

TABLE OF CONTENTS

	<i>page</i>
Authors	XVII
Preface, <i>by Maurizio Irrera</i>	XIX
Preface to the English edition, <i>by Maurizio Irrera</i>	XXI
Presentation, <i>by Oreste Cagnasso</i>	XXIII

Introduction Commercial law, between heavenly bodies and startrails, *by Maurizio Irrera*

1. Foreword, *1.* – 2. The trajectory of financial intermediation in the exchange of goods and services, from the dawn of commercial law to the present day, *1.* – 3. The evolutionary arc of the sources of commercial law. The paradigm of the regulation of financial statements, *3.* – 4. Productive activity and profit motive in the context of commercial law, *4.* – 5. Contractualism and institutionalism: the contrast between old and new, *5.* – 6. The public company and its transformations over time, *7.* – 7. The transition from regulated markets to investment funds: new trends in company law, *8.* – 8. Limited liability, from privilege to indispensable requirement of limited companies, *9.* – 9. Limiting and organisational functions of share capital, *10.* – 10. From the principle of ‘one share, one vote’ to multiple voting shares and loyalty shares, *11.* – 11. Having multiple shareholders is no longer an essential requirement for company incorporation, *12.* – 12. The transfer of company sovereignty from the shareholders’ meeting to the management body, *13.* – 13. Profiles of interdisciplinarity in commercial law, *14.*

PART ONE – THE ENTREPRENEUR

Chapter 1. The entrepreneur, *by Giulia Garesio*

1. Foreword, *19.* – 2. The definition of entrepreneur: between law and economics, *20.* – 2.1. Productive activity, *21.* – 2.2. The requirement of economic efficiency, *22.* – 2.3. The requirement of organisation, *23.* – 2.4. The requirement of professionalism, *26.* – 3. Entrepreneurs and intellectual professionals, *26.*

Chapter. 2. Categories of entrepreneurs, *by Giulia Garesio*

1. Foreword, 28. – 2. Distinction according to the activity, 29. – 2.1. The agricultural entrepreneur, 29. – 2.2. The commercial entrepreneur, 31. – 3. Distinction according to the organisation and size of the enterprise, 32. – 3.1. The small entrepreneur as defined by the Civil Code, 32. – 3.2. Application of the Crisis and Insolvency Code to the small business, 35. – 3.3. European categories and their introduction into the Italian legal system, 36. – 4. Distinction according to the owner of the enterprise, 38. – 4.1. The public enterprise, 39. – 4.2. The corporate enterprise: focus on innovative enterprises, 40. – 4.3. Third Sector enterprises, 41.

Chapter 3. Acquiring the status of entrepreneur, *by Irene Pollastro*

1. Attribution of business activity, 44. – 1.1. Covert partner and underlying business, 45. – 1.2. Incapacity and incompatibility, 46. – 2. The beginning and end of the business, 47. – 2.1. Special rules in the case of insolvency proceedings, 47.

Chapter 4. The statue of the commercial (and non-commercial) entrepreneur, *by Bianca Maria Scarabelli*

1. The statue of the commercial (and non-commercial) entrepreneur, 49. – 2. Registration in the Italian Companies Register: foreword, 50. – 2.1. The Italian Companies Register, 50. – 2.2. Commercial publication, 52. – 3. Accounting records, 53. – 4. Commercial representation and the entrepreneur's auxiliary personnel, 55.

Chapter 5. The business undertaking, *by Maria Di Sarli*

1. The business undertaking: definition and relationship with the enterprise, 59. – 2. Rules governing the transfer of a business undertaking. Application requirements, 60. – 3. Form and publication of the deed, 61. – 4. The non-competition clause, 62. – 5. Succession in contracts, 64. – 6. Receivables and debts, 65. – 7. Usufruct and business lease, 67.

Chapter 6. Distinctive marks: company name, trademark, sign, *by Giuseppe Antonio Policaro*

1. Industrial property and distinctive marks, 69. – 2. The company name, 70. – 3. The trademark and its economic value, 71. – 4. The sign, 78.

Chapter 7. Original works, *by Giuseppe Antonio Policaro*

1. Intellectual creations, 79. – 2. Copyright, 80. – 3. Transfer of the right of economic exploitation, 82. – 4. Industrial inventions, 83. – 4.1. The patented invention and its economic significance, 83. – 4.2. Subject matter of the patent and validity requirements, 84. – 4.3. The unpatented invention, 87. – 5. Utility models, 89. – 6. Designs, 89.

Chapter 8. Competition regulations, *by Giuseppe Antonio Policaro*

1. Perfect competition and monopoly, 90. – 2. Antitrust legislation – Italian and EU regula-

tions, 91. – 3. Individual cases and limitations, 92. – 4. Freedom of competition and unfair competition, 95.

Chapter 9. Consortia and other forms of cooperation between enterprises, *by Giuseppe Antonio Policaro*

1. Concept, 98. – 2. Types of consortia, 100. – 3. Consortia with external activities and consortium companies, 101. – 4. EEIG, temporary joint ventures, network contracts, 103.

PART TWO – THE CORPORATE ENTERPRISE

SECTION I – GENERAL PROFILES

Chapter 10. The concept of the company and the classification of company types, *by Elena Fregonara*

1. Companies and company law, 109. – 2. The company contract, 110. – 2.1. Contributions, 111. – 2.2. Economic activity, 112. – 2.3. Profit-making purpose, 113. – 3. Company and common ownership, 114. – 4. Types of companies, 115. – 4.1. Criteria for classifying types of companies, 117. – 4.2. Legal personality and financial autonomy, 118. – 5. The economic reasons for operators' choices, 119.

SECTION II – PARTNERSHIPS

Chapter 11. The simple partnership. The general partnership, *by Elena Fregonara*

1. Legal framework and economic rationale, 121. – 2. Incorporation. Specificities of a simple partnership, 124. – 2.1. Rules of form and content in the formation of a general partnership, 125. – 2.2. Non-registration: irregular, concealed and apparent companies, 127. – 2.3. Invalidity of the agreement, 128. – 3. Relationships between members: contributions, 129. – 3.1. Share capital and company assets, 130. – 3.2. Profit and loss sharing, 131. – 3.3. Reporting system, 132. – 4. Relationships with third parties: liability for company debts, 133. – 4.1. Liability of members towards particular creditors, 134. – 5. Management: system and models, 135. – 5.1. Disjunctive management and the right of veto, 136. – 5.2. Joint management and urgent acts, 138. – 5.3. Conventional models of management, 139. – 5.4. Appointment, removal and requirements of directors, 139. – 5.5. Rights, obligations and responsibilities of directors, 141. – 5.6. Representation, 141. – 5.7. Non-competition clause, 142. – 5.8. Control over the management, 143. – 6. Systems for expressing corporate will, 143. – 7. Dissolution of the relationship between the partnership and the partner, 144. – 7.1. Death of a partner, 145. – 7.2. Withdrawal of a partner, 146. – 7.3. Exclusion of a partner, 148. – 7.4. Liability of the departing partner and liquidation of their participation, 150. – 8. Winding up of the partnership, 152.

Chapter 12. The limited partnership, *by Elena Fregonara*

1. Characteristics of the type, 155. – 2. Incorporation, 156. – 3. Administration, 156. – 4. Prohibition on interfering in management, right to control management of the limited partners and right to profits, 156. – 5. Transfer of shares, 158. – 6. Dissolution, 158. – 7. Irregular limited partnerships, 159.

SECTION III – CORPORATIONS. THE JOINT-STOCK COMPANY

Chapter 13. The joint-stock company, *by Irene Pollastro*

1. The joint-stock company: general features, 161. – 1.1. Regulation profiles, 162. – 2. The joint-stock company from the perspective of an economic analysis of law, 163.

Chapter 14. Incorporation, *by Irene Pollastro*

1. Incorporation of the company: introduction, 167. – 1.1. Methods of incorporation, 167. – 1.2. Conclusion of the agreement, 168. – 1.2.1. Contents of the instrument of incorporation and of the articles of association, 168. – 1.2.2. The other conditions for incorporation, 170. – 1.3. Subsequent formalities, 171. – 1.4. Single-member company, 172. – 2. Invalidity of the company, 173. – 3. Shareholders' agreements, 174. – 4. Assets intended for a specific business activity, 175.

Chapter 15. Contributions, *by Irene Pollastro*

1. Capital and assets of the joint-stock company, 177. – 2. Capital formation, 178. – 2.1. Contributions in cash, 178. – 2.1.1. What happens when a shareholder defaults, 179. – 2.2. Contributions in kind, 180. – 2.2.1. Exemptions from the appraisal procedure, 181. – 2.2.2. Rules on risky acquisitions, 182. – 3. Shares with ancillary services, 182.

Chapter 16. Shares, *by Irene Pollastro*

1. Shares: general characteristics, 184. – 1.1. Company rights, 187. – 1.1.1. Financial rights, 188. – 1.1.2. Administrative rights, 188. – 1.2. Special classes of shares, 189. – 1.2.1. Special financial rights, 191. – 1.2.2. Special administrative rights, 191. – 1.3. Minority rights, 193. – 1.4. Constraints on shares, 194. – 2. Shares and participating financial instruments, 194. – 3. Circulation of shares, 195. – 3.1. Circulation restrictions, 196. – 4. Company transactions on its own shares, 198.

Chapter 17. Significant shareholdings, *by Alessandro Monteverde*

1. Foreword, 201. – 2. Freedom of subscription and acquisition, 202. – 3. Limits to subscription and acquisition, 202. – 4. Duty to inform, 204. – 5. Regulations on takeover bids and public exchange share offers (outline), 205. – 6. Control, affiliation, unified management, group, 207. – 7. Group regulations, 209. – 7.1. Transparency, 210. – 7.2. Liability, 211. – 7.3. Financing, 213. – 7.4. Right of withdrawal, 213.

Chapter 18. The shareholders' meeting, *by Maurizio Irrera and Bianca Maria Scarabelli*

1. Shareholders' meeting and alternative systems of management and control, 215. – 1.1. Definition and the powers of shareholders' meeting in companies adopting the traditional or the one-tier system, 216. – 1.2. Delegation of functions to the management body, 217. – 2. Special meetings, 217. – 3. Shareholders' meeting procedure, 218. – 3.1. Summoning a meeting, 218. – 3.2. General meeting and postponement of the meeting, 220. – 3.3. Chair and secretary, 220. – 3.4. Quorum for meeting constitution and quorum for resolutions, 221. – 3.5. Attendance of a shareholders' meeting: right to participate, 222. – 3.6. Setting out and discussing the agenda items, 224. – 3.7. Voting in the shareholders' meeting, 225. – 3.8. Minutes of the meeting, 226. – 4. Invalid shareholders' meeting resolutions, 227. – 4.1. Voidability, 227. – 4.2. Nullity, 228. – 4.3. Compensation for damages, 230.

Chapter 19. Administration, *by Maurizio Irrera and Bianca Maria Scarabelli*

1. Role of directors and the administration and supervision systems, 231. – 2. Appointment, 233. – 3. Requirements, 234. – 4. Termination, 235. – 5. Replacement, 236. – 6. Remuneration, 237. – 7. Structure of the administrative body, 238. – 7.1. Board of directors and principle of collegiate responsibility, 238. – 7.2. Delegated bodies, 238. – 8. Meetings of the board of directors, 240. – 9. Directors' duties, 242. – 10. Representation, 244. – 11. Liability, 245. – 11.1. General rules, 245. – 11.2. Liability vis-à-vis the company, 246. – 11.3. Liability vis-à-vis creditors., 248. – 11.4. Liability vis-à-vis any directly harmed shareholders and third parties, 249. – 11.5. The *de facto* director, 249. – 12. General Manager, 249.

Chapter 20. Supervisory bodies: board of statutory auditors and statutory audit, *by Luciano Quattrocchio*

1. Board of statutory auditors, 250. – 1.1. Composition, 251. – 1.2. Causes of ineligibility or disqualification, 252. – 1.3. Appointment and termination, 252. – 1.4. Duties of the board of auditors, 253. – 1.4.1. Supervision of compliance with the law and the articles of association, 254. – 1.4.2. Supervision of compliance with the principles of proper management, 254. – 1.4.3. Supervision of the adequacy of the organisational, administrative and accounting structure and its actual functioning, 255. – 1.4.4. Rules of conduct of the board of auditors of unlisted companies, 257. – 1.4.5. Rules of conduct of the board of auditors of listed companies, 257. – 1.4.6. Report to the shareholders' meeting, 258. – 1.4.7. Accounting supervision, 258. – 1.4.8. Single report, 258. – 1.5. Powers of the board of auditors, 259. – 1.5.1. Reporting of reprehensible actions, 260. – 1.5.2. Reporting of serious irregularities, 260. – 1.6. Meetings and resolutions, 261. – 1.7. Liability of the auditors, 261. – 2. Statutory audit, 262. – 2.1. Functions of the statutory audit, 263. – 2.2. Appointment and removal, 263. – 2.3. Audit activities, 264. – 2.4. Report on the financial statements, 265. – 2.5. Auditing Standards, 266. – 2.6. Code of professional ethics, 266. – 2.7. Liability of statutory auditors, 267.

Chapter 21. Alternative systems, *by Bianca Maria Scarabelli*

1. Private autonomy in the choice of the management and control system, 268. – 2. The two-tier system, 270. – 2.1. The management board, 271. – 2.2. The supervisory board, 272. – 3. The one-tier system, 275. – 3.1. The board of directors, 275. – 3.2. The management control committee, 276.

Chapter 22. External oversight, *by Marco Sergio Catalano*

1. Reporting of serious irregularities to the court. General profiles, 278. – 1.1. Requirements and entitlement, 278. – 1.2. Procedure, 280. – 1.3. Insolvency practitioner, 282. – 2. Reporting of serious wrongdoings in listed companies. Overview, 283.

Chapter 23. The financial statements, *by Luciano Quattrocchio*

1. The annual financial statements, 284. – 1.1. Content and principles, 285. – 1.1.1. Statutory provisions, 285. – 1.1.2. National accounting standards, 285. – 1.1.3. International accounting standards, 287. – 1.1.4. General principles, 288. – 1.1.5. Principles for preparing the statements, 288. – 1.1.6. Valuation criteria and preparation standards, 289. – 1.1.6.1. Provisions relating to individual balance sheet items and valuation criteria, 289. – 1.1.6.2. Recording of revenues, income, expenses and charges, 292. – 1.1.6.3. Provisions relating to the cash flow statement, 293. – 1.1.6.4. Content of the explanatory notes, 293. – 1.2. Procedure for drafting and approval of the financial statements, 293. – 1.3. Reserves, 295. – 1.3.1. Legal reserve, 295. – 1.3.2. Share premium account, 295. – 1.4. Distribution of profits to shareholders, 295. – 1.5. Invalidity of resolutions approving the financial statements, 296. – 1.6. Abridged financial statements, 296. – 1.7. Financial statements of micro-enterprises, 297. – 2. Consolidated financial statements, 297. – 2.1. Composition and conditions, 297. – 2.2. Exemptions from the preparation obligation, 298. – 2.2.1. Small groups, 298. – 2.2.2. Sub-groups or sub-holdings, 299. – 2.2.3. Groups with insignificant controlling interests, 299. – 2.2.4. Control of companies that may be optionally excluded from full consolidation, 299. – 2.3. General criteria, 299. – 2.4. Preparation criteria, 300. – 2.5. Full consolidation method, 301. – 2.6. Valuation of unconsolidated subsidiaries and associated companies, 301. – 2.7. Proportionate consolidation method, 302.

Chapter 24. Amendments to the articles of association. Right of withdrawal. Changes to the share capital, *by Maria Di Sarli*

1. Amendments to the articles of association, 303. – 2. Procedure, 304. – 3. Shareholder protection. Right of withdrawal, 304. – 4. Criteria for determining share value and redemption procedure, 307. – 5. Changes in share capital, 309. – 6. Increase in share capital: common rules, 309. – 7. Real increase in share capital, 310. – 8. Option rights, 312. – 8.1. Limits and exclusion of option rights, 313. – 9. Shareholders' payments, 314. – 10. Nominal increase in share capital, 314. – 11. Real reduction in share capital, 315. – 12. Reduction in share capital due to losses, 316.

Chapter 25. Bonds, *by Alessandro Monteverde*

1. Foreword, 319. – 2. Concept and types, 320. – 3. Issue: authority, form and limits, 321. – 4. Regulatory profiles, 322. – 5. Organisation of bondholders, 323. – 6. Convertible bonds, 324.

Chapter 26. Dissolution, *by Giulia Garesio*

1. Foreword, 326. – 2. The causes of dissolution, 326. – 3. The winding up procedure, 328. – 4. Balance left after the winding up procedure, 330. – 5. Deregistration of the company, 331.

SECTION IV – CORPORATIONS. OTHER COMPANIES

Chapter 27. The limited liability company, *by Giulia Garesio*

1. Foreword, 333. – 2. Incorporation, 335. – 3. Contributions, 337. – 4. Quotaholders' financings and debt securities, 339. – 5. Company quotas: characteristics and transferability, 341. – 6. Withdrawal and exclusion of a quotaholder, 344. – 7. Governance, 346. – 7.1. Quotaholders' decisions, 346. – 7.2. Administrative body, 349. – 7.3. Supervision, 352. – 8. Financial statements and company books, 354. – 9. Amendments to the instrument of incorporation, 356. – 10. Changes to limited liability companies, 358.

Chapter 28. Limited join-stock partnerships, *by Giulia Garesio*

1. Foreword, 361. – 2. Instrument of incorporation, 362. – 3. General partners, 362. – 4. Limited partners, 364. – 5. Corporate governance, 364. – 6. Dissolution of the company, 365.

Chapter 29. Cooperatives, *by Giuseppe Antonio Policaro*

1. The economic phenomenon in Italy, 367. – 2. Historical background, 368. – 3. Mutual and profit purpose, 369. – 4. Structural characteristics and liability regime, 370. – 5. Incorporation and contributions, 372. – 6. Corporate bodies (shareholders' meetings, management, audits), 373. – 7. Financial statements, profits and returns, 378. – 8. Changes in shareholders and share capital, 380.

SECTION V – SPECIAL COMPANIES

Chapter 30. Listed companies. Supervised companies. Overview, *by Irene Polastro*

1. Listed companies: general features, 381. – 2. Rules governing issuers, 382. – 3. 'Special' rules of company law, 383. – 3.1. Composition of the shareholding and the functioning of the shareholders' meeting, 384. – 3.2. Management and supervisory bodies, 386. – 4. Other supervised companies. Overview, 388.

Chapter 31. Public companies, *by Marco Sergio Catalano*

1. Consolidated Law on Public Companies: background and scope, 390. – 1.1. Corporate form as an instrument for the pursuit of public purposes, 390. – 1.2. Consolidated Law on Public Companies and its aims, 391. – 1.3. Scope of the Consolidated Law on Public Companies, 391. – 2. Establishment of public companies; acquisition, management and disposal of shareholdings, 392. – 2.1. Types of companies and permitted objectives, 393. – 2.2. Establishment of public companies, 393. – 2.3. Acquisition, management and disposal of shareholdings; listing of public companies, 395. – 3. Organisation and governance of public companies, 396. – 3.1. Organisational principles of publicly controlled companies, 396. – 3.2. Corporate governance, 396. – 3.2.1. Publicly controlled companies, 397. – 3.2.2. Investee companies, 398. – 4. In-house companies and public-private joint ventures, 398. – 4.1. In-house companies, 399. – 4.2. Public-private joint ventures, 399. – 5. Liability of participating entities and corporate bodies, 400. – 5.1. Civil and accounting liability of members of corporate bodies, 401. – 5.2. Accounting liability of representatives of the public partner, 401.

Chapter 32. European companies, *by Bianca Maria Scarabelli*

1. Historical background and legislative framework, 402. – 1.1. Employee involvement, 402. – 2. European companies, 403. – 2.1. Incorporation, 403. – 2.2. Corporate bodies, 404. – 2.3. Other aspects, 405. – 3. European cooperative societies, 405. – 3.1. Incorporation, 406. – 3.2. Corporate bodies, 407. – 3.3. Other aspects, 407.

SECTION VI – EXTRAORDINARY OPERATIONS. CONVERSION

Chapter 33. Conversion, *by Maria Di Sarli*

1. Extraordinary operations: introductory notes, 409. – 2. Conversion. General characteristics, 410. – 3. Scope, 411. – 4. Common rules applicable to all cases of conversion, 412. – 5. Homogeneous conversions, 414. – 5.1. Transformation of partnerships, 414. – 5.2. Transformation of limited companies, 416. – 6. Heterogeneous conversions, 417. – 6.1. Framework, 418.

Chapter 34. Mergers, divisions and other extraordinary operations, *by Maria Di Sarli*

1. Merger, 420. – 2. Scope, 421. – 3. Stages in the procedure, 422. – 4. Draft terms of the merger, 423. – 5. Additional document accompanying the draft terms of merger, 424. – 6. Merger decision, 425. – 7. Protection of creditors and bondholders, 425. – 8. Deed of merger, 426. – 9. Simplified merger procedures. Absorption of wholly-owned companies and companies that are at least ninety per cent owned, 427. – 10. Complex merger proceedings. Leveraged buy-out merger and cross-border merger (referral), 428. – 11. Division, 429. – 12. Forms, 429. – 13. Procedure, 431. – 14. Transfer of a business undertaking, 432. – 15. Transfer of a controlling interest, 433.

Chapter 35. Cross-border conversions, mergers and divisions, *by Maria Di Sarli*

1. Foreword, 435. – 2. Cross-border conversion. General types, 437. – 2.1. Cross-border conversion *of* a company under Italian law, 438. – 2.2. Protections, 440. – 2.3. Cross-border conversion *into* a company under Italian law, 440. – 3. Cross-border merger, 441. – 4. Cross-border division, 442.

PART THREE – TYPES OF PROCEEDINGS. NOTES

Chapter 36. Civil action, *by Marco Sergio Catalano*

1. Judicial protection of rights, 445. – 2. Jurisdiction and competence, 445. – 3. Ordinary proceedings, 446. – 4. Non-adversarial cases, 447. – 5. Precautionary protection, 447.

Chapter 37. Corporate arbitration, *by Marco Sergio Catalano*

1. Corporate arbitration, 449. – 2. Statutory arbitration clause, 449. – 3. Disputes subject to arbitration, 450. – 4. Procedural types, 451. – 5. Choice between arbitration and the ordinary court system, 452.

Bibliography	453
Analytical Index, <i>edited by Marta Favaretto and Irene Pollastro</i>	459
Glossary	479

