

## CONCEPT OF TURNOVER

1. For the purpose of this Regulation, turnover shall mean:

1.1. for the insurance and reinsurance undertakings<sup>1</sup>:

- the value of the gross premiums written, including all the amounts collected or to be collected in relation to the insurance contracts entered into directly by said undertakings or on their behalf, including outward reinsurance premiums, net of taxes and parafiscal charges collected on the amount of the premiums or on the related overall volume. The afore-mentioned insurance contracts include also those that do not fall under the definition of insurance contract according to the reference international accounting standards.

1.2. for the companies other than the undertakings under point 1.1 and for the Ufficio Centrale Italiano (Italian Central Office):

- the total value of the production according to the last available accounts approved by the competent body or in all events the aggregate equal to the sum of the amounts resulting from the sale of products and the provision of services by the involved companies and in reference to their normal business activities, net of the VAT and other taxes directly related to the turnover;

1.3. for the undertakings and companies under points 1.1 and 1.2, required to draw up consolidated accounts, or for the legal person controlled by a company/undertaking, required to draw up consolidated accounts, the turnover normally is the annual consolidated turnover of the most recent year, the consolidated accounts of which have been approved by the competent body of the parent undertaking/company.

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<sup>1</sup> The definition of turnover is compliant with Article 5, Paragraph 3, Letter b) of Regulation (EEC) no. 4064/89 (now Regulation EC no. 139/2004), on the control of concentrations between undertakings. As regards the concept of turnover aid determination, a "Commission notice" no. 98/C 66/04 was issued on the calculation of turnover, with the following clarifications:

- "gross premiums written: the sum of received premiums (which may include received reinsurance premiums if the undertaking concerned has activities in the field of reinsurance). Outgoing or outward reinsurance premiums, i.e. all amounts paid and payable by the undertaking concerned to get a reinsurance cover, are already included in the gross premiums written within the meaning of the Merger Regulation;
- wherever the word "premiums" is used (gross premiums, net (earned) premiums, outgoing reinsurance premiums, etc.), these premiums are related not only to new insurance contracts made during the accounting year being considered but also to all premiums related to contracts made in previous years, which remain in force during the period taken into consideration".