

The Digital Financial Instruments Law

Main changes to Law Decree No. 25/2023

On 15 May 2023, Law no. 52 of 10 May 2023, converting into law the Law Decree no. 25/2023 (**DFIL**) concerning the issuance and transfer of digital financial instruments, was published in the Italian Official Gazette and entered into force the day after (the **Converting Law**).

Following our **previous publication** on the most significant provisions set out in the DFIL, we have set out below a schematic note summarizing some of the main changes introduced by the Converting Law.

Definition

An ad hoc definition of companies “situated in Italy” has been introduced

Perimeter of application

The regime set out in the DFIL has been extended to (i) also cover debt instruments governed by Italian law where these are issued by non-Italian issuers and (ii) grant specific powers to CONSOB to include certain additional financial instruments

The CONSOB’s legislative powers

CONSOB has been delegated to enact secondary legislation whereby the Italian regulator may decide to extend the regime laid down by the DFIL to securitized derivatives and quotas of limited liability companies

Regime applicable to the Register and the Register Supervisor

In addition to the requirements already set forth in the DFIL, the Registers* are now required to implement arrangements to avoid the unauthorised loss or amendment of data or book-entries relating to tokenized financial instruments for the entire duration of the book-entry

* Under Article 4(1)(c-bis) of the DFIL, “Register” is defined as “a register within the meaning of Article 2, point 2, of the Regulation 2022/858 which is used to issue digital financial instruments in accordance with the provisions laid down by the DFIL.