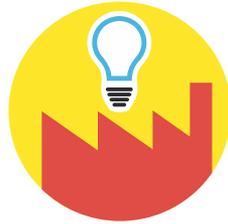




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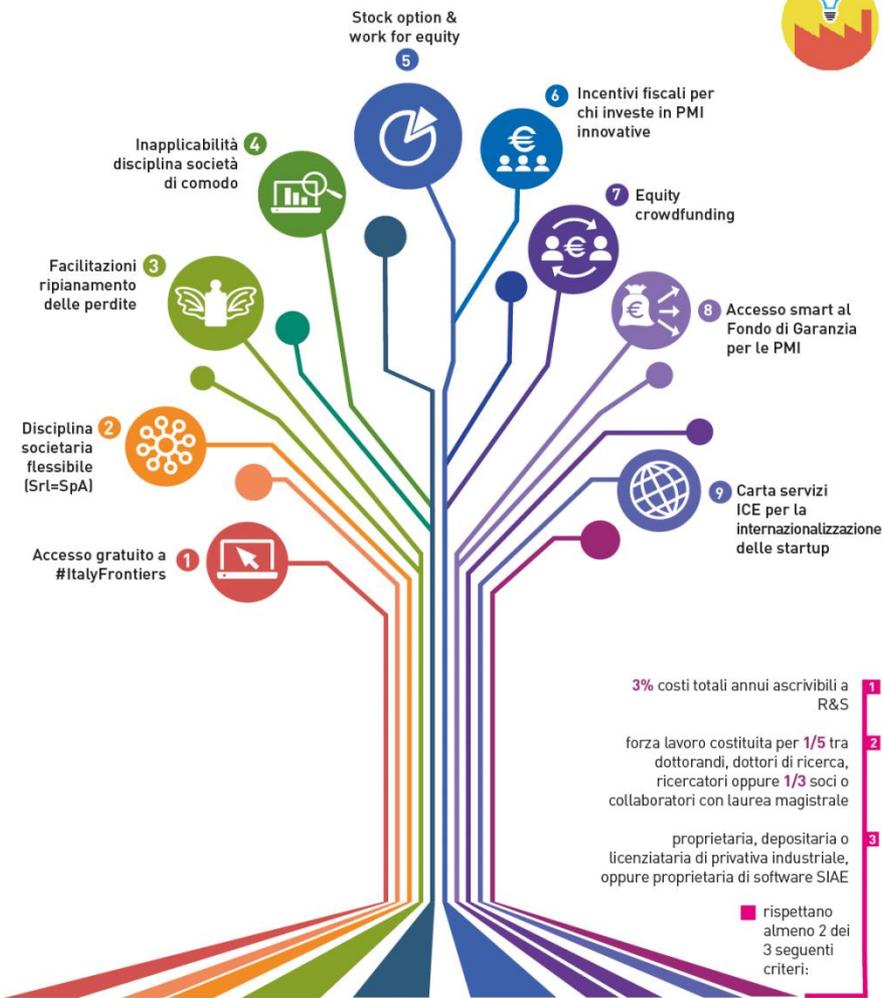


Italy's new industrial policy for innovation Focus on innovative SMEs

*Italian Ministry of Economic Development
Directorate-General for Industrial Policy, Competitiveness and SMEs*



Tutte le agevolazioni



- PMI ai sensi della Raccomandazione 2003/361/CE
- sede principale in Italia o Paese UE, con sede produttiva o filiale in Italia
- non quotato su un mercato regolamentato
- certificazione dell'ultimo bilancio

■ PMI innovative

The opportunities for innovative SMEs



Definition of innovative SME (d.l. 3/2015)



- **SME as defined by EU regulation** (Recommendation 2003/361/CE): < 250 employees, < €50 mln yearly revenues, < 43 mln € total turnover
- **HQ in Italy**, or in another EU country, with at least a production site branch in Italy
- **Certified statement of the accounts**
- Not listed on a regulated market (but can be listed on a multilateral negotiation platform)
- **Not registered in the special section of the Business Registry for innovative startup** (a simplified transition between the two regimes is provided)



Definition of innovative SME (d.l. 3/2015)



Finally, an SME is innovative if it meets at least 2 of the 3 following criteria :

1. expenses in R&D and innovation are at least 3% of *either* its annual costs *or* its turnover (the largest value is considered)
2. employs highly qualified personnel (at least 1/5 PhD holders and students, or researchers, or at least 1/3 Master's graduates)
3. is the owner, depositary or licensee of a registered patent, or the owner of a registered software.

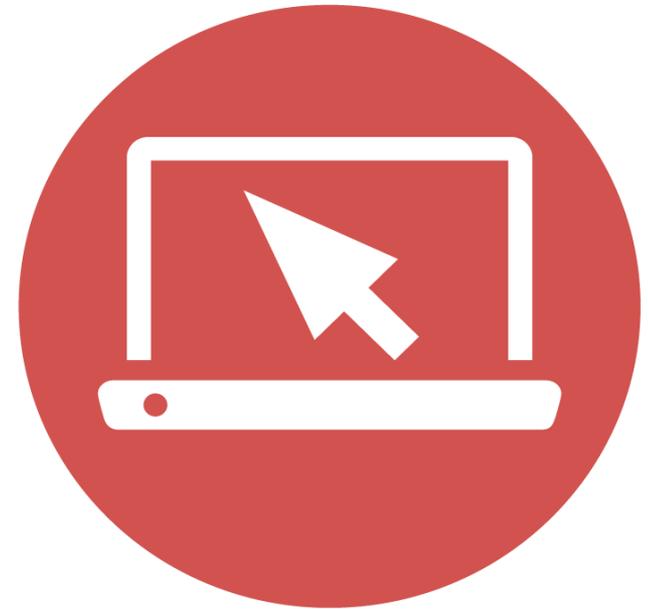


A special regime easy to access

- Instant access to the special section of the Italian Business Register by a **self-certification**, sent online

- **#ItalyFrontiers**

An online showcase, both in Italian and English versions, where startups can create a profile for free and with a digital signature. Its aim: to increase their visibility to national and international investor, and to favour open innovation dynamics





A flexible corporate management

S.r.l. (llc) is made more similar to s.p.a. (plc):

- Possibility to create categories of shares with particular rights (e.g. voting rights non proportional to the participation in capital)
- Possibility to carry out operations on one's shares
- Possibility to issue participative financial instruments
- Possibility to offer capital shares to the public





Easier to cover systematic losses

Extension of terms for covering losses:

In the event of systematic losses, the innovative SME benefits from a 1-year grace period to cover losses over 1/3 of the share capital (terms postponed by two financial years)





No regulations on dummy companies

The innovative SME is exempted from regulations on dummy companies and on companies registering systematic losses.

As a result, the company does not need to undergo **operationality tests** to verify its inactivity status.

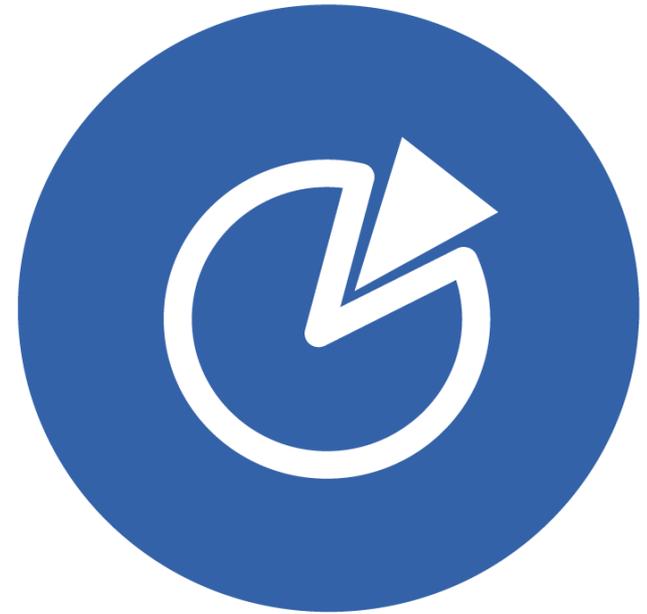
In case the revenues of the startup are considered as «not appropriate», it is not subject to the tax penalties usually faced by dummy companies (e.g. computation of a minimum income and tax base for corporate taxation purpose).





Incentives to work for equity schemes

Employees and consultants can be remunerated through **stock options and work for equity** that are not included in taxable income
(taxed as capital gain!)





Incentives to investment

- **for legal persons**, allowance from gross income tax amounting to 30% (before 2017: 19%) of the sum invested in innovative SMEs, up to €1M (before 2017: €500,000)
- **for enterprises**, deduction on taxable income amounting to 30% (before 2017: 20%) of the sum invested in the share capital of innovative SMEs, up to €1.8 mln
- **investments can be also disposed indirectly** through CIUs and corporations that predominantly invest in innovative startups and SMEs
- the incentive is conditioned to **a holding period of no less than 3 years**





Equity crowdfunding

- Italy was the 1° country in the world to introduce a special legislation on the matter (Consob Regulation n. 18592/2013)
- **New measures post-Investment Compact** (resolution n. 19520 24/2/2016):
 - Extension to **innovative SMEs, CIUs** and **other businesses** investing predominantly in innovative startups and SMEs
 - **Dematerialisation of the transfer of quotes of innovative startups and SMEs**, as a waiver to the regular legislation, and consequent reduction of costs, with a goal of fluidifying the secondary market
 - **Broadening of the definition of professional investors** to satisfy the 5% rule for capital subscription (business angels now included)





Easier access to bank loans

Preferential access to the Guarantee Fund for SMEs (Fondo di Garanzia per le PMI):

- Free intervention
- Fast-track investigation
- Guarantee **on up to 80% of the total amount**, with no evaluation of the business plan and balance sheets, with no due diligence for companies with an «A» or «B» credit rating, and no additional collateral requested by the bank on the part covered by the Fund (except personal guarantees)
- **Maximum amount guaranteed: €2.5 mln**, which can also be spread on several operations





Targeted support from the Italian Trade Agency

Access to the **“SME Service Card”**, granting a **30% discount** on the following support services: assistance in **legal, societal, fiscal, real estate, contract and credit matters**, and a **discounted participation in selected international fairs and showcases, matching activities** with potential investors.

To request the Card, the company must send an email to the following addresses, writing in the subject **“Richiesta Carta Servizi PMI”**:

Italian Trade Agency (ICE) – startup@ice.it / urp@ice.it





The 2017 Budget Law: opportunities for innovators



**New online
incorporation
procedure**
No more stamp
duty tax



Renewal of 140%
super-depreciation.
New 250%
hyper-depreciation
to encourage
Industry 4.0 investments



Startup losses can be
transferred to listed
companies holding
≥20% of their shares



**Tax incentives
for investments**
in innovative startups
and SMEs
raised to 30%



ITAtch e AccelerateIT
initiatives by CDP
(National Promotion
Bank)



Tax credit on R&D
raised to 50%,
for both in-house and
outsourced research



A brand-new
visa for investments
of more than €1 million,
€500,000 for
investments in
innovative startups



New regulations for
individual savings plans
(PIR)



Tax Credit on R&D

50% tax credit on *incremental* R&D investments on a 5-year period (2015-2019).

The maximum yearly sum granted is **€20 mln** per company.

After the 2017 Budget Law, the incentive is extended to companies that carry out R&D activities on an appointment companies resident abroad (e.g. multinationals).





Patent Box

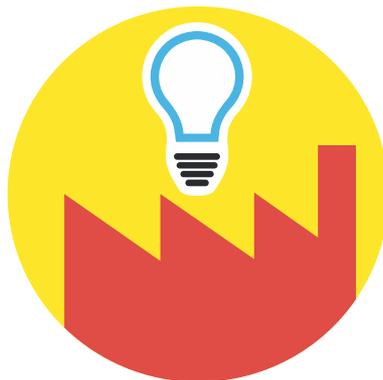
Opportunity to choose a facilitated fiscal regime: exemption from overall income of 50% of profits coming from direct/indirect use of intellectual property, industrial patents and trademarks.

(DM MEF-MISE 30 July 2015)





Ministero dello Sviluppo Economico



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