admitted, or for which an application has been made for admission, to trading on a regulated market of an EU country;

b) "derivatives on commodities" shall mean financial instruments referred to in Article 1(3) based on goods admitted, or for which an application has been made for admission, to trading on an Italian regulated market or on a regulated market of another EU country and any other derivative instrument based on goods admitted, or for which an application has been made for admission, to trading on a regulated market of an EU country;

c) "accepted market practices" shall mean practices which it is reasonable to expect to find on one or more financial markets and accepted or identified by Consob in accordance with the implementing provisions of Directive 2003/6/EC of the European Parliament and of the Council of 28 January 2003;

d) "entity" shall mean one of the persons referred to in Article 1 of Legislative Decree 231/2001.³⁵⁵

Article 181 *Inside information*

1. For the purposes of this title inside information shall mean information of a precise nature which has not been made public relating, directly or indirectly, to one or more issuers of financial instruments or one or more financial instruments and which, if it were made public would be likely to have a significant effect on the prices of those financial instruments.

2. In relation to derivatives on commodities, inside information shall mean information of a precise nature which has not been made public relating, directly or indirectly, to one or more such derivatives and which users of markets on which such derivatives are traded expect to receive in accordance with accepted market practices on those markets.

3. Information shall be deemed to be of a precise nature if:

a) it refers to a set of circumstances which exists or may reasonably be expected to come into existence or an event which has occurred or may reasonably be expected to occur; and

b) it is specific enough to enable a conclusion to be drawn as to the possible effect of the set of circumstances or event referred to in subparagraph a) on the prices of financial instruments.

4. Information which, if made public, would be likely to have a significant effect on the prices of financial instruments shall mean information a reasonable investor would be likely to use as part of the basis of his investment decisions.

5. For persons charged with the execution of orders concerning financial instruments, inside information shall also mean information conveyed by a client and related to the client's pending orders, which is of a precise nature, which relates directly or indirectly to one or more issuers of financial instruments or to one or more financial instruments and which, if made public, would be likely to have a significant effect on the prices of those financial instruments.³⁵⁶

Article 182 *Scope*

1. The crimes and the offences referred to in this title shall be punished according to Italian law even if committed abroad where they concern financial instruments admitted, or for which an application has been made for admission, to trading on an Italian regulated market.

2. Without prejudice to paragraph 1, Articles 184, 185, 187-*bis* and 187-*ter* shall apply to acts involving financial instruments admitted, or for which an application has been made for admission, to trading on an Italian regulated market or on a regulated market of other EU countries.³⁵⁷

³⁵⁵ See footnote to Title I-*bis*.

³⁵⁶ See footnote to Title I-*bis*.

³⁵⁷ See footnote to Title I-*bis*.

Article 183
Exemptions

1. This title shall not apply:

- a) to transactions relating to monetary, exchange-rate or public debt management policy concluded by the Italian state, another EU Member State, the European System of Central Banks, a central bank of an EU Member State or any other officially designated body or any person acting on their behalf;
- b) to trading in listed own shares, bonds or other financial instruments in buy-back programmes carried out by issuers or subsidiaries or affiliated companies or to transactions for the stabilization of financial instruments that satisfy the conditions established by Consob in a regulation.³⁵⁸

Chapter II
Penal sanctions³⁵⁹

Article 184
Insider trading

1. Imprisonment for between one and six years and a fine of between twenty thousand and three million euros shall be imposed on any person who, possessing inside information by virtue of his membership of the administrative, management or supervisory bodies of an issuer, his holding in the capital of an issuer or the exercise of his employment, profession, duties, including public duties, or position:

- a) buys, sells or carries out other transactions involving, directly or indirectly, for his own account or for the account of a third party, financial instruments using such information;
- b) discloses such information to others outside the normal exercise of his employment, profession, duties or position;
- c) recommends or induces others, on the basis of such information, to carry out any of the transactions referred to in subparagraph a)

2. The punishment referred to in paragraph 1 shall apply to any person who, possessing inside information by virtue of the preparation or execution of criminal activities, carries out any of the actions referred to in paragraph 1.

3. Courts may increase the fine up to three times or up to the larger amount of ten times the product of the crime or the profit therefrom when, in view of the particular seriousness of the offence, the personal situation of the guilty party or the magnitude of the product of the crime or the profit therefrom, the fine appears inadequate even if the maximum is applied.

4. For the purposes of this article, financial instruments shall also mean financial instruments referred to in Article 1(2) whose value depends on a financial instrument referred to in Article 180(1)(a).³⁶⁰

Article 185
Market manipulation

1. Imprisonment for between one and six years and a fine of between twenty thousand and three million euros shall be imposed on any person who disseminates false information or sets up sham transactions or employs other devices concretely likely to produce a significant alteration in the price of financial instruments.

2. Courts may increase the fine up to three times or up to the larger amount of ten times the product of the crime or the profit therefrom when, in view of the particular seriousness of the offence, the personal situation of the guilty party or the magnitude of the product of the crime or the profit therefrom, the fine appears inadequate even if the maximum is applied.³⁶¹

³⁵⁸ See footnote to Title I-bis.

³⁵⁹ Pursuant to Article 39(1) of Law 262/2005, the penalties provided for in this Title shall be doubled within the limits set for each type of penalty in Book I, Title II, Chapter II of the Penal Code.

³⁶⁰ See footnote to Title I-bis.

³⁶¹ See footnote to Title I-bis.

Article 186
Accessory penalties

1. Conviction for any of the offences referred to in this chapter shall entail the application of the accessory penalties referred to in Articles 28, 30, 32-*bis* and 32-*ter* of the Penal Code for a period of not less than six months and not more than two years and the publication of the judgement in at least two daily newspapers having national circulation of which one shall be a financial newspaper.³⁶²

Article 187
Confiscation

1. In the event of conviction for one of the crimes referred to in this chapter the product of the crime or the profit therefrom and the property used to commit it shall be confiscated.

2. If it is not possible to execute the confiscation pursuant to paragraph 1, a sum of money or property of equivalent value may be confiscated.

3. For matters not provided for in paragraphs 1 and 2, Article 240 of the Penal Code shall apply.³⁶³

Chapter III
Administrative sanctions

Article 187-*bis*³⁶⁴
Insider trading

1. Without prejudice to the penal sanctions applicable when the action constitutes a criminal offence, a pecuniary administrative sanction of between twenty thousand euros and three million euros³⁶⁵ shall be imposed on any person who, possessing inside information by virtue of his membership of the administrative, management or supervisory bodies of an issuer, his holding in the capital of an issuer or the exercise of his employment, profession, duties, including public duties, or position:

a) buys, sells or carries out other transactions involving, directly or indirectly, for his own account or for the account of a third party, financial instruments using such information;

b) discloses such information to others outside the normal exercise of his employment, profession, duties or position;

c) recommends or induces others, on the basis of such information, to carry out any of the transactions referred to in subparagraph a)

2. The sanction referred to in paragraph 1 shall apply to any person who, possessing inside information by virtue of the preparation or execution of criminal activities, carries out any of the actions referred to in paragraph 1.

3. For the purposes of this article, financial instruments shall also mean financial instruments referred to in Article 1(2) whose value depends on a financial instrument referred to in Article 180(1)(a).

4. The sanction referred to in paragraph 1 shall also apply to any person who, possessing inside information and knowing or capable of knowing through ordinary diligence its inside nature, carries out any of the actions referred to therein.

5. Pecuniary administrative sanctions referred to in paragraphs 1, 2 and 4 shall be increased up to three times or up to the larger amount of ten times the product of the offence or the profit therefrom when, in view

³⁶² See footnote to Title I-*bis*.

³⁶³ See footnote to Title I-*bis*.

³⁶⁴ See footnote to Title I-*bis*.

³⁶⁵ The amounts of pecuniary administrative sanctions were quintupled by Article 39(3) of Law 262/2005. Accordingly, here they are to be understood as having been increased respectively from twenty thousand euros to one hundred thousand euros and from three million euros to fifteen million euros.

of the personal situation of the guilty party or the magnitude of the product of the offence or the profit therefrom, they appear inadequate even if the maximum is applied.

6. For the cases referred to in this article, attempted violations shall be treated as completed violations.

*Article 187-ter³⁶⁶
Market manipulation*

1. Without prejudice to the penal sanctions applicable when the action constitutes a criminal offence, a pecuniary administrative sanction of between twenty thousand euros and five million euros³⁶⁷ shall be imposed on any person who, through the media, including the Internet, or by any other means, disseminates information, rumours or false or misleading news that give or are likely to give false or misleading signals as to financial instruments.

2. In respect of journalists when they act in their professional capacity the dissemination of information is to be assessed taking into account the rules of conduct governing their profession, unless they derive, directly or indirectly, an advantage or profits from the dissemination of the information in question.

3. Without prejudice to the penal sanctions applicable when the action constitutes a criminal offence, the pecuniary administrative sanction referred to in paragraph 1 shall be imposed on any person who:

- a) carries out buy or sell transactions or places orders to buy or sell which give, or are likely to give, false or misleading signals as to the supply of, demand for or price of financial instruments;
- b) carries out buy or sell transactions or places orders to buy or sell which secure, by a person or persons acting in collaboration, the price of one or several financial instruments at an abnormal or artificial level;
- c) carries out buy or sell transactions or places orders to buy or sell which employ fictitious devices or any other form of deception or contrivance;
- d) employs other fictitious devices likely to give false or misleading signals as to the supply of, demand for or price of financial instruments.

4. For offences referred to in paragraphs 3a) and 3b), administrative sanctions may not be imposed on persons who demonstrate that they acted for legitimate reasons and in accordance with accepted market practices on the market concerned.

5. Pecuniary administrative sanctions referred to in the preceding paragraphs shall be increased up to three times or up to the larger amount of ten times the product of the offence or the profit therefrom when, in view of the personal situation of the guilty party, the magnitude of the product of the offence or the profit therefrom or the effects produced on the market, they appear inadequate even if the maximum amount is applied.

6. The Ministry for the Economy and Finance, after consulting Consob or acting on a proposal therefrom, shall specify, in a regulation conforming with the implementing measures of Directive 2003/6/EC adopted by the Commission using the procedure referred to in Article 17(2) of the same directive, the cases, possibly in addition to those referred to in the preceding paragraphs, relevant for purposes of applying this article.

7. Consob shall make known, in measures it adopts, the elements and circumstances to be taken into consideration in assessing behaviour likely to constitute market manipulation according to Directive 2003/6/EC and the implementing measures thereof.

*Article 187-quater
Accessory administrative sanctions*

1. Application of pecuniary administrative sanctions referred to in this chapter shall imply the temporary non-fulfilment of the integrity requirements for corporate officers and shareholders of authorized intermediaries, market management companies, auditors and financial salesmen and, for corporate officers of listed

³⁶⁶ See footnote to Title I-bis.

³⁶⁷ The amounts of pecuniary administrative sanctions were quintupled by Article 39(3) of Law 262/2005. Accordingly, here they are to be understood as having been increased respectively from twenty thousand euros to one hundred thousand euros and from five million euros to twenty-five million euros.

companies, temporary disqualification from taking up administrative, management or supervisory positions in listed companies or companies belonging to the same group as listed companies.

2. Accessory administrative sanctions referred to in paragraph 1 shall have a duration of not less than two months and not more than three years.

3. In the measure imposing pecuniary administrative sanctions referred to in this chapter, Consob, taking into account the seriousness of the violation and the degree of fault, may order authorized intermediaries, market management companies, listed issuers and auditing firms not to use the offender in the exercise of their activities for a period of not more than three years and ask the competent professional associations to suspend the registrant from practice of the profession.³⁶⁸

Article 187-quinquies *Liability of the entity*

1. Entities shall be liable for payment of a sum equal to the amount of the administrative sanction imposed for offences referred to in this chapter committed in their interest or to their advantage:

a) by persons performing representative, administrative or management functions in the entity or one of its organizational units having financial and functional autonomy and by persons who, *de facto* or otherwise, manage and control the entity.

b) persons subject to the direction or supervision of a person referred to in subparagraph a).

2. If, following the perpetration of offences referred to in paragraph 1, the product thereof or the profit therefrom accruing to the entity is very large, the sanction shall be increased up to ten times such product or profit.

3. Entities shall not be liable if they demonstrate that the persons specified in paragraph 1 acted exclusively in their own interest or in the interest of third parties.

4. Articles 6, 7, 8 and 12 of Legislative Decree 231/2001 shall apply, insofar as they are compatible, to offences referred to in paragraph 1. The Ministry of Justice, after consulting Consob, shall formulate the observations referred to in Article 6 of Legislative Decree 231/2001 with regard to offences referred to in this chapter.³⁶⁹

Article 187-sexies *Confiscation*

1. The imposition of pecuniary administrative sanctions referred to in this chapter shall always entail the confiscation of the product of the offence or the profit therefrom and the property used to commit it.

2. If it is not possible to execute the confiscation pursuant to paragraph 1, a sum of money or property of equivalent value may be confiscated.

3. In no case may property not belonging to one of the persons on whom the pecuniary administrative sanction was imposed be confiscated.³⁷⁰

Article 187-septies *Sanction procedures*

1. Administrative sanctions referred to in this chapter shall be imposed by Consob, with a measure stating the grounds for the decision, after notifying the charges to the interested parties and evaluating the submissions they present within thirty days. Within the same time limit interested parties may also request to be heard in person.

³⁶⁸ See footnote to Title I-*bis*.

³⁶⁹ See footnote to Title I-*bis*.

³⁷⁰ See footnote to Title I-*bis*.

2. The proceedings shall afford all parties the opportunity to state their case and have access to the investigation file. Transcripts shall be taken of the proceedings. Investigatory and adjudicatory functions shall be separate.
3. The measure imposing sanctions shall be published in abridged form in Consob's Bulletin. Taking into account the nature of the violation and the interests involved, Consob may establish further methods of publicizing the measure, charging the related expenses to the offender. Consob, acting on its own initiative or at the request of the interested parties, may postpone or exclude publication of all or part of the measure when this is likely to cause serious harm to the integrity of the market or cause disproportionate injury to the parties involved.
4. Measures imposing sanctions referred to in this chapter may be appealed within sixty days of the notification thereof to the court of appeal of the place of the appellant's registered office or residence. If the appellant's registered office or residence is not in Italy, the court of appeal of the place where the violation was committed shall have jurisdiction. Where these criteria are not applicable, the Rome Court of Appeal shall have jurisdiction. Appeals must be served on Consob and filed with the clerk of the court of appeal within thirty days of service.
5. An appeal shall not stay enforcement of the measure. Where serious grounds exist, the court of appeal may grant a stay of execution with a ruling stating the grounds for the decision.
6. Appeal proceedings shall be in the forms provided by Article 23 of Law 689/1981 insofar as they are compatible.
7. A copy of the court's ruling shall be sent by the clerk of the court of appeal to Consob for publication in abridged form in its Bulletin.
8. Article 16 of Law 689/1981 shall not apply to pecuniary administrative sanctions referred to in this chapter.³⁷¹

Chapter IV **Consob's powers**

Article 187-octies *(Consob's powers)*

1. Consob shall oversee compliance with the provisions of this title as well as all other provisions issued in implementing Directive 2003/6/EC.
2. Consob shall investigate violations of the provisions of this title, utilizing the powers granted to it by this decree.
3. Consob may in relation to any person who could be acquainted with the facts:
 - a) require information, data or documents in any form whatsoever, establishing the time limits for receipt thereof;
 - b) require existing telephone records, establishing the time limits for receipt thereof;
 - c) conduct personal hearings;
 - d) seize property that may be confiscated under Article 187-sexies;
 - e) carry out inspections;
 - f) conduct searches in the manner provided for in Article 33 of Presidential Decree 600/1973 and Article 52 of Presidential Decree 633/1972.
4. Consob may further:
 - a) avail itself of the cooperation of governmental bodies, requiring that it be provided with data and information – notwithstanding where relevant the restrictions laid down in Article 25(1), of Legislative

³⁷¹ See footnote to Title I-bis.

Decree 196/2003 – and access the information system of the tax records database in the manner provided for in Articles 2 and 3(1) of Legislative Decree 212/1991;

b) require the provider to furnish it with the traffic records referred to in Legislative Decree 196/2003;

c) require the communication of personal data, notwithstanding where relevant the restrictions laid down in Article 25(1) of Legislative Decree 196/2003;

d) avail, where necessary, of the information contained in the register of accounts and deposits referred to in Article 20(4) of Law 413/1991 in accordance with the procedures set forth in Article 3(4)(b) of Decree Law no. 143 of 3 May 1991 ratified with amendments by Law 197/1991 as well as gain access, directly or otherwise, to the information contained in the register referred to in Article 13 of Decree Law 625/1979 ratified with amendments by Law 15/1980;

e) gain direct access, through a dedicated electronic connection, to the data contained in the Bank of Italy's Central Credit Register referred to in the resolution of the Interministerial Committee for Credit and Savings of 29 March 1994, published in *Gazzetta Ufficiale* no. 91 of 20 April 1994.

5. The powers under paragraphs 3(d), 3(f) and 4(b) shall be exercised subject to authorization by the Chief Public Prosecutor's Office. Such authorization is also necessary for the exercise of the powers under paragraphs 3(b), 3(c), and 4(c) against persons other than authorized intermediaries, the persons specified in Articles 114(1), 114(2) and 114(8) and other persons subject to supervision pursuant to this decree.

6. Where there are grounds for suspecting that the provisions of this title are being violated, Consob may as a precautionary measure direct that the relevant conduct cease.

7. The provisions hereof are without prejudice to the application of Articles 199, 200, 201, 202 and 203 of the Criminal Procedure Code insofar as they are compatible.

8. In the cases provided for in paragraphs 3(c), 3(d), 3(e), 3(f) and 12, a procès-verbaux shall be drawn up noting the data and information obtained or the findings of fact made, the seizures carried out and the statements given by the interested persons, who shall be requested to sign the procès-verbaux and shall be entitled to a copy thereof.

9. In the event of a seizure under paragraph 3(d), the interested persons may file opposition with Consob.

10. The decision on the opposition shall be adopted with a measure stating the grounds therefor issued within 30 days from the date of filing of the opposition proceedings in question.

11. The seized property shall be returned to those so entitled when:

a) the person who committed the violation dies;

b) it is proved that those so entitled are third parties extraneous to the offence;

c) the notice of the charges is not served within the time limit laid down by Article 14 of Law 689/1981;

d) the pecuniary administrative sanction has not been imposed within the time limit of two years from the finding of the violation.

12. In the exercise of its powers under paragraphs 2, 3 and 4, Consob may avail itself of the cooperation of the Finance Police which shall carry out the requested inquiries relying on the investigatory powers that they enjoy in connection with the assessment of VAT and income taxes.

13. All of the information and data obtained by the Finance Police further to action taken under paragraph 12 shall be covered by professional secrecy and be communicated without delay exclusively to Consob.

14. Consob's measures imposing pecuniary sanctions shall be enforceable. Failing payment within the time limit fixed therefor, Consob shall levy execution of the sum due in accordance with the rules governing the collection of sums owing to the State, local authorities, governmental bodies and social security bodies.

15. When the offender pursues a profession, the measure imposing the sanction shall be transmitted to the competent professional association.³⁷²

Article 187-nonies
(Suspicious transactions)

1. Authorized intermediaries, stockbrokers entered in the single national roll and market management companies must notify Consob without delay of transactions that, on reasonable grounds, appear to involve a violation of the provisions of this title. Consob shall lay down in a regulation the categories of persons subject to this obligation, the elements and circumstances to be taken into consideration in assessing behaviour likely to constitute a suspicious transaction, and the procedures and time limits for such notifications.³⁷³

Chapter V
Relationship between proceedings

Article 187-decies
(Relations with the judicial authorities)

1. Upon receiving notice of the commission of a crime under Chapter II, the public prosecutor shall without delay inform the Chairman of Consob thereof.

2. The Chairman of Consob shall forward the public prosecutor the documentation gathered during its own inquiries accompanied by a reasoned report in cases where there are grounds for suspecting that a crime may have been committed. The documents shall be forwarded to the public prosecutor at the very latest within the time limit for investigating violations of Chapter III of this title.

3. Consob and the judicial authorities shall cooperate with each other, including through the exchange of information, in order to facilitate the investigation of violations of this title, including in cases where such do not constitute crimes. To this end Consob may utilize the documents, data and information obtained by the Finance Police in the manner and form established in the first paragraph of Article 63 of Presidential Decree 633/1972 and the third paragraph of Article 33 of Presidential Decree 600/1973.³⁷⁴

Article 187-undecies
(Consob's powers in criminal proceedings)

1. In proceedings for crimes under Articles 184 and 185, Consob may exercise the rights and powers granted by the Criminal Procedure Code to the bodies and associations representing the interests injured by the crime.

2. Consob may also intervene as a civil claimant and request, by way of compensation for the loss occasioned to the integrity of the market by the crime, damages in an amount to be assessed by the court, including equitably, taking account of the seriousness of the crime, the personal situation of the guilty party or the amount of the proceeds of the crime or the profit therefrom.³⁷⁵

Article 187-duodecies
(Relationship between criminal proceedings and administrative and appeal proceedings)

1. The administrative and appeal proceedings referred to in Article 187-septies may not be suspended on the grounds that criminal proceedings are pending covering the same facts or facts on which the definition of the case depends.³⁷⁶

³⁷² See footnote to Title I-bis.

³⁷³ See footnote to Title I-bis.

³⁷⁴ See footnote to Title I-bis.

³⁷⁵ See footnote to Title I-bis.

³⁷⁶ See footnote to Title I-bis.

Article 187-terdecies
(Collection of fines and pecuniary sanctions in criminal proceedings)

1. When a pecuniary administrative sanction pursuant to Article 195³⁷⁷ has been imposed on the offender or the entity for the same facts, the collection of the pecuniary penalty and the pecuniary administrative sanction deriving from the crime shall be limited to the portion thereof exceeding what the administrative authority has collected.³⁷⁸

Article 187-quaterdecies
(Consultation procedures)

1. Within 12 months of the date of entry into force of this paragraph Consob shall lay down in a regulation the methods and time limits for the consultation procedures to be engaged in – through the setting up of a committee with members representing consumers, providers of financial service and other supervised persons – when regulatory changes are being made in the field of market abuse and in the other areas falling within Consob's institutional remit.³⁷⁹

TITLE II
ADMINISTRATIVE SANCTIONS

Article 187-quinquiesdecies
(Safeguarding of Consob's supervisory functions)

1. Apart from the cases provided for in Article 2638 of the Civil Code, any person who fails to comply with a request from Consob within the prescribed time limits or delays the performance of Consob's functions shall be punished by a pecuniary administrative sanction of between ten thousand euros and two hundred thousand euros.³⁸⁰

Article 188
Unauthorized use of names

1. The use in the name or in any logo or communication addressed to the public of the words *SIM* or *società di intermediazione mobiliare* or *impresa di investimento*, *SGR* or *società di gestione di risparmio*, *SICAV* or *società di investimento a capitale variabile*, or other words or expressions in Italian or in a foreign language likely to deceive as to authorization to provide investment services or the service of collective portfolio management, shall be prohibited for persons other than, respectively, investment firms, Italian management companies and SICAVs. Any person who contravenes the prohibition of this article shall be punished by a pecuniary administrative sanction of between five hundred and sixteen euros and ten thousand three hundred and twenty-nine euros.³⁸¹

2. Article 16 of Law 689/1981 shall not apply to the pecuniary administrative sanction provided for in this article.

Article 189
Holdings of capital

1. Omission of notifications referred to in Articles 15(1), 15(3), 61(6) and 80(7) and of those required pursuant to Article 17 shall be punished by a pecuniary administrative sanction of between ten million lire and one hundred million lire.³⁸²

³⁷⁷ Read Article 187-septies.

³⁷⁸ See footnote to Title I-bis.

³⁷⁹ See footnote to Title I-bis.

³⁸⁰ Article added by Article 9 of Law 62/2005 (the 2004 Community Law). The amounts of pecuniary administrative sanctions were quintupled by Article 39(3) of Law 262/2005. Accordingly, here they are to be understood as having been increased respectively from ten thousand euros to fifty thousand euros and from two hundred thousand euros to one million euros.

³⁸¹ Paragraph as amended by Article 24 of Legislative Decree 274/2003. The amounts of pecuniary administrative sanctions were quintupled by Article 39(3) of Law 262/2005. Accordingly, here they are to be understood as having been increased respectively from five hundred and sixteen euros to two thousand five hundred and eighty euros and from ten thousand three hundred and twenty-nine euros to five hundred and one thousand six hundred and forty-five euros.

³⁸² The amounts of pecuniary administrative sanctions were quintupled by Article 39(3) of Law 262/2005. Accordingly, here they are to be understood as having been increased respectively from five thousand one hundred and sixty-five euros to twenty-five thousand eight