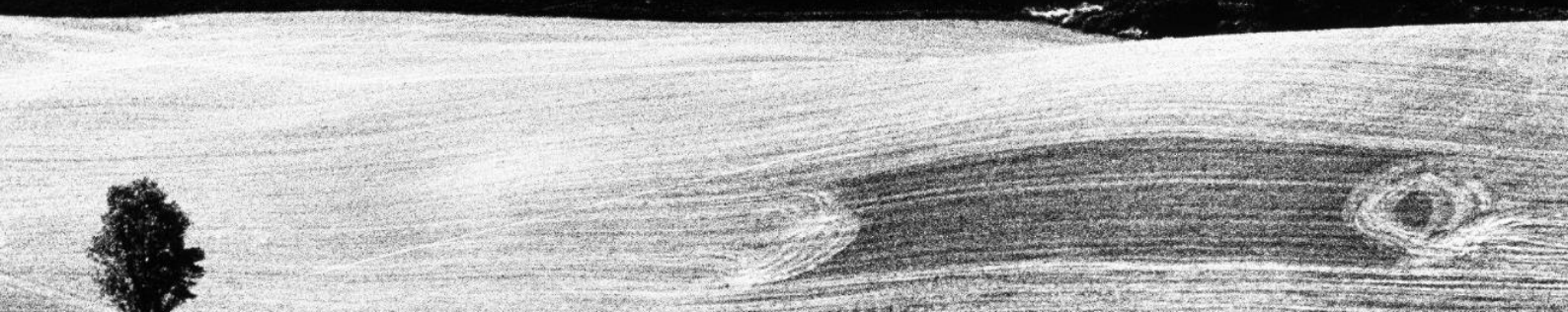


Newsletter

Finance

Publication of the Register for non-possessory pledges



The Italian Decree-Law No. 59/2016 has finally introduced a common framework for the creation of non-possessory pledges in the Italian legal system. Such provision intends to facilitate access to credit to individuals in need of financing who are not willing to let go on their encumbered assets. Essentially, such instrument enables borrowers to use their movable assets as collateral while retaining their possession. This is particularly beneficial for entrepreneurs who require the pledged assets to operate their businesses.

Under such law, a non-possessory pledge can only be established if the secured credit is directly linked to the borrower's business activity. Therefore, only entrepreneurs registered in the competent companies' register can benefit from this type of security. The exhaustive list of eligible assets for non-possessory pledges has been made available by the Italian revenue authority (*Agenzia delle entrate*); in addition to the list, the regulation allows for the pledged assets to be already existing or future, identified or identifiable (including through references to merchandise categories or to an overall value).

In order to ensure the enforceability of a non-possessory pledge, the relevant deed must be registered in a specific e-register managed by the Italian revenue authority (*Agenzia delle entrate*). Starting from June 15, 2023, eligible applicants can submit registration applications of non-possessory pledges through such platform, which is accessible to everyone upon payment of the required fees, through each individual's private section of the *Agenzia delle entrate*'s website (<https://www.agenziaentrate.gov.it/portale/web/guest/pegno-mobiliare-non-possessorio/infogen-pegno-mobiliare-non-possessorio-cittadini>).

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To request registration of such security, each applicant must digitally sign and upload their respective application, which must include details of the pledgor, of the secured creditor and of the pledged asset(s). Additionally, the relevant deed of pledge must be uploaded, as title for the creation of the pledge.

After more than two years since the issuance of the Regulation on the register of non-possessory pledges, the relevant legal framework and operational procedures can now be considered complete, and market operators will finally be able to fully benefit from this innovative type of security.

For any further clarification please do not hesitate to contact your contact point in Chiomenti