

**INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)
TERMS OF USE OF CODE SERVICE**

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1. Introduction

The International Securities Identification Number (ISIN) is the internationally recognized code for identifying financial instruments in the markets and in transactions. It is based on the standards set by the International Organization for Standardization (ISO).

The ISIN does not in itself guarantee the validity of the certificates representing financial instruments, or the legitimacy of the financial transaction, or the issuer's financial ability to discharge its obligations with regard to the financial instrument.

The ISIN is assigned by national numbering agencies (NNAs), internationally recognized specialized agencies that are members of the Association of National Numbering Agencies (ANNA), the international body entrusted by ISO to implement and maintain the standard. In Italy the ISIN code service is managed by the Bank of Italy.

The Bank of Italy does not charge a fee for this service.

2. Eligible instruments

The Bank of Italy assigns ISINs to the following types of financial instruments:

- equity securities, rights and warrants issued by resident companies;
- units in collective investment undertakings indicating Italy as country of origin;
- debt instruments deposited in full upon issue with the Italian central securities depository for safekeeping and debt instruments issued by resident entities not deposited in full with any central depository;
- principal repayment obligations and periodic interest payments resulting from coupon stripping:
 - a) if the stripping operation is official, i.e. done by the issuer, and the underlying security was originally deposited in full upon issue with the Italian central securities depository, or was issued by a resident issuer if not deposited in full with any central depository;
 - b) if the stripping operation is unofficial, i.e. not done by the issuer, and the entity performing the operation is resident in Italy;
- options, futures and swaps generated by Italian regulated markets;
- structured products issued by resident entities;¹
- Indices and interest rates used in the financial sector calculated by Italian financial institutions;
- commodities traded on Italian regulated markets and dividends of Italian joint-stock companies when they constitute the underlying of a financial instrument;
- units, or rather combinations of different kinds of financial instruments jointly traded and issued by resident issuers.

¹ Structured instruments refer to the category of certificates that can be with capital protection, without capital protection, with participation, mini-future certificates/constant leverage certificates.

3. Applicants

The ISIN is assigned at the time of issue or when the financial instrument is traded.

The issuer or a financial intermediary involved in the placement applies for ISINs for financial instruments in the process of being issued.

The following entities may also request ISINs for financial instruments that have already been issued, for operational purposes:

- National numbering associations of other countries;
- Banks and financial intermediaries, investment firms, CIU management firms, open-ended investment firms (SICAV) and insurance companies;
- Companies that manage regulated markets;
- Companies that manage central depository, guarantee, clearing and settlement service systems for transactions involving financial instruments.

The company or institution requesting the code (the 'Applicant') is responsible for ensuring that the information submitted in its application is accurate and truthful and agrees to update and/or correct it in the event of error; it submits the documentation required for assignment of the code; it ensures, under its own responsibility, that the documentation submitted complies with the resolutions of the corporate governance bodies.

The ISIN is usually assigned and communicated to the Applicant within one business day of receipt of the fully completed and formally valid application.

If need be, the Bank of Italy may request supplementary information or additional documentation in the event the application is incomplete or where more detailed information is necessary in order to assign the code.

4. Procedure for assigning the code

The ISIN code service uses the Bank of Italy's INFOSTAT platform to manage the coding process online. After registering, users may access the platform through the Bank of Italy's website, in the ISIN Code Service section (see the 'Operating Manual' and the 'Instructions for composing messages' also published in that section of the website).²

The ISIN request is forwarded to the Bank of Italy using the 'ISIN application' message.³ If the application concerns debt instruments, certificates and covered warrants in the process of being issued, the ISIN is assigned in two phases:

Phase 1: the Applicant submits the 'ISIN application' message for debt instruments and investment certificates or the 'batch ISIN application' message for covered warrants and leverage certificates, both accompanied by documents relating to the issue approved by the corporate governance bodies. The data provided during this phase may still be

² These procedures guide the user in entering the data to be transmitted, checking the consistency of the information to be sent, forwarding data and documents, and consulting the result and status of notices transmitted. More details on the functionality of the application and on the procedures for composing messages are available in the 'Operating Manual' and the 'Instructions for composing messages,' respectively.

³ For units of collective investment undertakings, the ISIN application must be filed using the supervisory-related communications between the investment management firm and the Bank of Italy by means of the G.I.A.V.A. (*Gestione Integrata Albi di Vigilanza e Anagrafi*) web application.

modified, for example, in response to changing market conditions. For this reason the ISIN is provided to the Applicant for use in preparing the issue only and should be deemed provisional. Furthermore, it is not referred to in the 'Publication of Information' procedure referred to in Section 6.

Phase 2: by the end of the business day following that on which the prospectus is filed with the competent authority or, in cases where no filing is required, by the date of settlement or issuance, the Applicant transmits the 'Communication of final data' message (for debt instruments and investment certificates) and the 'Communication of final batch data' message (for covered warrants and leverage certificates), setting out the final characteristics of the issues previously communicated, along with the issue documents. Following this communication, the ISIN is integrated in the 'Publication of Information' procedure.

The application for a code for existing debt instruments must instead be made by using the 'Request ISIN with final data' message.

For options, futures and swaps generated by Italian regulated markets, given the features of these types of securities, the application is made via procedures agreed with the companies that manage the markets. For indices, interest rates and commodities, the ISIN application is made through certified email (res@pec.bancaditalia.it) or by post to Via Nazionale, 91 - 00184 ROME, accompanied by the supporting documentation. The application for units in collective investment undertakings is transmitted using the 'Generic communication' message.

During the life cycle of the financial instrument, the Applicant shall promptly communicate any changes in its features or if it is extinguished before its scheduled maturity date. Specifically:

- corrections or changes in the features of the previously coded financial instrument are reported using the 'Notice of updates' message;
- changes in the instrument's features as a result of corporate developments involving the issuer (e.g. mergers) are reported using the 'Generic communication' message, in text format;
- for debt instruments, confirmation of completion of the placement is sent via the 'Notice of placement' message;⁴
- in the case of early repayment of subscribed capital, the completed transaction is promptly reported through the 'Notice of repayment' message in order to register the ISIN as no longer active.⁵

5. CFI code

Upon assignment of the ISIN, the Bank of Italy also allocates the Classification of Financial Instruments (CFI) code, i.e. the international classification code based on ISO standard 10962:2015 that briefly describes the main features of a financial instrument as defined at the time of issue. It does not usually change over the lifespan of the financial instrument.

⁴ Resident banks communicate this information as indicated in Circulars no. 154 of 21 November 1991 and no. 272 of 30 July 2008.

⁵ *ibid.*

There are, however, certain circumstances (e.g. changes in share voting rights or in the characteristics of a common investment fund) in which a financial instrument could receive a new CFI, even though its ISIN remains the same.

For more information on the characteristics of the CFI code, please refer to ISO website (www.iso.org).

6. Publication of information

The Bank of Italy publishes information on ISIN and CFI codes that have been assigned on its website. It also sends this information to the ANNA Service Bureau (ASB), which gathers information from all the code service agencies on behalf of ANNA.

These 'Terms of use of the code service' replace any previously published terms.

DISCLAIMER : This is an unofficial translation and provided for reference only.

GLOSSARY

International Securities Identification Number (ISIN) : a code for identifying a security with a two-letter prefix indicating the country of issue of the code, a nine-character alphanumeric identifier and a single check digit.

Classification of Financial Instruments (CFI) Code : a six-character alphanumeric code for classifying structured financial instruments. Each letter represents a specific characteristic of the security based on its position in the code: the first two characters indicate the overall category of the financial instrument and are organized hierarchically based on six macro-categories (first character) and specific sub-groups within each category (second character); the remaining four characters describe the primary features of the type of financial instrument indicated by the first two characters.

Settlement date: the first date on which the financial instrument is traded on the primary market.

Rights: the financial instruments assigned to holders of existing securities allowing them to subscribe new securities.

Issue documents: for financial instruments subject to Directive 2003/71/EC, the prospectus and final terms; for other instruments placed or offered in Italy, the terms of issue; for the remaining instruments, equivalent documents (e.g. offering circular, term sheet, etc.).

Units in collective investment undertakings (UCIUs): the units in collective investment funds and shares of SICAVs.

Stripping: an operation whereby the periodic interest payments are separated from the underlying principal repayment obligation of the security.

Debt instruments: financial instruments that represent a debt of the issuer towards the holder under predetermined conditions; these include instruments for which repayment is not guaranteed, as well as certificates of deposit, if issued in 'batch' form.

Financial instruments: all the instruments referred to in Article 1, paragraph 2 of Legislative Decree 58 of 24 February 1998, as amended (Consolidated Law on Finance).

Negotiable financial instrument: financial instruments, the ownership of which may be transferred from one party to another via delivery or endorsement.

Equity securities: shares in joint-stock or cooperative companies and other securities representing the equity of such companies.

Warrants: financial instruments that allow the holder to purchase a specific quantity of financial instruments, commodities, currency or other assets, at a specific price for a specific period of time.