

# COVID-19 Response: Italy

## GOVERNMENT MEASURES FOR BUSINESSES

## ELIGIBILITY

## WHEN?

### Finance / Loan Schemes

<ul style="list-style-type: none"><li>▶ <b>Overdraft facilities and loans granted over discount on receivables in place as of 29 February 2020:</b> amounts lent and related commitments may not be recalled on demand or cancelled until 31 January 2021</li><li>▶ <b>Loans with bullet repayment maturing before 31 January 2021:</b> maturity date automatically extended up until 31 January 2021 on identical terms</li><li>▶ <b>Loans and other financings repayable in instalments (including lease agreements):</b> instalments due prior to 31 January 2021 are deemed suspended and the related amortization schedule together with the related ancillary elements are deemed automatically extended at no extra cost for either party until 31 January 2021</li></ul>	<ul style="list-style-type: none"><li>▶ Micro-enterprises and Small and Medium Enterprises (SMEs – as defined under EU Commission Recommendation no. 2003/361/CE of 6 May 2003) affected by COVID-19 outbreak with registered offices in Italy, whose debt exposures are not classified as impaired (<i>deteriorate</i>) as of 17 March 2020. A specific request, together with a self-certification by the borrower, is required</li><li>▶ Pursuant to EU Commission Recommendation no. 2003/361/CE of 6 May 2003, the category of Micro, Small and Medium-sized Enterprises consists of enterprises which: (i) employ fewer than 250 persons; and (ii) have either an annual turnover not exceeding Euro 50 million or an annual balance sheet total not exceeding Euro 43 million. Such criteria shall be assessed taking into account, under certain conditions, also data relating to partner and linked enterprises, as defined in the EU Commission Recommendation no. 2003/361/CE of 6 May 2003</li><li>▶ Such provision only applies if the lender is a bank, a financial institution pursuant to art. 106 of the Italian Consolidated Banking Law or another entity authorised to exercise lending activities in Italy</li></ul>	Until 31 January 2021
<ul style="list-style-type: none"><li>▶ An additional moratorium (subject to certain conditions) for SMEs, with reference to their exposure as at 31 January 2020, is provided for in the “Coronavirus Addendum” to the Credit Agreement of the Italian Banking Association (ABI). More specifically, a SME may apply for (i) a one-year moratorium for the repayment of instalments of MLT loans (such moratorium may be extended up to two years in some cases); (ii) an extension up to 100% of the duration of the remaining part of the amortisation plan</li><li>▶ Such moratorium has also been extended, subject to certain conditions, to large enterprises affected by the COVID-19 outbreak</li></ul>	<ul style="list-style-type: none"><li>▶ SMEs and large enterprises affected by the COVID-19 outbreak, with reference to their exposure as at 31 January 2020, whose debt exposures were not classified as impaired (<i>deteriorate</i>) as of 31 January 2020, provided that the relevant financing banks or institutions have agreed to the Credit Agreement and subject to certain conditions</li></ul>	From 7 March 2020 to 30 September 2020 (31 December 2020 for SMEs), with respect to loans outstanding as at 31 January 2020

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- ▶ State-guarantee provided by SACE S.p.A. (a company indirectly controlled by the Ministry of Economy and Finance, through Cassa Depositi e Prestiti S.p.A.) in favour of banks, national and international financial institutions and/or other entities authorized to lend money in Italy to secure loans in any form granted to enterprises affected by the COVID-19 outbreak, to the extent that such loans (inter alia) (i) have a maximum duration up to 6 years (and with pre-amortization for up to 36 months) and (ii) are granted after 8 April 2020
- ▶ The **maximum loan amount** that can be guaranteed by SACE is equal to the higher of (i) 25% of the annual gross turnover in 2019 **relating to Italy** and (ii) two times the personnel costs **incurred in Italy** for FY 2019. Such data is to be calculated **on a consolidated basis**, if the applicant borrower belongs to a corporate group, **but in any case only with reference to turnover and employees of the group in Italy**. If the borrower benefits from other public loans or guarantees, such support measures shall also be taken into account
- ▶ The **maximum percentage of the loan that can be guaranteed by SACE** is equal (i) for borrowers with up to 5,000 employees in Italy and with an annual gross turnover of less than €1.5 billion, to 90% of the relevant loan amount; (ii) for borrowers with an annual gross turnover higher than €1.5 billion and up to €5 billion or with more than 5,000 employees in Italy, to 80% of the relevant loan amount; and (iii) for borrowers with an annual gross turnover of more than €5 billion, to 70% of the relevant loan amount. For the purposes of such calculations, if the applicant borrower belongs to a corporate group reference shall be made to the consolidated value of the gross turnover and personnel costs at group level
- ▶ The fees payable to SACE are as follows (with reference to the principal guaranteed amount): **(A)** if the Borrower is a SME: (i) 25 bps for the first year; (ii) 50 bps for second and third years; and (iii) 100 bps for the remaining years; **(B)** if the Borrower is not a SME: (i) 50 bps for the first year; (ii) 100 bps for the second and third years; and (iii) 200 bps for the remaining years

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## ELIGIBILITY

- ▶ Any enterprises based in Italy, affected by the COVID-19 outbreak (including *inter alia* Large Enterprises, SMEs, self-employed (“*lavoratori autonomi*”) and self-employed professionals (“*liberi professionisti*”)), provided that:
  - as at 31 December 2019 it was not an undertaking in difficulty as defined by Regulation (EU) No. 651/2014 Regulation (EU) No. 702/2014 and Regulation (EU) No. 1388/2014 (certain adjustments are however provided with respect to assessment of the debt-to-equity ratio);
  - as at 29 February 2020 its exposure was not classified as a non-performing exposure of the relevant bank (as defined under European legislation);
  - the applicant company does not control (or is controlled by, pursuant to Article 2359 of the Italian Civil Code), companies based in countries classified as non-cooperative jurisdictions for tax purposes, as identified in the list approved by the Council of the EU.
  - as for SMEs, they have exhausted the guarantees provided by the *Fondo di Garanzia PMI* (see below) and by the Agricultural Food Market Service Institute (ISMEA)

(continued on following page)

## WHEN?

The SACE guarantee may be granted until 31 December 2020, for loans granted after 8 April 2020

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## GOVERNMENT MEASURES FOR BUSINESSES

## ELIGIBILITY

## WHEN?

### Finance / Loan Schemes

- ▶ A loan which benefits from the SACE Guarantee may only be used for one of the following purposes: (i) bearing personnel costs; (ii) lease of a branch of business (*affitto di ramo d'azienda*); (iii) investments or working capital relating to production facilities and business activities located in Italy
  - ▶ The borrower, including on behalf of any other group member based in Italy, must agree for the whole of 2020 (i) not to approve either dividend distributions or share buy backs; and (ii) to manage employment levels in accordance with collective bargaining arrangements. If the share buy back or dividend distribution have already been executed, such undertaking applies in the 12 months following the application for the guarantee
  - ▶ Provisions relating to the SACE Guarantee also apply, subject to certain conditions, to assignment of receivables with recourse (*pro solvendo*) executed in the frame of factoring agreements pursuant to Law No. 52/1991
  - ▶ SACE may grant – subject to certain conditions and, in some cases, to authorization by the Ministry of Economy and Finance – guarantees in favour of banks, financial institutions and other entities subscribing bonds and other securities issued by enterprises with a rating equal at least to BB- (and meeting the other relevant criteria to access the SACE Guarantee)
- ▶ Such guarantees may be granted also to enterprises which (i) have been admitted to a composition with creditors procedure on a going concern basis (*concordato preventivo con continuità aziendale*); (ii) entered into a debt restructuring agreement (*accordo di ristrutturazione*); or (iii) executed a certified reorganization plan pursuant to Art. 67.3.d of the Italian Bankruptcy Law (*piano attestato di risanamento*), provided that on the date on which they apply for the SACE Guarantee *inter alia*, (a) their debt exposure is not classified as impaired, (b) they have no delays on payments; (c) the relevant financing entity may reasonably presume that the debt exposure will be repaid on the expiry date; and (iv) their debt exposure is not classified as “bad loans” (*sofferenze*)\*
  - ▶ Guarantees to be granted in the interest of enterprises with more than 5000 employees or a turnover of more than 1.5 billion are subject to specific provisions

\*Please note that effectiveness of such provision is subject to final approval by the EU Commission

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## GOVERNMENT MEASURES FOR BUSINESSES

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## WHEN?

### Finance / Loan Schemes

- ▶ Temporary derogations to certain conditions of the Guarantee Fund for SMEs (*Fondo di Garanzia per le PMI*) provided by the Ministry of Economic Development. More specifically, *inter alia*:
  - i. Guarantees provided by the *Fondo di Garanzia per le PMI* until 31 December 2020 are interest free;
  - ii. The maximum guaranteed amount for each enterprise is increased up to Euro 5 million
- ▶ The maximum loan amount which may be guaranteed by the Guarantee Fund for SMEs is increased, subject to certain conditions, (i) to 90 % in case of direct guarantees; and (ii) to 100 % (of the amount guaranteed by the Confidi or other guarantee funds) in case of counter-guarantee, provided that (in both cases) the following limits are met:
  - i. duration of financing not exceeding 72 months;
  - ii. total amount which, in relation to the beneficiary, must not exceed, alternatively, (i) twice the total annual amount of wages; or (ii) 25 % of total turnover in 2019; or (iii) the need for costs relating to working capital and investment costs in the following 18 months for SMEs, or 12 months for enterprises employing up to 499 persons. Absent any specific instructions/clarifications in such respect by the relevant Authorities, it might be assumed that relevant calculations shall be made **at the level of the single beneficiary**

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- ▶ SMEs (as defined above) and Mid Caps (i.e., enterprises employing up to 499 persons), based on annual work units (*unità di lavoro-anno*) of 2019) whose debt exposure is not classified as “bad loans” (*sofferenze*)
- ▶ With respect to Mid Caps, on the basis of the application form issued by the Guarantee Fund for SMEs, it seems that (i) the number of 499 employees shall be assessed only with respect to the guaranteed enterprise (i.e., employees of partner or linked enterprises shall not be considered); (ii) such guarantee may be accessed by *all* enterprises employing up to 499 persons, regardless of their turnover and balance sheet total (and, as such, regardless of any other relevant thresholds for the purposes of being a “SME”)
- ▶ Such measures apply also to enterprises active in the agricultural and fishing industry

Until 31 December 2020

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### Finance / Loan Schemes

- ▶ The guarantee of the Guarantee Fund for SMEs may be granted also with respect to (i) refinancing transactions, provided that new finance is granted for an amount equal to at least 10% of the outstanding debt (or, with respect to financings approved by the lender after 7 June 2020, at least 25% of the outstanding debt); (ii) financings already granted by the lender no more than 3 months before the date of submission of the request and, in any case, no later than 31 January 2020. The lender shall, in such cases, submit to the Guarantee Fund for SMEs a statement certifying a reduction in the interest rate applied to the beneficiary, as a consequence of the issue of the guarantee
- ▶ Until 31 December 2020, and subject to certain conditions, certain derogatory measures have been introduced with regard to guarantees on loan portfolios (so-called synthetic securitizations), even without an amortization plan, dedicated to companies damaged by the COVID-19 emergency
- ▶ All the deadlines relating to the administrative fulfilments relating transactions covered by the Guarantee Fund for SMEs have been extended by 3 months

- ▶ Such guarantees may be granted also to enterprises:
  - i. whose debt exposure has been classified as “unlikely-to-pay exposure” or “overdrawn and/or past-due exposure” (pursuant to Circular No. 272 of 30 July 2008 of the Bank of Italy), provided that such qualification does **not** precede 31 January 2020 (if such qualification precedes 31 January 2020, admission to the guarantee is subject to certain limitations);
  - ii. which, after 31 December 2019, (i) have been admitted to a composition with creditors procedure on a going concern basis (*concordato preventivo con continuità aziendale*); (ii) entered into a debt restructuring agreement (*accordo di ristrutturazione*); or (iii) executed a certified reorganization plan pursuant to Art. 67.3.d of the Italian Bankruptcy Law (*piano attestato di risanamento*), provided that, *inter alia*, (i) their debt exposure is not classified as impaired, (ii) after entering the aforementioned insolvency procedures, they have no delays on payments; and (iii) the relevant financing entity may reasonably presume that the debt exposure will be repaid on the expiry date
  - iii. which have obtained, on financial transactions guaranteed by the Guarantee Fund for SMEs, an extension of the guarantee due to temporary difficulties of the beneficiary, subject however to certain conditions\*

\*Please note that effectiveness of such provision is subject to final approval by the EU Commission

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### Finance / Loan Schemes

<ul style="list-style-type: none"><li>▶ The “Curaitalia Decree” provides for a state-guarantee on exposures incurred by Cassa Depositi e Prestiti S.p.A., also in the form of first loss guarantees on portfolios of loans, up to a maximum of eighty % of such exposure, vis-à-vis banks and other parties authorized to exercise lending activities, which grant loans in any form to companies that have suffered a reduction in turnover due to the COVID-19 outbreak</li></ul>	<ul style="list-style-type: none"><li>▶ Businesses not eligible to access the guarantees granted by the Guarantee Fund for SMEs and operating in certain business sectors, that have suffered a reduction in turnover due to the epidemiological emergency by COVID-19 (more details on eligibility will be provided in a ministerial decree, yet to be issued)</li></ul>	From 17 March 2020
<ul style="list-style-type: none"><li>▶ The “Liquidity Decree” provides, in addition, for a further state-guarantee on exposures incurred or to be incurred by Cassa Depositi e Prestiti S.p.A. by 31 December 2020, deriving from guarantees, also in the form of first loss guarantees, on portfolios of loans granted, in any form whatsoever, by banks and other entities authorized to exercise lending activities in Italy to enterprises that suffered a reduction in turnover due to the COVID-19 outbreak, in such a way as to ensure the granting by the lenders of new loans in accordance with the amount of regulatory capital released as a result of the guarantees themselves. Such provision is subject to the issuance of a specific decree by the Ministry of Economy and Finance</li></ul>	<ul style="list-style-type: none"><li>▶ Companies based in Italy (<i>i.e.</i>, pursuant to a prudential interpretation, with registered office in Italy) that have suffered a reduction in turnover due to the epidemiological emergency by COVID-19</li></ul>	From 9 April 2020, upon issuance by the Ministry of Economy and Finance of the relevant decree

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## ELIGIBILITY

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### Tax

<ul style="list-style-type: none"> <li>▶ Tax credit for 2020 in favor <i>inter alia</i> of all those who carry out a business, art or profession equal to 60% of expenses relating to the sanitization of the working environment, as a measure to contain the contagion of the COVID-19 virus, including expenses (i) relating to the purchase of personal protective equipment; and (ii) incurred for the purchase and setup of other safety devices to protect workers from accidental exposure to biological agents or to ensure interpersonal safety distance. Such tax credit may be granted up to € 60,000 per beneficiary</li> </ul>	<ul style="list-style-type: none"> <li>▶ Everyone carrying out a business, art or profession</li> </ul>	<p>Relating to year 2020</p>
<ul style="list-style-type: none"> <li>▶ Cancellation of the IRAP balance payment due for FY 2019 and the first instalment of the IRAP advance payment due for FY 2020</li> </ul>	<ul style="list-style-type: none"> <li>▶ Businesses and self-employed workers with revenues relating to FY 2019 not exceeding €250 million</li> </ul>	<p>Relating to FY 2019 and 2020</p>
<ul style="list-style-type: none"> <li>▶ Postponement of the deadlines for payment of the debts expiring in the period from 8 March 2020 to 31 December 2020 administered by the tax collection agents. The relevant amounts shall be paid within the month following such period</li> </ul>	<ul style="list-style-type: none"> <li>▶ All companies liable for such obligations</li> </ul>	<p>From 17 March (applies retroactively (see left)) to 31 December 2020</p>
<ul style="list-style-type: none"> <li>▶ Tax deduction for year 2020 up to 30% (and for a maximum amount of € 30,000) of gifts in cash made, during 2020, by individuals and non-commercial bodies in favor of the State, regions, local authorities, bodies or foundations and associations legally recognized as non-profit-making;</li> </ul>	<ul style="list-style-type: none"> <li>▶ Individuals and non-commercial bodies</li> </ul>	<p>From 17 March 2020 and in relation to year 2020</p>
<ul style="list-style-type: none"> <li>▶ Amendment to certain ordinary rules governing the calculation of advance payments based on the so-called forecasting method ("<i>metodo previsionale</i>"), for the purposes of personal income tax, corporate income tax and regional business tax</li> </ul>	<ul style="list-style-type: none"> <li>▶ All companies/persons liable to pay the relevant taxes</li> </ul>	<p>Fiscal year following the one ongoing as of 31 December 2019</p>
<ul style="list-style-type: none"> <li>▶ Suspension, until 31 December 2020, of certain deadlines provided in order to grant taxpayers to right to be eligible for the so-called "main house benefit" ("<i>beneficio prima casa</i>"), <i>i.e.</i>, <i>inter alia</i> the term of 18 month from the purchasing of the "main house", within which the taxpayer must transfer his/her residence to the municipality where the house is located</li> </ul>	<ul style="list-style-type: none"> <li>▶ Taxpayers wishing to benefit from the so-called "main house benefit" ("<i>beneficio prima casa</i>"), provided that they meet the other relevant requirements</li> </ul>	<p>Until 31 December 2020</p>

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## ELIGIBILITY

## WHEN?

### Tax

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| <ul style="list-style-type: none"> <li>▶ Tax credit equal to 20% of cash contributions, calculated on a maximum amount of Euro 2 million, in certain types of companies (<i>i.e., inter alia Società per azioni</i> (S.p.A.), <i>Società a responsabilità limitata</i> (S.r.l.) and cooperative companies, with certain exceptions), having their registered office in Italy and which (i) had revenues for FY 2019 higher than Euro 5 million and up to Euro 50 million (on a consolidated basis if the company is part of a corporate group); (ii) registered a reduction in revenues of not less than 33% in March and April 2020, compared to the same period of the previous year (on a consolidated basis if the company is part of a group); (iii) resolve and carry out after 19 May 2020 and before 31 December 2020 a fully paid in capital increase of at least Euro 250,000</li> <li>▶ Such incentive also applies to contributions in favour of permanent establishments in Italy of companies resident in EU Member States or in Countries belonging to the European Economic Area, or made through shares or quotas of collective investment vehicles resident in the territory of the State or in EU Member States or in Countries belonging to the European Economic Area, which invest more than 50% of their assets in the share capital of the abovementioned entities (excluding financial intermediaries)</li> </ul> | <ul style="list-style-type: none"> <li>▶ Entities and individuals making such capital contributions, provided that (i) the relevant stake acquired is not transferred until 31 December 2023; (ii) the company benefiting from the capital contribution is not controlled by them, directly or indirectly; (iii) they do not distribute any type of reserves until 31 December 2023 (under penalty of loss of the incentive and obligation to pay it back)</li> </ul> | <p>Capital increases resolved upon and carried out after 19 May 2020 and before 31 December 2020</p> |
| <ul style="list-style-type: none"> <li>▶ Tax credit equal to 50% of the losses exceeding 10% of the net equity, up to 30% of the capital increase executed in certain types of companies (<i>i.e., inter alia Società per azioni</i> (S.p.A.), <i>Società a responsabilità limitata</i> (S.r.l.) and cooperative companies, with certain exceptions), having their registered office in Italy and which, in addition to the criteria mentioned in the line above in this chart, meet further conditions of financial stability and tax compliance</li> </ul>   | <ul style="list-style-type: none"> <li>▶ Companies making such capital increase, meeting the criteria mentioned in the line above in this chart, provided that they do not distribute any type of reserve before 1 January 2024 (under penalty of loss of the incentive and obligation to pay it back)</li> </ul>   | <p>Capital increases resolved upon and carried out after 19 May 2020 and before 31 December 2020</p> |



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GOVERNMENT MEASURES FOR BUSINESSES	ELIGIBILITY	WHEN?
<b>Tax</b>		
<ul style="list-style-type: none"> <li>Certain measures to strengthen the ecosystem of innovative start-ups have been adopted. More specifically, (i) extension of certain tax credits (already provided for research contracts entered into with universities and research institutes) to research contracts entered into with innovative start-ups; (ii) extension by 12 months of the 5-year term relating to qualification as “innovative start-up” (except for tax purposes); (iii) tax deductions for individuals investing in innovative start-ups or innovative SMEs equal to 50% of the invested amount and up to Euro 300,000 in each fiscal year, provided that the relevant stake is maintained for at least three years</li> </ul>	<ul style="list-style-type: none"> <li>Innovative start-ups and individuals investing in innovative start-ups or innovative SMEs</li> </ul>	From 19 May 2020
<ul style="list-style-type: none"> <li>Possibility of assigning tax credits arising from certain COVID-19 measures to other entities, including landlords, banks and other financial institutions</li> </ul>	<ul style="list-style-type: none"> <li>Beneficiaries of the relevant tax credits</li> </ul>	Until 31 December 2021
<ul style="list-style-type: none"> <li>Exemption from payment of the TOSAP and COSAP (the taxes due for occupying public areas)</li> </ul>	<ul style="list-style-type: none"> <li>Restaurants and bars holding concessions or authorizations for the use of public land</li> </ul>	From 1 May 2020 to 31 December 2020
<ul style="list-style-type: none"> <li>Tax credit equal to (i) 10% of the expenses incurred in 2019 for the purchase of newsprint for newspapers and books (up to a maximum amount of Euro 30 million for FY 2020); and (ii) 30% of the actual expenses incurred in 2019 for the purchase of server and hosting services related to newspapers and magazines published in digital format and certain IT service (up to a maximum amount of Euro 8 million for FY 2020)</li> </ul>	<ul style="list-style-type: none"> <li>Publishers of newspapers and periodicals</li> </ul>	FY 2020, relating to expenses incurred in 2019
<ul style="list-style-type: none"> <li>Suspension of the offsetting of tax credits against tax debts with respect to tax refunds to be executed in 2020</li> </ul>	<ul style="list-style-type: none"> <li>Entities liable to pay the relevant taxes</li> </ul>	Relating to tax refunds to be executed in 2020

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## GOVERNMENT MEASURES FOR BUSINESSES

## ELIGIBILITY

## WHEN?

### Employment

▶ More favourable conditions for companies applying for the ordinary wage supplementation regime (“Trattamento ordinario di integrazione salariale” – CIGO) or the wage supplementation fund (“Fondo di Integrazione Salariale” – FIS). In particular, inter alia, the following rules apply:

- i. no need to specify the reasons for the application: it is sufficient to specify that the application is due to “COVID-19 emergency”;
  - ii. the period during which this special salary integration is used does not count for the purpose of verifying the statutory time limits for the use of state-funded workers suspension plans;
  - iii. no need to meet the requirement relating to the employees’ actual seniority in order to benefit from the wage supplementation. Such regime applies to all employees employed as of 23 February 2020. In addition, pursuant to the “Liquidity Decree”, such wage supplementation applies also to employees hired in the period from 24 February 2020 to 17 March 2020
- ▶ With respect to the *Fondo di Integrazione Salariale*, (i) the ordinary cheque may be exceptionally provided – not only for those employers employing more than 15 employees but also for employers registered with FIS who employ between 5 and 15 employees, who generally don’t fall within the scope of the rules regarding the application of the ordinary cheque; and (ii) only for 2020, the “company threshold” – i.e., the monetary limit within which the FIS pay-outs are set for each employer (i.e., 10 times the amount of the ordinary social charges due by the employer) – shall not apply

▶ **Trattamento ordinario di integrazione salariale** – **CIGO**: an application for such measure can be made by companies (i) falling within the scope of the CIGO (e.g., industrial, manufacturing and transport companies, etc.), (ii) which in 2020 suspend or reduce their working activities due to the COVID-19 outbreak. Such application may be made also by companies already benefiting, as of 23 February 2020, from extraordinary wage supplementation

▶ **Fondo di integrazione salariale – FIS**: an application for such measure can be made by employers who (i) are registered with the Salary integration fund (FIS) implemented by INPS and pay the relevant contribution; (ii) employ on average more than 5 and less than 50 employees; (iii) do not fall within the scope of the ordinary or extraordinary wage supplementation schemes; and (iv) operate within sectors for which no bilateral solidarity funds or alternative bilateral solidarity funds have been activated. Such application may be made by employers already benefiting, as of 23 February 2020, from a “solidarity cheque”

Pursuant to Law Decree n. 104 of 14 August 2020, applications can be made for a period of nine weeks (which may be extended – subject to certain conditions – by an additional nine weeks), in the period between 13 July 2020 and 31 December 2020. Applications shall be filed by the end of the month following the one in which the working activities have been suspended or reduced

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## GOVERNMENT MEASURES FOR BUSINESSES

## ELIGIBILITY

## WHEN?

### Employment

- | GOVERNMENT MEASURES FOR BUSINESSES  | ELIGIBILITY   | WHEN?  |
|---|---|--|
| <ul style="list-style-type: none"><li>▶ Special provisions relating to the so-called “<i>Cassa integrazione in deroga (CIG in deroga)</i>”. In particular, Italian regions and autonomous provinces may grant, as a consequence of the COVID-19 emergency, wage supplementation schemes “in derogation”, for the period, up to nine weeks (which may be increased by an additional nine weeks, subject to certain conditions), in which the employment relationship is suspended</li><li>▶ This measure may be granted within an overall limit of Euro 4.936,1 million for 2020, starting from 23 February 2020 and for employees employed as of 25 March 2020. Pursuant to the “Liquidity Decree”, such provision applies also to employees hired in the period from 24 February 2020 to 17 March 2020</li></ul> | <ul style="list-style-type: none"><li>▶ Employers and companies not eligible for the <i>Trattamento ordinario di integrazione salariale</i> – CIGO or the <i>Fondo di integrazione salariale</i> – FIS (e.g., companies operating in the trade and/or tourism sector which are not registered with FIS, etc.). In order to benefit from the wage integration “in derogation” employers must execute an agreement with the trade unions that are mostly representative at national level, even online for those employers employing at least 5 employees</li></ul> | <p>Pursuant to Law Decree n. 104 of 14 August 2020, applications can be made for a period of nine weeks (which may be extended – subject to certain conditions – by an additional nine weeks), in the period between 13 July 2020 and 31 December 2020. Applications shall be filed by the end of the month following the one in which the working activities have been suspended or reduced</p> |
| <ul style="list-style-type: none"><li>▶ Employers are prohibited from commencing collective dismissal procedures pursuant to Law no. 223/1991 and individual dismissal procedures, until they have entirely exhausted the wage supplementation regimes provided for by the Covid legislation. Subject to the same conditions, any collective dismissal procedures commenced after 23 February 2020 and any pending dismissal procedures for objectively justified reason (<i>giustificato motivo oggettivo</i>) are suspended</li></ul>   | <ul style="list-style-type: none"><li>▶ All employers in Italy who have not entirely benefited from wage supplementation regimes provided by the Covid legislation, except <i>inter alia</i> in the following cases: (i) the business is wound up; (ii) dismissal procedures are started in the frame of a bankruptcy proceeding without temporary preservation of the going concern; (iii) a company collective agreement (<i>accordo collettivo aziendale</i>) is executed, subject to consent by the relevant employees</li></ul>                              | <p>From 17 March 2020, until the wage supplementation regimes provided for by the Covid legislation have been exhausted</p>  |
| <ul style="list-style-type: none"><li>▶ The period spent in quarantine by private employees is equated to sickness for the purposes of the economic treatment provided for by the relevant legislation</li></ul>  | <ul style="list-style-type: none"><li>▶ All private employees</li></ul>   | <p>From 17 March 2020</p>  |

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GOVERNMENT MEASURES FOR BUSINESSES	ELIGIBILITY	WHEN?
<b>Grants</b>		
<ul style="list-style-type: none"><li>▶ <b>Contribution to restaurant and food service businesses</b>, for the purchase of local agricultural, food and wine products (amount and eligibility criteria shall be specified by means of a decree of the Ministry of agricultural, food and forestry policies)</li></ul>	<ul style="list-style-type: none"><li>▶ Restaurant and food service businesses, which have suffered a loss of turnover from March to June 2020 of at least 25% compared to the same period in 2019</li></ul>	To be determined by means of a decree of the Ministry of agricultural, food and forestry policies
<ul style="list-style-type: none"><li>▶ <b>Contribution to commercial activities in the historic centers</b></li></ul>	<ul style="list-style-type: none"><li>▶ Businesses of the historic centers which suffered a decrease of more than 1/3 in turnover in June 2020 compared to the same month of 2019</li></ul>	From 15 August 2020

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## GOVERNMENT MEASURES FOR BUSINESSES

## ELIGIBILITY

## WHEN?

### Other

<p>▶ <b>Export support measures through SACE:</b> SACE S.p.A.'s intervention in support of export and internationalization activities of companies is modified through the introduction of a co-insurance system under which the commitments deriving from SACE's insurance activity, for non-market risks, are taken on by the State for 90% and SACE for the remaining 10%</p>		<p>From 8 April 2020</p>
<p>▶ <b>Support for sport organizations:</b> The "Liquidity Decree" provides for certain guarantees and interest-rate subsidies, to be granted, until 31 December 2020, by certain funds established in the frame of the Istituto per il Credito Sportivo, with respect to loans provided by the same Istituto per il Credito Sportivo or other banking institutions, for the liquidity needs of certain sport organizations</p>	<p>▶ Certain sport organisations</p>	<p>From 9 April 2020 to 31 December 2020</p>
<p>▶ Suspension of certain provisions of the Italian Civil Code relating to the reduction of the value of share capital due to losses in the <i>Società per azioni</i> – <i>S.p.A.</i> and <i>Società a responsabilità limitata</i> – <i>S.r.l.</i></p>	<p>▶ <i>Società per azioni</i> – <i>S.p.A.</i> and <i>Società a responsabilità limitata</i> – <i>S.r.l.</i></p>	<p>Until 31 December 2020</p>
<p>▶ Amendment to the principles for the preparation of financial statements, allowing in any case the evaluation of the items on a going concern basis as per article 2423 bis, paragraph 1, no. 1) of the Italian Civil Code, if it was possible to do so in respect of the most recent financial period ending prior to 23 February 2020</p>	<p>▶ Companies required to prepare financial statements</p>	<p>Financial statements as at 31 December 2020, as well as financial statements closed by 23 February 2020 but not yet approved</p>

# COVID-19 Response: Italy

GOVERNMENT MEASURES FOR BUSINESSES	ELIGIBILITY	WHEN?
<b>Other</b>		
<ul style="list-style-type: none"><li>▶ Suspension of the equitable subordination rule provided for by Articles 2467 and 2497-<i>quinquies</i> of the Italian Civil Code, with respect to certain shareholder loans and loans granted to a company by entities exercising an activity of direction and coordination over it (<i>attività di direzione e coordinamento</i>)</li></ul>	<ul style="list-style-type: none"><li>▶ <i>Società per azioni</i> – S.p.A. and <i>Società a responsabilità limitata</i> – S.r.l</li></ul>	Until 31 December 2020
<ul style="list-style-type: none"><li>▶ Postponement to 1 September 2021 of the date of entry into force of the new Italian Business Crisis and Insolvency Code (Legislative Decree No. 14 of 12 January 2019, which was originally to enter into force on 15 August 2020)</li></ul>		1 September 2021
<ul style="list-style-type: none"><li>▶ Six months extension to the deadline for compliance with obligations due to be performed after 23 February 2020, in the frame of compositions with creditors (<i>concordati preventivi</i>) and debt restructuring agreements (<i>accordi di ristrutturazione</i>) that have already been homologated (i.e., court-approved)</li></ul>	<ul style="list-style-type: none"><li>▶ Enterprises currently subject to a homologated composition with creditors (<i>concordato preventivo</i>) or debt restructuring agreement (<i>accordo di ristrutturazione dei debiti</i>)</li></ul>	Extension by six months of the deadline for compliance with obligations due to be performed after 23 February 2020

# COVID-19 Response: Italy

## GOVERNMENT MEASURES FOR BUSINESSES

## ELIGIBILITY

## WHEN?

### Other

► Possibility, with respect to procedures of homologation of composition with creditors (*concordati preventivi*) and debt restructuring agreements (*accordi di ristrutturazione*) pending as at 23 February 2020, to file an application to court prior to the homologation hearing, for an extension not exceeding ninety days for the filing of a new plan and a new proposal for composition with creditors (*concordato preventivo*) or a new debt restructuring agreement (*accordo di ristrutturazione*)

► Possibility to request the postponement for up to six months of existing payment/fulfillment deadlines in a *concordato preventivo* proposal or debt restructuring agreement (*accordo di ristrutturazione*) not yet homologated as at 23 February 2020. The debtor must file the petition prior to the hearing scheduled for the homologation, together with the documentation evidencing the need for such postponement

► Enterprises which have filed an application to access a composition with creditors procedure (*concordato preventivo*) or a debt restructuring agreement (*accordo di ristrutturazione dei debiti*) pending as at 23 February 2020. With respect to the composition with creditors procedure (*concordato preventivo*), such application cannot be made if the creditors' meeting has already been held and the necessary majorities for approval of the *concordato preventivo* proposal have not been met

► Enterprises which have filed an application to access a composition with creditors procedure (*concordato preventivo*) or a debt restructuring agreement (*accordo di ristrutturazione dei debiti*) pending as at 23 February 2020

Application to be filed prior to the homologation hearing, for procedures pending as at 23 February 2020

Application to be filed prior to the homologation hearing, for procedures pending as at 23 February 2020

# COVID-19 Response: Italy

## GOVERNMENT MEASURES FOR BUSINESSES

## ELIGIBILITY

## WHEN?

### Other

- ▶ Possibility of being granted an extension of the relevant deadlines by up to 90 days in the frame (i) of the so-called “preliminary petition” of composition with creditors (*domanda di concordato con riserva*) pursuant to Article 161, paragraph 6, of the Italian Bankruptcy Law; or (ii) of an “automatic stay” pursuant to Article 182 bis, paragraph 7, of the Italian Bankruptcy Law, granted while negotiations for the execution of the debt restructuring agreement (*accordo di ristrutturazione*) were pending

- ▶ Debtors who either (i) have already been granted a deadline in the frame of the so-called “preliminary petition” of composition with creditors (*domanda di concordato con riserva*) pursuant to Article 161, paragraph 6, of the Italian Bankruptcy Law and have already benefited from the “ordinary” extension provided for by law; or (ii) have been granted an “automatic stay” pursuant to Article 182 bis, paragraph 7, of the Italian Bankruptcy Law, while negotiations for the execution of the debt restructuring agreement (*accordo di ristrutturazione*) were pending

Extension of up to 90 days to be requested before the expiry of the deadline

- ▶ Debtors who, before 31 December 2021, have been granted a deadline in the frame (i) of the so-called “preliminary petition” for composition with creditors (*domanda di concordato con riserva*) pursuant to Article 161, paragraph 6, of the Italian Bankruptcy Law, or (ii) of an “automatic stay” pursuant to Article 182 bis, paragraph 7, of the Italian Bankruptcy Law, may – within the same deadline – waive to the relevant procedure and execute a reorganization plan pursuant to Article 67, paragraph 3, let. D), of Italian Bankruptcy Law

- ▶ Debtors who, before 31 December 2021, have been granted a deadline in the frame of the so-called “preliminary petition” of composition with creditors (*domanda di concordato con riserva*) pursuant to Article 161, paragraph 6, of the Italian Bankruptcy Law, or of an “automatic stay” pursuant to Article 182 bis, paragraph 7, of the Italian Bankruptcy Law

Deadlines granted before 31 December 2021

- ▶ Deadlines granted in the frame of “preliminary petitions” for composition with creditors (*domanda di concordato con riserva*) pursuant to Article 161, paragraph 6, of the Italian Bankruptcy Law, filed by 31 December 2020 and relating to companies for which a petition for bankruptcy is pending, are not subject to the ordinary 60-day limit

- ▶ Companies for which a petition for bankruptcy is pending, filing for “preliminary petitions” for composition with creditors (*domanda di concordato con riserva*) pursuant to Article 161, paragraph 6, of the Italian Bankruptcy Law

Before 31 December 2020



# COVID-19 Response: Italy (Continued)

## Note:

- ▶ This document only summarizes key measures implemented to benefit businesses operating in Italy provided for by (i) Law-Decree No. 18 of 17 March 2020 (so-called “Curaitalia Decree”, as amended and converted into law by Law No. 27 of 24 April 2020); (ii) Law-Decree No. 23 of 8 April 2020 (so-called “Liquidity Decree”, as amended and converted into law by Law 5 June 2020, No. 40); (iii) Law-Decree No. 34 of 19 May 2020 (so-called “Relaunch Decree”, as amended and converted into law by Law No. 77 of 17 July 2020); (iv) Law-Decree No. 104 of 14 August 2020 (so-called “August Decree”, as converted into law by Law No. 126 of 13 October 2020). In addition, we have mainly focused on measures relating to private companies and private employees.
- ▶ The measures described above were in place as of **28 October 2020**. Amendments to the abovementioned decrees are however expected in the near future.
- ▶ By means of several Decrees of the President of the Italian Council of Ministers, starting from March 2020, all industrial/manufacturing and commercial activities not considered as strictly necessary (as specifically indicated and set out in such Decrees) had been suspended and certain containment measures had been adopted. Although, starting from 18 May 2020, most economic activities have been allowed to reopen, social distancing measures still apply and certain activities remain subject to limitations.
- ▶ By means of a Decree of the President of the Italian Council of Ministers dated 24 October 2020 (effective from 26 October 2020) further restrictions have been introduced in order to face the so-called “second wave” of the COVID-19 outbreak. Such Decree has imposed *inter alia* restrictions on certain economic activities (such as, *inter alia*, cafes, restaurants, cinemas, etc.).
- ▶ A new Law-Decree, providing for further business support measures, has been approved by the Italian Council of Ministers, but has not yet been published in the Official Gazette.