



*Investment Promotion Department*

Staff headcount *	Annual turnover (€/MLN)	or	Annual balance sheet total (MLN €) **	Dimension
> 250	> 50		> 43	Large
≤ 249	≤ 50		≤ 43	Medium
≤ 50	≤ 10		≤ 10	Small

The **staff headcount** is a **compulsory criterion** for determining whether an enterprise can be considered small or medium. However, an enterprise may choose to meet either the turnover or the balance sheet total ceiling. It does not need to satisfy both two requirements and may exceed one of them without impact on its SME status.

The **staff headcount** and the chosen financial thresholds are **cumulative**, so they **both must exist**. If the enterprise exceeds the size limits for two consecutive years, it will lose the status.

In the case of **upstream** and **downstream** companies, **linked**<sup>1</sup> or **partner**<sup>2</sup> enterprise's data **must be added** to those of the enterprise in question to determine if it meets the staff headcount and one of the financial thresholds defined. An enterprise is considered **autonomous** if it is completely independent or has one or more minority partnerships (each less than 25%) with other enterprises.

\* The staff headcount criterion covers full-time, part-time, temporary and seasonal staff, etc. (National labour rules apply)

\*\* The annual balance sheet total refers to the value of a company's main assets

1 - If holdings with other enterprises rise to at least 25% but no more than 50%, the relationship is deemed to be between partner enterprises

2 - If holdings with other enterprises exceed the 50% threshold, these are considered linked enterprises

# 1. Large investments



Development contract is the main incentive managed by **Invitalia**. It consists of incentives for **one or more** connected and functional investment projects (including **R&D**) of at least **€ 20 MLN over 3 years**, presented by one or more companies also in joint form, in the following sectors:

- Manufacturing
- Agricultural products processing (included investments for tourism accommodation) - at least **€ 7.5 MLN**;
- Tourism
- Environmental protection.

Projects presented by foreign companies providing a **strategic investment** of at least **€ 50 MLN** can access to **Fast Track procedure**:

- possibility to jump the queue
- ad hoc resources
- time shortening procedures

The development contract includes various forms of **financial subsidies**:

- **non-repayable grant**;
- **soft loan** (max 3+10 years with subsidized interest rate);
- subsidies for interest repayment on loan.

## Eligible investments:

- **new** production unit
- capacity **expansion**
- product **diversification**
- existing production unit **restructuring**:  
fundamental change or significant improvement
- **assets acquisition** of an existing production unit  
located in distressed areas

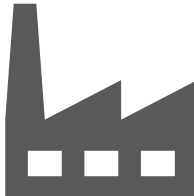

## \* Eligible expenses:

- land purchase (up to 10%);
- building works and similar, specific corporate infrastructures (up to 40% or 70% for tourism);
- factory-fresh machineries, installations and equipment;
- computer programs, patents, licenses, know-how (up to 50% of the total eligible investment).

## \* R&D eligible expenses:

- employees;
- factory-fresh tools and equipment, only for the period in which they are used for the R&D project;
- contract research, knowledge and patents acquired or licensed in outsourcing, as well as costs for consulting services and other services used exclusively for the R&D project;
- general expenditures;
- any material used for the project.

\* N.B. expenses are eligible if incurred after the date of application

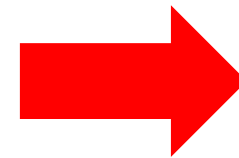
		Aid intensities for enterprise size		
		Large	Medium	Small
 <b>Manufacturing</b>	<b>Southern Regions:</b> Campania, Apulia, Basilicata, Calabria, Sicily and Sardinia	<b>25%</b>	<b>35%</b>	<b>45%</b>
	<b>Central-Northern Regions:</b> <u>only listed cities</u>	<b>10%</b>	<b>20%</b>	<b>30%</b>
	Rest of Italy	<i>No eligibility</i>	<b>10%</b>	<b>20%</b>
 <b>R&amp;D</b>	All the Italian territory	50% ind. research 25% exp. develop.	60% ind. research 35% exp. develop.	70% ind. research 45% exp. develop.

The effective mix of the funds granted **can't exceed 75%** of the total eligible expenses.

## Let's imagine an investment in manufacturing/tourism of € 20 MLN



**South of Italy**  
(Campania, Apulia, Basilicata,  
Calabria, Sicily and Sardinia)

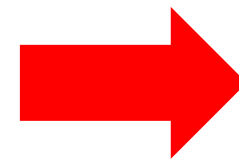


- **large:** € 5 MLN grant (soft loan if required\*)
- **medium:** € 7 MLN grant (soft loan if required\*)
- **small:** € 9 MLN grant (soft loan if required\*)

\* Requiring a soft loan will reduce the grant amount provided



**Central-Northern regions of Italy**  
(example: Lombardy, Lazio,  
Piedmont, Veneto, etc.)  
N.B. only listed cities



- **large:** € 2 MLN grant (soft loan if required\*)
- **medium:** € 4 MLN grant (soft loan if required\*)
- **small:** € 6 MLN grant (soft loan if required\*)

\* Requiring a soft loan will reduce the grant amount provided

***The data above reported must be considered just as an exemplification!***

\* Until January 1<sup>st</sup>, 2021

Total investments: **€ 6.3 BLN**  
Investments granted: **€ 2.8 BLN**  
Foreign investors: **+40**

Projects financed: **179**  
Jobs created: **97,658**

Industrial R&D  
North Italy  
**10% funded**



Total investment: **€ 446 MLN**  
Funded (R&D only): **€ 49 MLN**

Tourism  
South Italy  
**25% funded**



Total investment: **€ 28,7 MLN**  
Funded: **€ 7,1 MLN**



Total investment: **€ 47,9 MLN**  
Funded: **€ 11,2 MLN**

Food processing  
South Italy  
**23% funded**

Manufacturing + R&D  
South Italy  
**35% funded**



Total investment: **€ 78 MLN**  
Funded: **€ 27 MLN**

Manufacturing  
South & Center Italy  
**38% funded**



Total investment: **€ 68,6 MLN**  
Funded: **€ 26,1 MLN**



This incentive aims at **increasing industrial development** and **employment growth** in areas affected by industrial crisis. It provides funding - grants and loans - for **investment** projects of at least **€ 1 MLN of eligible** expenses aimed at:

- revitalizing industrial activities;
- safeguarding employment levels;
- attracting new investments;
- environmental redevelopment and restoration.

Projects **must provide** for a labor force increase **within 12 months** starting from the date of project approval.

Projects presented by a **network of companies** (3 to 6) require a minimum investment of at least **€ 400 K** provided by each participant.

Projects presented by foreign companies providing a **relevant increase** in the workforce and a **strategic investment** of at least **€ 10 MLN**, in compliance with the National Smart Specialization Strategy, can access to the **Fast Track procedure**:

- possibility to jump the queue;
- special priority.

## Forms of financial subsidies:

- **non-repayable grant (up to 25%** according to location and enterprise size);
- **soft loan (30% to 50%**, with a duration of max 3+10 years with subsidized interest rate).

## Eligible expenses:

- land purchase (up to 10%);
- building works, restoration and specific corporate infrastructures (up to 40% or 70% for tourism projects);
- factory-fresh machineries, installations and equipment;
- computer programs, patents, licenses, know-how (up to 50%);
- consultancy (only for SMEs and up to 5%);
- tangible and intangible assets related to the technological and digital transformation of the company according to the “Industry 4.0” model, including assets that use Artificial Intelligence, blockchain and Internet Of Things technologies.

Costs related to employees’ training projects (internal personnel, administrative and general costs) are eligible only if coherent to the aim of the whole investment project and of the employment program.

The effective mix of the funds granted is related to the project investment **type**, to enterprise **size** and to the geographic **area**. **It can’t exceed 75%** of the total eligible expenses.

	Calls to be open in 2020	Funds available (€/MLN)	Submission starts
	Friuli-Venezia Giulia Region	2	<b>June 1<sup>st</sup> – 12 PM</b>
	Tuscany Region: Province of Massa Carrara	6.5	<b>June 1<sup>st</sup> – 12 PM</b>
	Tuscany Region: Livorno, Collesalvetti, Rosignano Marittimo	10	<b>June 1<sup>st</sup> – 12 PM</b>
	Marche Region: Fermo - Macerata	15	<b>November 6<sup>th</sup> – 12 PM</b> And until January 13 <sup>th</sup> , 2021
<b>NEW</b>	Sardinia Region: Portovesme	11	<b>February 25<sup>th</sup> – 12 PM</b> And until April 26 <sup>th</sup> , 2021
<b>NEW</b>	Sardinia Region: Sassari - Porto Torres	22	<b>December 15<sup>th</sup> – 12 PM</b> And until March 15 <sup>th</sup> , 2021
<b>NEW</b>	Marche and Umbria Regions – “Merloni Area”	21.6	<b>January 20<sup>th</sup>, 2021 – 12 PM</b>
<b>NEW</b>	Venice	14.6	<b>January 18<sup>th</sup>, 2021 – 12 PM</b>

**Funds available for 2021 are € 140 MLN and € 100 MLN for 2022**

# “Enterprises Safeguard” Fund for Distressed companies (1/2)

The “**Enterprises Safeguard**” Fund aims at acquiring minority stakes in the equity of companies in economic and financial distress.

## Main objectives of Fund:

- support the continuity and development of business activities
- reduce the employment impacts associated with the economic and financial crisis
- activate private/public capital to support the implementation of restructuring plans for distressed companies
- establish a partnership between the property/management and Invitalia aimed at creating value for all shareholders, with a shared restructuring plan

Invitalia makes equity direct investments in the **distressed company** or the **acquiror**, under the following conditions:

- the direct acquired share (Equity) must be a minority stake;
- the total intervention per single operation cannot exceed the amount of € 10 MLN;
- 5-year exit with conditions already defined in the investment transaction;
- the investment operation is made jointly and simultaneously with:
  - a) independent third private investors who contribute at least with 30% of the planned resources (in the case of transactions in favor of distressed companies **not pursuant** to the EU guidelines);
  - b) the proposing company that guarantees an own contribution of at least 25% for small enterprises, 40% medium enterprises and 50% large enterprises (in the case of operations in favor distressed companies **pursuant** to EU guidelines).

Invitalia, *in addition* or *as an alternative* to the acquisition of the shares, can make quasi-equity investments.

# “Enterprises Safeguard” Fund for Distressed companies (2/2)

## Main beneficiaries:

To access the Fund **all** the following conditions must incur:

1) **companies** that already contacted the business crisis structure of the Ministry of Economic Development

2) **companies in economic and financial crisis:**

a) as indicated by the EU guidelines (paragraph 2.2 of Communication 2014/C 249/01)

*OR*

b) with prospective cash flows inadequate to regularly meet planned obligations (NOT in a state of difficulty pursuant to paragraph 2.2 of Communication 2014/C 249/01).

3) **companies** that meet at least one of the following conditions:

a) owners of **historical trademarks** of national interest;

b) more than **250 employees**;

c) hold assets and relationships of strategic importance for the national interest, regardless of the number of employees.

For the purposes of accessing the Fund, companies must propose a restructuring program aimed at safeguarding employment levels and continuing the business activity.

## 2. R&D investments



# Innovation agreements – Smart Factory, Agrifood, Life Science

## What

Projects concerning **industrial research** and **experimental development activities** with eligible costs between **€ 5 MIL** and **€ 40 MIL** (new products, processes or their improvements), in one of the following sectors:

- Smart Factory;
- Agrifood (farms included);
- Life Science;

with the development of one or more of the following technologies:

- ICT;
- Nanotechnologies;
- Advanced materials;
- Biotechnology;
- Advanced manufacturing and processing;
- Space;
- Technologies related to the "Challenges for society" priority (Horizon 2020 Program).

## Who

- Companies carrying out **industrial activity** directed to the production of goods or services and transport activities;
- **Agri-food companies** that mainly perform industrial activities;
- Companies that carry out **auxiliary activities** in favor of the previous companies;
- **Research centers**
- **Farms** (only for Agrifood projects).

Applying companies (except for research centers) must have at least two approved financial statements.

Projects must have a duration not exceeding **36 months**.

## Incentives

**Direct contribution to expenditure** equal to a basic 26% fee, consisting of:

- **20%** granted by the Ministry + further **3% minimum** (depending on the regional contribution);
- **3% minimum** granted by the Region.

**A subsidized loan**, if provided by the Agreement, **up to the 20%** of the eligible costs and expenses (a defined variable quota can be added in relation to the available regional financial resources).

**N.B.**

**New funds will be soon available**

## What

The aid supports the transition of economic activities towards a **circular economy model**, supporting **R&D projects** aimed at a more efficient and sustainable use of resources.

### Purposes:

- industrial production conversion;
- making production processes more efficient in terms of time and resources used and less impacting on the environment in terms of reducing greenhouse gas emissions
- recovering materials and minimizing waste.

The projects must be carried out in one or more local units with eligible expenses between **€ 500 K** and **€ 2 MLN**, with a duration  $\geq 12$  months and  $\leq 36$  months.

## Who

**Companies and research centers**, already set up in Italy with at least 2 approved and deposited balance sheets.

Companies must operate mainly in the manufacturing sector or in the direct manufacturing services sector.

Joint projects between companies and research organizations are also eligible, through recourse to the network contracts.

## Incentives

**Soft loan** up to the **50%** of the eligible expenses to be issued only in presence of an external loan (by Cassa Depositi e Prestiti) at least equal to **20%** of the total eligible expenses.

### Direct contribution to expenditure:

- Micro and small companies – **20%**
- Medium companies – **15%**
- Large companies – **10%**

### Total financial resources available:

- € 150 MLN for subsidized loans
- € 60 MLN for grants.

There are two reservations, each equal to about half of the resources:

- SME projects and networks of companies;
- projects to be developed in Southern Italy.



## Eligible R&D activities:

Eligible activities are those aimed at the productive conversion of economic activities through the realization of new products, processes or services or the considerable improvement of products, existing processes or services, thanks to the development of **Key Enabling Technologies - KETs**:

- product and process innovations in terms of **efficient use of resources** and **waste treatment** and transformation
- prototype design and experimentation of integrated technological models aimed at strengthening the paths of **industrial symbiosis**
- systems, tools and methodologies for the development of **technologies for water supply, rational use and sanitation**
- innovative technological tools able to **increase products lifetime** and **production cycle efficiency**;
- **smart packaging** that also include the use of recovered materials
- **multi-light material selection systems**, in order to increase the recovery and recycling rates of small and light materials.

## Eligible expenses for all the incentive schemes:

- **Costs related to the employees** limited to **technicians, researchers** and other **auxiliary staff**, to the extent in which they are employed in the R&D activities covered by the project;
- **Factory-fresh tools and equipment**, to the extent and for the period in which are used for the R&D project;
- **Advisory services and other services used for the R&D project**, including the acquisition or licensing of search results, patents and know-how, through a transaction carried out at normal market conditions;
- **General expenses** calculated on a basis of 25% of the total eligible costs;
- **Materials used to carry out the project.**

Companies **must have a separate accounting system or an appropriate accounting code** to keep all the transactions relating to the subsidized project **separate**.

Costs incurred as part of the **experimental development activities** must be recorded separately from those incurred in the context of **industrial research activities**.

### 3. Small and medium enterprises



## What

The aid supports the creation and growth of **innovative startups\*** all over Italy.

Projects must include expenses and eligible costs between **€ 100K** and **€ 1.5 MIL.**

Projects must have a duration not exceeding **24 months, starting after** the contract signing.

The valuation procedure lasts **only 60 days.**

\* The requirements for innovative startups are listed in the previous slides as defined by art. 25 of the Legislative decree 179/2012

## Who

Smart&Start Italia funds the creation and growth of **innovative startups** that:

- have a strong technological dimension;
- operate in the digital economy;
- enhance search results (spin-offs from research).

## Applicants:

- **small-sized** startups established **for no more than 60 months**;
- **individuals or foreign citizens with a Startup Visa** which are going to set up a new company (within 30 days from the admission);
- **foreign companies** that have all the requirements and undertake to establish an office in Italy (within the date of the first funds request).

## Subsidies

Interest-free loan **up to 80%** of the total investment. The percentage of funding **may rise to 90%** if the startup is composed exclusively by women or young people under the age of 36, or if it includes at least a PhD who is working abroad and moving to Italy.

Startups based in Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sardinia and Sicily, **will repay only the 70%** of the loan amount.

The loan-repayment duration is **10 years.**

*Startups established by no more than 12 months can use a free of charge technical-management tutoring service by Invitalia.*

## Eligible expenses \*

### Investment costs:

- Factory-fresh plant, machinery and equipment
- Hardware and software components
- Patents, trademarks and licenses
- Certifications, know-how and technical knowledge directly related to the production and management needs of the company
- Licenses and rights relating to the use of industrial property titles or software
- Design, development, customization, testing of IT architectural solutions and technological production systems
- Technological specialist consultancy
- Employees and collaborators salary costs
- Business incubation and acceleration services
- Investments in marketing and web marketing

### Running costs:

- Raw material
- Services for the company's activities
- Hosting and housing
- Use of third parts assets (e.g. offices or laboratories rent)

\* Expenses are eligible only if incurred after the date of the proposal submission

## What

The aid supports the production processes **technological and digital transformation** through:

- process innovation or organization innovation activities;
- capex investments.

Projects must also:

- include eligible expenses not less than **€ 50 K** and not more than **€ 500 K**;
- start after the submission of the application;
- have a duration not exceeding 18 months from the date of the granting provision.

## Who

Companies, on the date of submission of the application, must:

- be **micro, small or medium-sized**;
- be registered in the Business Register;
- operate mainly or primarily in the following sectors: manufacturing; services to manufacturing, tourism and trade;
- have achieved in the last year an amount of revenues at least equal to € 100,000;
- have at least two financial statements approved;
- not be subject to bankruptcy proceedings and not be in a state of bankruptcy, liquidation, even voluntary, controlled administration, arrangement with creditors or in any other equivalent situation according to current legislation.

## Subsidies

Benefits are granted up to 50% of the total eligible expenses, in the form of:

- **Grant** (up to 10%);
- **Zero interest rate loan** (up to 40%) with a duration of 7 years.

**Total funds available are € 100 MLN.**

Applications started on December 15<sup>th</sup>

Subsidies granted in relation to these investments cannot be combined, with reference to the same expenses, with other public subsidies that are configured as State aid.

## Eligible investments

- Technologies coherent with the National Plan 4.0 (advanced manufacturing solutions, additive manufacturing, augmented reality, simulation, horizontal and vertical integration, industrial internet, cloud, cybersecurity, big data and analytics);
- Technologies related to digital technological solutions of the supply chain, focusing on:
  - a) distribution chain management optimization;
  - b) software implementation;
  - c) Logistics platforms and digital
  - d) other technologies, such as e-commerce systems, mobile and internet payment systems, fintech, electronic systems for data exchange (Electronic data interchange - EDI), geolocation, technologies for the in-store customer experience, system integration applied to process automation, blockchain, artificial intelligence, internet of things.

## Eligible capex investments:

- Factory-fresh tangible and intangible assets
- Consultancy services (up to 10%)

## Process innovation or organization innovation activities:

- Costs for personnel involved in the innovation project
- Factory-fresh tangible and intangible assets, just for the period in which they are used for the project
- Consultancy services
- General expenses and materials used for the project

## What

Investment programs with eligible expenses **up to € 1.5 MLN** to be implemented by **micro and small companies** in **all the national territory** as follows:

- established by no more than 36 months with investment programs up to **€ 1.5 MLN** of total eligible expenses;
- established at least from 36 months and up to 60 months with investment programs up to **€ 3 MLN** of total eligible expenses.

Program duration not less **than 24 months** from the financial contract subscription.

The valuation procedure lasts **only 45 days**.

## Who

### Micro and Small Companies

established in Italy by **no more than 60 months** (including cooperatives), composed, for more than half of members and shares, of people aged between 18 and 35 years old or by women (no age limit).

**Constituting companies**, formed only by natural persons, must provide for their constitution no later than 45 days from the notification of the admission decision.

## Subsidies

Benefits are granted in the form of:

- a **subsidized loan** with a zero-interest rate. Loan maximum length is **10 years**.
- a non-repayable grant only related to running costs (max 20% of total eligible expenses).

The subsidized amount provided can go **up to 90%** of the eligible expenses.

Companies must provide a coverage for the remaining part of the investment.

Loans under the limit of € 250 K do not require a guarantee coverage.

**N.B. New rules for projects over € 1.5 MLN will entry soon into force**



## Eligible expenses \*

### Capex:

- Land and building purchase (max 40 % only for tourism projects over € 1.5 MLN)
- Building renovation (max 30%)
- Machinery, plant and equipment, computer programs and services for ICT
- Patents/licenses / trademarks
- Specialist consulting (max 5%)

### Running costs:

- Raw material
- Services for the company's activities
- Hosting and housing
- Use of third parts assets (e.g., offices or laboratories rent)

## Eligible activities

Manufacturing, Tourism, Services, Trade

*\* Expenses are eligible only if incurred after the date of the proposal submission*

## What

The incentive supports investments of micro, small and medium enterprises for **purchasing** or **leasing** of new tangible (machinery, equipment, plants, capital goods for productive use, hardware) and intangible assets (digital software and technologies).

### Investments **must meet the following requirements:**

- functional autonomy, as the financing of components or parts of machinery that do not meet this requirement is **not permitted**;
- **correlation** to the productive activity carried out by the enterprise.

Expenses related to land and buildings, regenerated goods, as well as to "*fixed assets in progress and advanced payments*" **are not eligible**.

## How

The incentive provide a **loan** issued by banks and financial intermediaries as well as a contribution on the interest rate by the Ministry of Economic Development. The investment can be **fully covered** by bank financing (or leasing).

The loan can be assisted by the "Guarantee Fund for SMEs" up to 80% of the amount. It must:

- have a duration not exceeding **5 years**;
- have an amount between **€ 20,000** and **€ 4 MLN**;
- be fully used to cover all eligible investments.

Subsidies can be disbursed in unique solution if the total investment is lower than € 200 K.

## Aid

The aid consist in a contribution equal to the total amount of interests to be paid for the loan, accordingly to the type of investment:

- **2.75%** interest rate for the purchase/lease of new tangible or intangible assets for productive use;
- **3.575%** interest rate for the purchase/lease of Industry 4.0 assets (big data, cloud computing, ultra broadband, cybersecurity, advanced robotics and mechatronics, augmented reality, 4D manufacturing, RFID and waste tracking and weighing systems);
- **5.5%** interest rate for the purchase/lease of new tangible or intangible assets for productive use in Southern Italy (Abruzzo, Basilicata, Calabria, Campania, Molise, Apulia, Sardinia e Sicily);
- **3.58%** interest rate for the purchase/lease of new material goods with low environmental impact.

## What

The incentive supports the set up and the growth of business and non-profit initiatives within the **cultural, creative and tourism sectors**, aiming at the cultural resources enhancement in the regions of Basilicata, Calabria, Campania, Puglia and Sicily.

Three are the main intervention areas:

- 1) **Newly set up companies:** investments up to **€ 400K** introducing innovation within the economy of knowledge, conservation, fruition and management of cultural heritage;
- 2) **Existing companies:** investments up to **€ 500K** for the valorization of cultural and natural attractors: promotion, communication, tourism and cultural fruition of cultural heritage;
- 3) **Social enterprises:** investments up to **€ 400K** for activities producing social effects and public goods not produced by the market.

## Who

Companies defined as follows within the territories of Basilicata, Campania, Calabria, Puglia and Sicily:

- 1) **Newly set up companies:** new micro, small and medium enterprises established by no more than 36 months (no specific areas defined);
- 2) **Existing companies:** micro, small and medium enterprises existing for more than 36 months (only specific municipalities of cultural attraction, excluding Sicily);
- 3) **Social enterprises:** non-profit organizations (only specific municipalities of cultural attraction, including Sicily).

## How

The aid consists of the following incentives:

- 1) **Newly set up companies:** 40% soft loan + 40% grant;
- 2) **Existing companies:** 60% soft loan + 20% grant;
- 3) **Social enterprises:** 80% grant.

Soft loan is **interest-free** and has a duration of **8 years**, plus a 1 year grace period, and doesn't need guarantee coverage.

Projects must be concluded **within 12 months** since the contract signing.

Subsidized companies **must provide the remaining 20%** of the total eligible investment using own resources.

## Eligible expenses

### **Investment costs (for enterprise type n° 1 - 2 - 3):**

- machinery, plant, equipment, furnishings and mobile units (factory-fresh);
- software, patents, licenses and trademarks, certifications, know-how, technical knowledge (even unpatented);

### **Running costs (for enterprise type n° 1 - 2) up to the 20% of the total eligible expenses:**

- qualified internal staff hired with a permanent contract and working within the operational area (no managers);
- ICT services;
- external specialistic consultancy (from Universities, R&D centers or enterprises/people with strong competences in the sector).

## 4. Fiscal benefits



## ELIGIBILITY

- Companies investing in tangible and intangible capital goods accordingly to the **Industry 4.0** national strategy, or in 'ordinary' tangible and intangible assets. These tax credits are already available **since November 16<sup>th</sup> 2020**.

## CUMULATION

- The tax credit **can be combined** with other incentives related to the same investment, only if this cumulation does not overcome the investment total value

## TIMING

- Investments completed before **December 31<sup>st</sup>, 2022**
- Investments for which the company make the first payment (at least 20%) before **December 31<sup>st</sup>, 2022**. Assets must be delivered before **June 30<sup>th</sup>, 2023**

## INCENTIVES

Investments (€)	Tax credit (%)
<b>Industry 4.0 tangible assets *</b>	
< € 2.5 MLN	50% (Y2021) - 40% (Y2022)
≥ € 2.5 MLN ≤ € 10 MLN	30% (Y2021) - 20% (Y2022)
> € 10 MLN ≤ € 20 MLN	10% (Y2021 - Y2022)
<b>Industry 4.0 intangible assets *</b>	
≤ € 1 MLN	20%
<b>'Ordinary' tangible assets **</b>	
≤ € 2 MLN	10% (Y2021) - 6% (Y2022)
<b>'Ordinary' intangible assets **</b>	
≤ € 2 MLN	10% (Y2021) - 6% (Y2022)

\* Compensation

**3 years**

\*\* Compensation

**1 years**

### N.B.

- ✓ Investments that worth more than **€ 300 K** per individual asset require a technical evaluation by an expert or engineer;
- ✓ Companies with revenues < €5 MLN can compensate the tax credit in just 1 year;
- ✓ The tax credit for *'Ordinary' tangible and intangible assets* can be used in the same year of maturation.

## ELIGIBILITY

- Companies of **all sizes** investing in research and development, ecological transition, technological innovation 4.0 and in other innovative activities. These tax credits are valid for **2021-2022**

## ELIGIBLE EXPENSES

- Personnel;
- Depreciation charges, financial or simple lease payments and other expenses relating to tangible assets and software used in R&D projects (up to 30% of the expenses related to personnel);
- Research contracts;
- Depreciation charges relating to the purchase from third parties, also under license of use, of industrial property rights relating to an industrial or biotechnological invention, up to a maximum of € 1 MLN;
- Consultancy (up to 20% of the expenses related to the personnel);
- Materials for R&D projects (up to 30% of the expenses related to personnel or research contracts).

The effective payment of the eligible expenses must result from a specific certification issued by a company's statutory auditor. For companies not legally obliged to audit statutory accounts, the costs incurred are recognized for an amount not exceeding € 5,000.

## INCENTIVES

Eligible activities	Investments (€) **	Tax credit (%) *
<b>Fundamental research, Industrial research and Experimental development</b>	≤ € 4 MLN	20%
<b>Fundamental research, Industrial research and Experimental development in Southern Regions</b> (Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sardegna and Sicily)	≤ € 3 MLN	25% (large enterprise) 35% (medium enterprise) 45% (small enterprise)
<b>Technological innovation</b> (design, implementation, introduction)	≤ € 2 MLN	10%
<b>Technological innovation "Industry 4.0" and green economy</b> (design, implementation, introduction)	≤ € 2 MLN	15%
<b>Design - Aesthetic conception</b> (conception and realization of new products and samples within the textile and fashion, footwear, eyewear, goldsmith, furniture and furnishing and ceramic sectors)	≤ € 2 MLN	10%

\* Compensation  
3 years

\*\* net of other grants or contributions for any reason received for the same eligible expenses

# Tax credit for South Italy

## Tax credit and fiscal benefit for Special Economic Zones (SEZs)

### TAX CREDIT\* FOR SOUTH ITALY

- Companies investing in tangible assets in Basilicata, Calabria, Campania, Puglia, Sicily, Molise, Sardinia and Abruzzo until the end of **2022** can benefit of a 50% tax credit.

### TAX CREDIT\* and FISCAL BENEFIT FOR SEZs

- Companies investing in tangible assets inside **Special Economic Zones (SEZs)** of Basilicata, Calabria, Campania, Puglia, Sicily (seaports, inland ports, airports, production areas, logistic platforms and intermodal freight villages) until the end of **2022**
- Newly established** companies can benefit from a **50% tax relief (IRES) for 6 years**

Enterprise size	Investments (€)	Tax credit (%)
Small	≤ € 1.5 MLN	20%
Medium	≤ € 5 MLN	15%
Large	≤ € 15 MLN	10%

Enterprise size	Investments (€)	Tax credit (%)
Small	≤ € 3 MLN	45%
Medium	≤ € 10 MLN	35%
Large	≤ € 15 MLN	25%

\* N.B. These tax credits **cannot** be combined with other state aids related to the same costs.



## ELIGIBILITY

- Companies of **all sizes** investing in training of employees and entrepreneurs for the acquisition or consolidation of skills in technologies relevant to the Industry 4.0 national plan
- It applies to eligible expenses incurred in **2021-2022**:
  - ✓ Costs of the training hours/days, incurred during the period 2020-2022 and to the maximum limit of € 300,000 euros;
  - ✓ Employees participating as teacher or tutor in the training activities, within the limit of 30% of the total annual remuneration.
- Access to Tax credit is automatic in the preparation of financial statements.

## INCENTIVES

Enterprise size	Investments (€)	Fiscal deductibility (%) *
<b>Small</b>	≤ € 300 K	50%
<b>Medium</b>	≤ € 250 K	40%
<b>Large</b>	≤ € 250 K	30%

\* The benefit can increase up to 60% for training activities related to less advantaged or severely disadvantaged workers

## PATENT BOX

- The patent box benefit consists in a **partial tax deduction of 50%** for incomes arising from direct use or licensing of qualified intangible assets:
  - ✓ property rights;
  - ✓ industrial patents;
  - ✓ Trademarks;
  - ✓ designs and models, as well as processes, formulas and information relating to experiences acquired in legally protected industrial, commercial or scientific fields
- Fiscal deductibility on **IRPEF** (personal income tax) or **IRES** (tax on company revenues)
- Legal entities with a business income must be able to demonstrate that their income is from the use of intangible assets
- Access to the benefit can be **automatic** in the preparation of financial statements or made through a **fiscal ruling procedure** with the National Revenue Agency. The company can benefit the incentive for a 5-years time period.

## ACE – Allowance for corporate equity

- The benefit (aka Notional Interest Deduction - NID) aims at promoting the **recapitalization** of undertakings and to mitigate the different tax treatment applied to companies funded with debt and others funded with equity.
- The qualifying **equity increases** may be inclusive of equity contributions, retained earnings (except for profits allocated to a non-disposable reserve), share-holders credits' waiver.
- The benefit entails a **notional deduction from corporate income taxable base** on company revenue (IRES) equal to the net increase in the “new equity” employed in the company, multiplied by a rate yearly determined annually (**1.3% for FY 2020**).
- Under Italian legislation, unused ACE basis may be:
  - ✓ carried forward in future fiscal years;
  - ✓ transferred to the fiscal unit, wherever the company is part of a tax group;
  - ✓ transformed into a tax credit to be offset against Regional Tax on Production Activities (IRAP) payments, made in five installments of the same amount.

## WHAT

- Tax deduction on the investor's taxable income for **IRPEF** (personal income tax) or **IRES** (tax on company revenues)

## ELIGIBILITY

- Companies or natural persons investing directly or indirectly in one or more **innovative startups** or **SMEs**
- The benefit applies to contributions in cash in the company **share capital** and in the **reserves** of innovative startups and SMEs or of companies investing mainly in the capital of innovative startups or SMEs
- The investment **must be kept for at least 3 years**

## INCENTIVES

Fiscal subject	Amount invested per year (€)	Fiscal deductibility (%)
Natural persons	up to € 100 K	50%
Natural persons	≥ 100 K ≤ 1 MLN	30%
Legal persons	up to € 1.8 MLN	30%

## 5. Employment bonuses



## Individual income tax for new residents (Impats)

- **Workers** who:
  - are already graduated or got a degree abroad in the last 24 months (work and study period can't be cumulated);
  - have been resident abroad for the 2 previous tax periods and not on occasional basis;
  - are employed in Italy and become **tax-residents**: working for min. 183 days/year (184 for leap years) for at least 2 years; can benefit of an exemption on the income tax for 5 years\* equal to the **70% or 90%** if residents in Southern regions (Abruzzo, Apulia, Basilicata, Calabria, Campania, Molise, Sardinia and Sicily).
  
- **Teachers and researchers** that:
  - in possession of a university degree;
  - have been residing abroad not on occasional basis;
  - have carried out recorded teaching or research activities abroad for the 2 previous tax periods;
  - become **tax-residents** in Italy: working for min. 183 days/year (184 for leap years) for at least 2 years;
  - keep working as teachers/researchers
 can receive an exemption on the income tax for 6 years\*\* equal to the **90%**.

\* the exemption can be extended up to 10 years based on the number of dependent children and the acquisition of a residential property. If the worker does not have dependent children but acquired a residential property the fiscal exemption is reduced to 50% for the extended period.

\*\* the exemption can be extended from 8 to 13 years based on the number of dependent children and the acquisition of a residential property.

# Employment bonuses (1/3)

Worker category	Condition	Type of contract	Expected amount / duration	Bonus (reduction in social security contribution to be paid)
<b>People residing in South Italy (Abruzzo, Apulia, Basilicata, Calabria, Campania, Molise, Sardinia and Sicily)</b>	<ul style="list-style-type: none"> <li>Never been employed with a permanent contract</li> <li>Unemployed for at least 6 months</li> </ul>	<ul style="list-style-type: none"> <li>Permanent contracts</li> <li>Apprenticeship contracts</li> <li>Conversions from fixed-term/apprenticeship to permanent contracts (unemployment status not required)</li> </ul>	<ul style="list-style-type: none"> <li>The relief applies to the % of the employer's contribution without identifying a maximum monthly ceiling</li> <li>The relief is cumulative with other aids</li> </ul>	<ul style="list-style-type: none"> <li>30% until Y 2025</li> <li>20% for YY 2026-2027</li> <li>10% for YY 2028-2029</li> </ul>
<b>People under 35 (everywhere in Italy)</b>	<ul style="list-style-type: none"> <li>Never been occupied with a permanent contract and hired in 2020</li> </ul>	Permanent contracts or conversions from fixed-term to permanent contracts for years 2021 - 2022	€ 6,000 per year (max 48 months)	100%
<b>Excellences</b>	<ul style="list-style-type: none"> <li>Under 30 graduated with honors (within June 30th, 2019)</li> <li>Young PhD (with titles obtained within June 30<sup>th</sup>, 2019 at maximum age of 34)</li> </ul>	Permanent contracts or conversions from fixed-term to permanent contracts	€ 8,000 (max 12 months)	n.a.
<b>Young parents under 35 years old</b>	Young parents must be found on the register of young parents on INPS website	Permanent contracts	€ 5,000 one-time	n.a.

## Employment bonuses (2/3)

Worker category	Condition	Type of contract	Expected amount / duration	Bonus (reduction in social security contribution to be paid)
<b>Apprentices and work-related learning experiences</b>	<ul style="list-style-type: none"> <li>Under 30 recruited in 2020 working as apprentices</li> <li>Students, within 6 months from the end of secondary school, after the conclusion of work-related learning experiences with the same employer</li> </ul>	Permanent contracts	€ 3,000 per year (max 36 months)	100%
<b>Unemployment income holders (NASPI)</b>	Unemployment status	Full-time permanent contracts	Depending on the amount of the unemployment benefit	20% (on monthly allowance not yet received by the worker)
<b>Redundancy fund holders (CIG-CIGS)</b>	<ul style="list-style-type: none"> <li>Redundancy fund holders</li> <li>Redundancy fund holders for at least 3 months</li> </ul>	<ul style="list-style-type: none"> <li>Permanent and fixed term contracts</li> <li>Full-time permanent contracts</li> </ul>	€ 4,030 per year <ul style="list-style-type: none"> <li>18 months for permanent contracts</li> <li>12 months for fixed term contracts</li> </ul>	<ul style="list-style-type: none"> <li>CIGS: 50% (on monthly allowance not yet received by the worker)</li> <li>CIG: 10% (on monthly allowance not yet received by the worker)</li> </ul>
<b>“Citizenship income” holders</b>	“Citizenship income” holders	<ul style="list-style-type: none"> <li>Full-time permanent contracts</li> <li>Apprenticeship contracts</li> </ul>	€ 780 per month (max 18 months, within the limit of the monthly amount of Citizenship income received by the worker)	n.a.

Worker category	Condition	Type of contract	Expected amount / duration	Bonus (reduction in social security contribution to be paid)
<b>People over 50</b>	Unemployed for at least 12 months	<ul style="list-style-type: none"> <li>Permanent contracts or conversions from fixed-term to permanent contracts</li> <li>Fixed-term contracts</li> </ul>	<ul style="list-style-type: none"> <li>18 months</li> <li>12 months</li> </ul>	<ul style="list-style-type: none"> <li>50%</li> <li>50%</li> </ul>
<b>Women of any age</b>	<ul style="list-style-type: none"> <li>Unemployed for at least 6 months, living in Southern regions or occupied in sectors characterized by a strong gender gap</li> <li>Unemployed for at least 24 months (everywhere in Italy)</li> <li>New hiring must represent an increase in the workforce of the company</li> </ul>	<ul style="list-style-type: none"> <li>Permanent contracts or conversions from fixed-term to permanent contracts in 2021-2022</li> <li>Fixed-term contracts in 2021-2022</li> </ul>	<ul style="list-style-type: none"> <li>€ 6,000/year for 18 months</li> <li>€ 6,000 for max 12 months</li> </ul>	<ul style="list-style-type: none"> <li>100%</li> </ul>
<b>NEET (Not in Education, Employment or Training)</b>	Under 30 participating to the “ <i>Garanzia giovani</i> ” program unemployed for at least 6 months	Permanent or apprenticeships contracts	€ 8,060 per year (max 12 months)	100%



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INVITALIA  
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**THANK YOU**