



**Associazione Italiana del Private Equity,
Venture Capital e Private Debt**

AIFI: more attention to the private capital market in the TUF reform process

The Association appreciates the simplification of the Capital Law and suggests targeted interventions on unlisted companies

Milan, 22 May 2024 - The AIFI Board of Directors met and appreciated the simplification objective of the Capital Law, sharing, in particular, the introduction of facilitating rules for the world of listed companies. It emphasised, however, how the productive fabric of our country is made up, for the most part, of unlisted companies, which represent the engine of economic development and need capital for growth and to tackle the ecological and digital transition.

Private capital can support companies in these changes and has proven to be able to create clusters of companies that consolidate, grow in size and internationalise. Over the past five years, some 1,000 such interventions have taken place through add ons.

"Private capital has a positive economic impact on the production system as demonstrated by many studies at an international level; a recent AIFI research on the valorisation of human capital shows how companies in the funds' portfolio, from the time of investment to 2022, the observation date, have recorded employment growth of 8% and 34% if only SMEs are considered" states **Innocenzo Cipolletta, AIFI president**.

To strengthen this segment of the capital market, which is still underdeveloped, the association, in view of the reform of the Consolidated Law on Finance, calls for action on several fronts: firstly, it is necessary to encourage, as in other countries, the investment of a portion of managed savings towards private capital instruments; secondly, in order to involve Italian institutional investors in supporting the real economy, it is suggested that one or more funds of funds be set up, with resources that are additional and not substitutive, as other countries such as France, Spain and Germany have done, in which a public entity plays the role of anchor investor.

It is essential that the resources of the fund of funds are invested indirectly in companies, using the expertise of specialised managers who are able to attract additional resources from the market. This increases the flywheel effect and utilises the knowledge of financial operators who select companies according to strict market criteria.

Lastly, there is a call to protect the competitiveness of Italian asset managers by simplifying the regulatory environment for intermediaries, eliminating gold-plating with respect to European regulations.

For further information

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