

MARCH 2025

Amendment of Article 2407 of the Italian Civil Code: New Provisions on the Liability of Statutory Auditors of Corporations

○ Dispute Resolution

On 12 March 2025, the Italian Parliament approved an amendment of Article 2407 of the Italian Civil Code concerning the liability of members of the Board of Statutory Auditors of corporations.

In particular, the amendment resulted in **(a)** the provision of a **limitation of the liability of statutory auditors** except in cases of wilful misconduct; and **(b)** the introduction of a **unique limitation period of five years**.

The **Law no. 35 of 14 March 2025**, containing the above-mentioned amendments, has been published in the Official Gazette of the Italian Republic of 28 March 2025 and will therefore be effective as of **12 April 2025**.

The provision of specific and limited liability of statutory auditors

With regard to the limitation of the liability of statutory auditors, an amendment was introduced to the second paragraph of Article 2407 of the Italian Civil Code.

Prior to this legislative amendment, the framework governing the liability of statutory auditors established two distinct types of liability: **on the one hand**, the *"exclusive"* liability of statutory auditors, governed by the first paragraph of Article 2407, completely unrelated to any non-performance by directors; and, **on the other hand**, the *"joint"* liability of statutory auditors with directors, governed by the second paragraph of the same Article, arising in cases when the damage caused by the directors would not have occurred if the auditors had performed their supervisory duties in accordance with their role.

The amendment introduced by the recently approved bill aligns with the aforementioned distinction and is explicitly intended to **limit the liability of statutory auditors**.

In particular, the amended second paragraph of Article 2407 of the Civil Code stipulates that, in the event of a breach of their duties – and thus, also in cases of negligence in supervising the directors' conduct (*culpa in vigilando*) – statutory auditors shall be held **liable** towards the company, shareholders, creditors, and third parties, **in proportion to their annual remuneration**, according to the following tiers:

- **for remuneration up to Euro 10,000 per annum**, auditors may be held liable for damages up to **fifteen times** their remuneration;
- **for remuneration between Euro 10,000 and Euro 50,000 per annum**, auditors may be liable for damages up to **twelve times** their remuneration; and
- **for remuneration exceeding Euro 50,000 per annum**, auditors may be held liable for damages up to **ten times** their remuneration.

The foregoing applies *"also in cases where the statutory audit is performed by the board of statutory auditors pursuant to Article 2409-bis of the Civil Code"*, but **not in cases where the auditors "engaged in wilful misconduct"**. In the latter scenario, the limitation of liability shall therefore not apply.

The provision of a unique five-year limitation period for the liability of statutory auditors

With regard to the newly introduced **fourth paragraph** of Article 2407 of the Civil Code, a **single limitation period of five years** has been established for bringing liability actions against statutory auditors. This period runs **from the date of filing of the auditors' report pursuant to Article 2429 of the Civil Code relating to the financial statements for the fiscal year in which the damage occurred.**

The first and third paragraphs of Article 2407 of the Civil Code remain unchanged.

The Dispute Resolution Department

The Dispute Resolution Department of Legance is available to provide any clarifications, also in respect of any specific situation which may be of interest to you. For further information please contact: LitigationArbitration@legance.it or your direct contact at Legance.

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