



Report to the Parliament

on the implementation of regulations in support of the innovative startup ecosystem

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The contents of the report have been shared with the “Technical Committee for the monitoring and evaluation of policies in favour of the innovative startup ecosystem”, convened by the Ministry of Economic Development.

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PREMISE

In modern economies, an innovative environment promoting scientific research and a business fabric which is able to value innovative results and skills, are a necessary condition to achieve the competitiveness of the country's economic and institutional structures.

Several empirical studies conclude that, in comparison with traditional companies, innovative enterprises have a greater impact on productivity and employment levels¹.

Clear tax rules, streamlined bureaucratic procedures; a flexible and competitive job market; diffused knowledge; an effective judicial system which does not stigmatise those who “fail”; and the possibility of securing venture capital is what determines the reputation of national economic and institutional structures on the global innovative business scene and, consequently, the direction in which human and financial capital flows. In an increasingly competitive international environment, a fragmented ecosystem which lacks competitiveness is doomed to be left behind and fail to attract both talent and resources.

Creating favourable conditions for the establishment and the development of innovative startups—be they related to manufacturing, services, agriculture or other sectors—contributes significantly to economic growth and employment, especially youth employment. It also fosters a knowledge spillover in the whole economic fabric and, more specifically, supports a new Italian production oriented towards high-tech and high-skill sectors. Not only that: supporting innovative entrepreneurship contributes to greater social justice and social mobility; strengthens the links between universities and businesses; and makes people more incline to take business-related risks.

A country in which national and international innovative enterprises can thrive has more opportunities to attract financial and human capital from abroad, thus increasing its competitiveness level and becoming more attractive on international markets.

Since a knowledge economy—an economy characterised by competitive processes which are based on the need to introduce new highly scientific and technological products and services—has taken root, the importance of such companies in the national production systems has increased.

¹ Among the most relevant studies on this issue are the following: Kauffman Foundation Research Series: *Firm Formation and Economic Growth, The Importance of Startups in Job Creation and Job Destruction*, July 2010; OECD *Science, Technology and Industry Scoreboard 2013*; E. Moretti, *La nuova geografia del lavoro*, Mondadori, 2013.

Aware of the role innovative startups play within the economic system, many countries are adopting ambitious intervention programmes aimed at strengthening and modernising their innovation ecosystem. Italy, too, has embraced this vision and has adopted measures aimed at fostering the establishment and development of innovative startups, by promoting a renewed approach towards public support for entrepreneurship. These measures are listed in Decree Law 179/2012, which focuses on “*Additional urgent measures for the country's growth*”².

Law 221/2012 includes many of the policy proposals put forward in the *Restart, Italia!* report– a report elaborated by a task force of 12 experts, which was set up in April 2012 by the Minister of Economic Development – as well as policy proposals which emerged from consultations with the main players in the ecosystem. With the Law in question, the definition of the startup, a new innovative enterprise, has been introduced into the Italian legal system. For the very first time, this type of enterprise could draw upon an exhaustive corpus of regulations (art. 25-32) which introduced new instruments and support measures regarding subjects which have an impact on the whole life cycle of a company: from its launch to its growth, development and maturity stages. All this was achieved without distinguishing between sectors or introducing age limits for entrepreneurs.

In addition to the exceptions to corporate law aimed at introducing more streamlined and meritocratic corporate management procedures, substantial incentives for investments in *seed* and *venture capital* have been put in place. Other measures include, to name but a few, innovative instruments for raising funds from the public (*equity crowdfunding*), preferential mechanisms to provide access to loan guarantees from the State and *ad hoc* internationalisation services provided by the Italian Trade Agency (ICE).

By creating a regulatory framework which is congruent with the needs of all the players involved in the startup ecosystem, Law 221/2012 transcends a simple law-making exercise. It is an organic and coherent policy for which public support for innovative entrepreneurship represents a new type of industrial policy-making.

More recently, the *Decreto “Lavoro”* (Decree Law 76/2013, the so-called “Labour package”, which was subsequently amended and ratified in Law no. 99 of 9 August 2013), introduced some significant [changes](#) in the field of innovative startups. The requirements

² After parliamentary procedures had been completed of 13 December 2012, the [text of the Decree Law](#) was amended and ratified in Law no. 221 of 17 December 2012.

enterprises must fulfill in order to classify as a startup have been simplified and extended in order to make regulations even more efficient in promoting innovative entrepreneurship.

With the aim of putting in place an “evidence-based policy”³, the corpus of regulations on startups provides for a structured system to monitor and evaluate this new policy (article 32 of Law 221/2012). Moreover, from 1 March 2014, the Minister of Economic Development must report to the Italian Parliament annually on the impact of the measures in question.

This document is the first monitoring report on the policy in support of innovative startups and has been drawn up with a view to fulfilling the aforementioned duty.

Since Italian regulations on startups are fairly recent, the aim of this document is, above all, to duly report on the progress of different implementation measures provided by primary legislation. Nevertheless, where data are available, this report also provides some descriptive analysis of the first quantitative and qualitative data which emerged during the first few months since the regulations were put in place.

Administrative monitoring clearly shows the fast pace with which the set of regulations is becoming fully operational. In less than 12 months, all the implementation decrees and executive measures under Law 221/2012 have been completed.

Far from being static, the policy for startups is constantly evolving and developing. Thus, the last paragraph of this report focuses on additional measures which, despite not forming part of the original package of regulations, have enriched the framework of governmental initiatives in place to support innovative startups and their ecosystem.

Thanks to the creation of a monitoring and evaluation system which follows the guidelines which are about to be issued by the recently established “*Technical Committee for the monitoring and evaluation of policies in favour of the innovative startup ecosystem*”⁴, it will

³ For more than a decade, evidence-based policies have been, in fact, widely used in the public governance of many advanced countries. The main assumption of this approach is that – provided that scientific methods and independent procedures are used – impact analysis of a policy on the basis of on empirical data may provide decision makers with useful elements for adjusting the policy and improving its effects on society. Such analysis may also lead to a constructive public debate, thus creating a virtuous exchange of opinions between the public and lawmakers. Cf. A. Martini - M. Sisti, *A ciascuno il suo. Cinque modi di intendere la valutazione in ambito pubblico*, 2007; A. Martini, *Come rendere la valutazione delle politiche meglio utilizzabile nel processo decisionale pubblico?*, 2004.

⁴ Ministerial Decree issued on 31 January 2014.

soon be possible to collect and elaborate greater volumes of increasingly complex data, using databases which will be made available by the Italian National Institute for Statistics.

The 2015 Report will provide members of Parliament and the public with the available information and with the first evaluations on the impact of the measures.

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1. THE INNOVATIVE STARTUP

Support measures are aimed at companies with shared capital, including cooperatives, the shares or significant registered capital shares of which are not listed on a regulated market nor on a multilateral negotiation system. These companies must also meet the following requirements⁵:

- have been operational for less than 4 years;
- have their headquarters in Italy;
- have a yearly turnover lower than 5 million euros;
- do not distribute profits;
- develop and commercialise innovative products or services of a high technological value;
- are not the result of a merger, split-up or selling-off of a company or branch;
- be of innovative character which can be identified by one of the following criteria:
 - at least 15% of the company's expenses can be attributed to research and development activities;
 - at least 1/3 of the total workforce are PhD students, the holders of a PhD or researchers; alternatively, 2/3 of the total workforce must hold a Master's degree.
 - the startup is the holder, depositary or licensee of a registered patent (industrial property) or the owner of a programme for original registered computers.

Companies which were already established upon the coming into force of Law 221/2012 (19 December 2012) and which meet the requirements provided by the law in

⁵ Compared to their original version, the requirements have been simplified and extended by Decree Law 76/2013, which was subsequently amended and ratified in Law 99/2013 (the so-called "Labour package"). The following changes have been made:

- it is no longer compulsory that natural persons be in majority in the shareholding structure;
- the three optional criteria identifying a startup's innovative characteristics have been changed: the minimum required expenditure in R&D has been lowered from 20% to 15%; access to startup status has been extended to enterprises where at least 2/3 of employees are the holders of a Master's degree and to companies which own an original programme registered at the Italian Society of Authors and Publishers (SIAE).

question, may register at the special section of the Companies Registry and are entitled to the same benefits as innovative startups. These benefits apply for a four-year period if the company was established in the two previous years, to a three-year period if the company was established in the three previous years, and to a two-year period if the company was established in the four previous years⁶, Support measures apply to newly established companies for the first four years of activity, provided that they meet the aforementioned requirements.

Some of the measures came into force directly with Law 221/2012, while others were introduced by subsequent implementation measures.

In accordance with legislative provisions, the Chambers of Commerce have established a special section of the Companies Registry dedicated to innovative startups⁷, the latter of which must register and periodically update the information held about them. This section aims to ensure greater transparency and accessibility of information surrounding this new type of enterprises.

By February 2014, 1,719 innovative startups had registered at the special section of the Companies Registry. Of these, 934 i.e. 54% of the total, had been established after the coming into force of Decree Law 179/2012 on 20 October 2012 (see Chart 1).

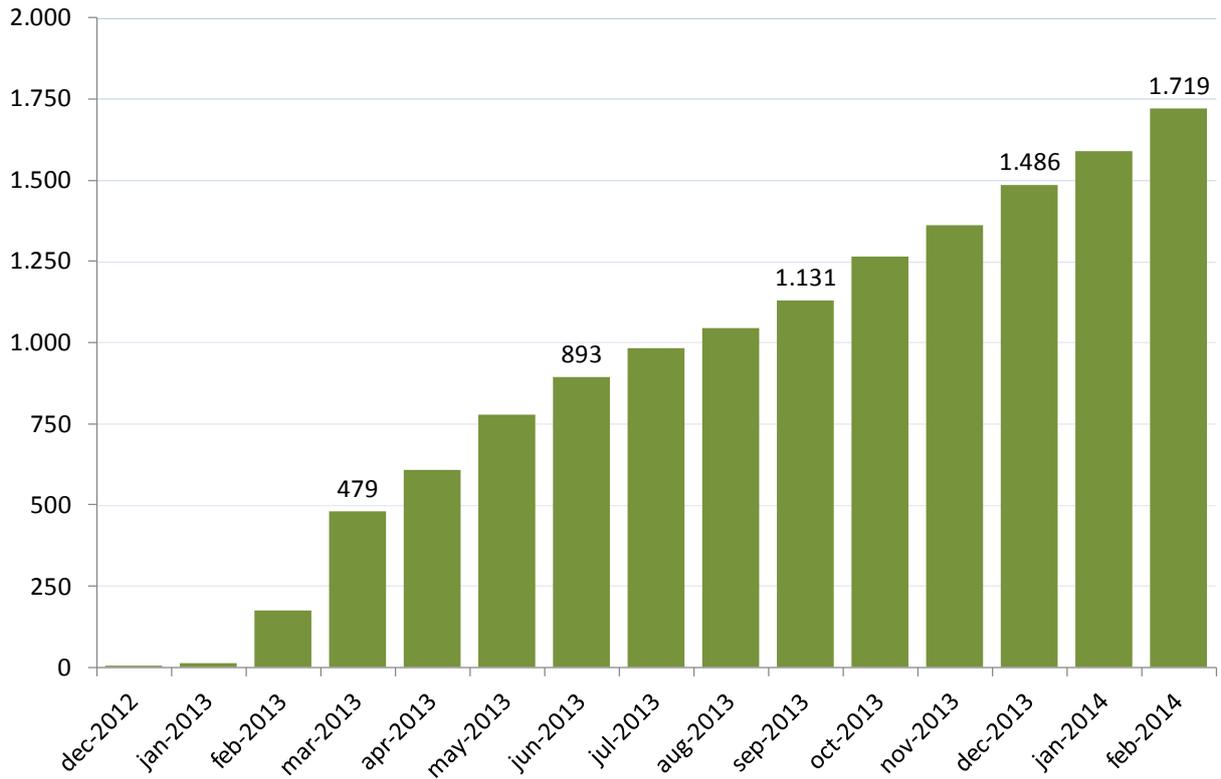
Since January 2013, an average 123 innovative startups have registered every month at the special section of the Companies Registry (4 per day); registrations reached a peak in March 2013 with 305 enterprises registering (see Chart 2).

The average lifetime of Italian innovative startups is about 18 months; around 43% of them do not last for more than a year (half of them run for only six months). Around 30% of Italian innovative startups are between one and two years old, 13% of them are between two and three years old, and 9% are between three and four years old. Only 6% of startups are older than four years (see Chart 3).

⁶ Decree Law no. 76/2013 abolished the 60-day time-frame established by primary legislation (i.e. the time it took for the Decree to be ratified in law) which applied to pre-existing companies if they wanted to apply for startup status through self-certification.

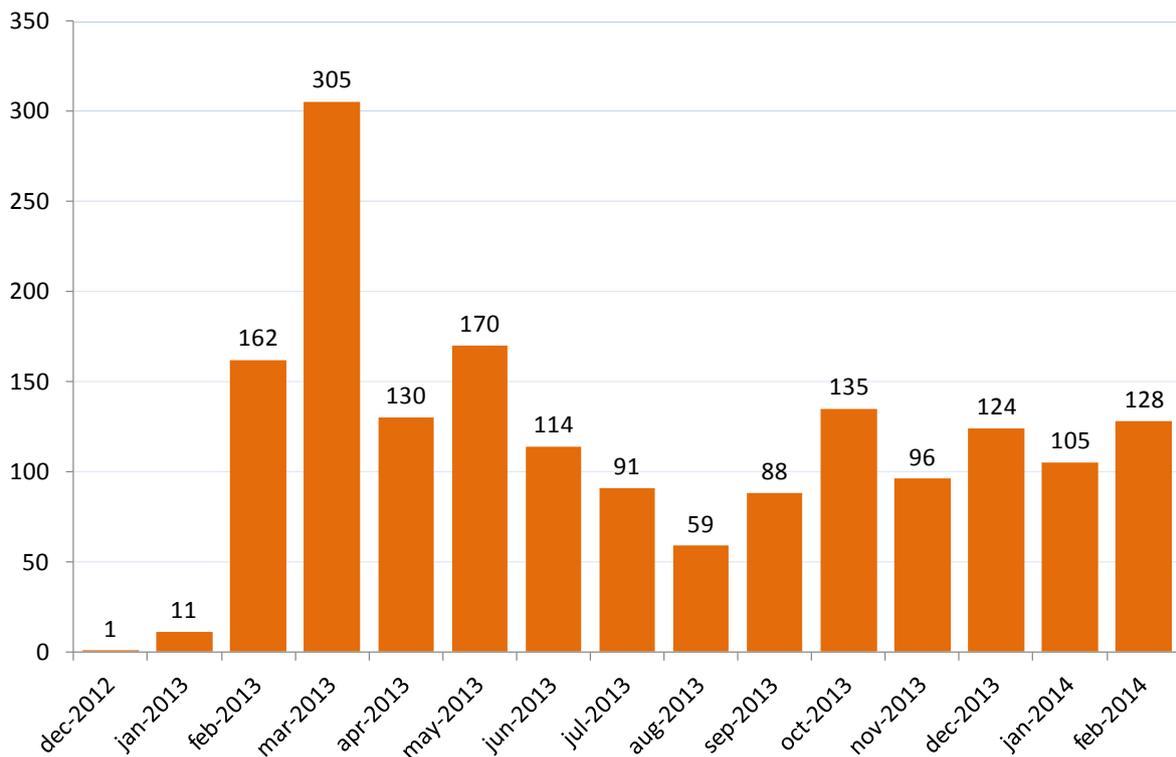
⁷ Available on <http://startup.registroimprese.it/>

Chart 1. Cumulative trend regarding the registration of innovative startups (February 2014)



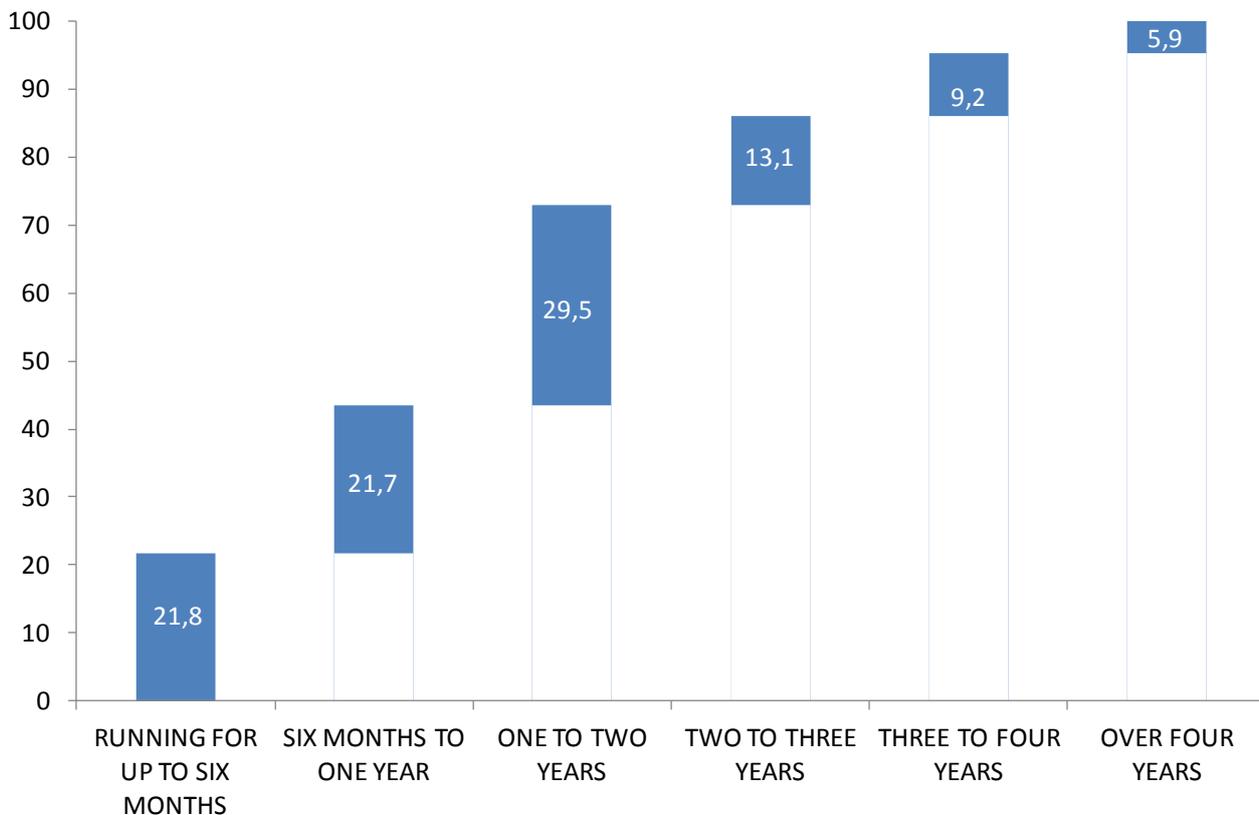
Source: Statistics by the Ministry of Economic Development based on data by Infocamere (the Italian Chambers of Commerce Consortium for Data Processing)

Chart 2. Monthly registrations of innovative startups (February 2014)



Source: Statistics by the Ministry of Economic Development based on data by Infocamere

**Chart 3. Distribution of innovative startups according to their age
(February 2014, values expressed in percentages)**



Source: Statistics by the Ministry of Economic Development based on data by Infocamere

Regarding the legal status of the companies in question, limited liability companies are clearly predominant (82.3%), followed by simplified limited liability companies (7.2%) and single-member limited liability companies (6%). Moreover, there are 32 joint-stock companies (1.9%), 26 cooperative companies (1.5%), 17 limited liability companies with reduced capital (1%) and 2 limited liability consortia (see Table 1).

Table 1. Distribution of innovative startups according to legal status (February 2014)

LEGAL STATUS	TOTAL	%
Limited liability company	1,415	82.3
Simplified limited liability company	124	7.2
Single-member limited liability companies	103	6.0
Joint-stock company	32	1.9
Cooperative company	26	1.5
Limited liability company with reduced capital	17	1.0
Limited liability consortium	2	0.1
TOTAL	1,719	100.0

Source: Statistics by the Ministry of Economic Development based on data by Infocamere

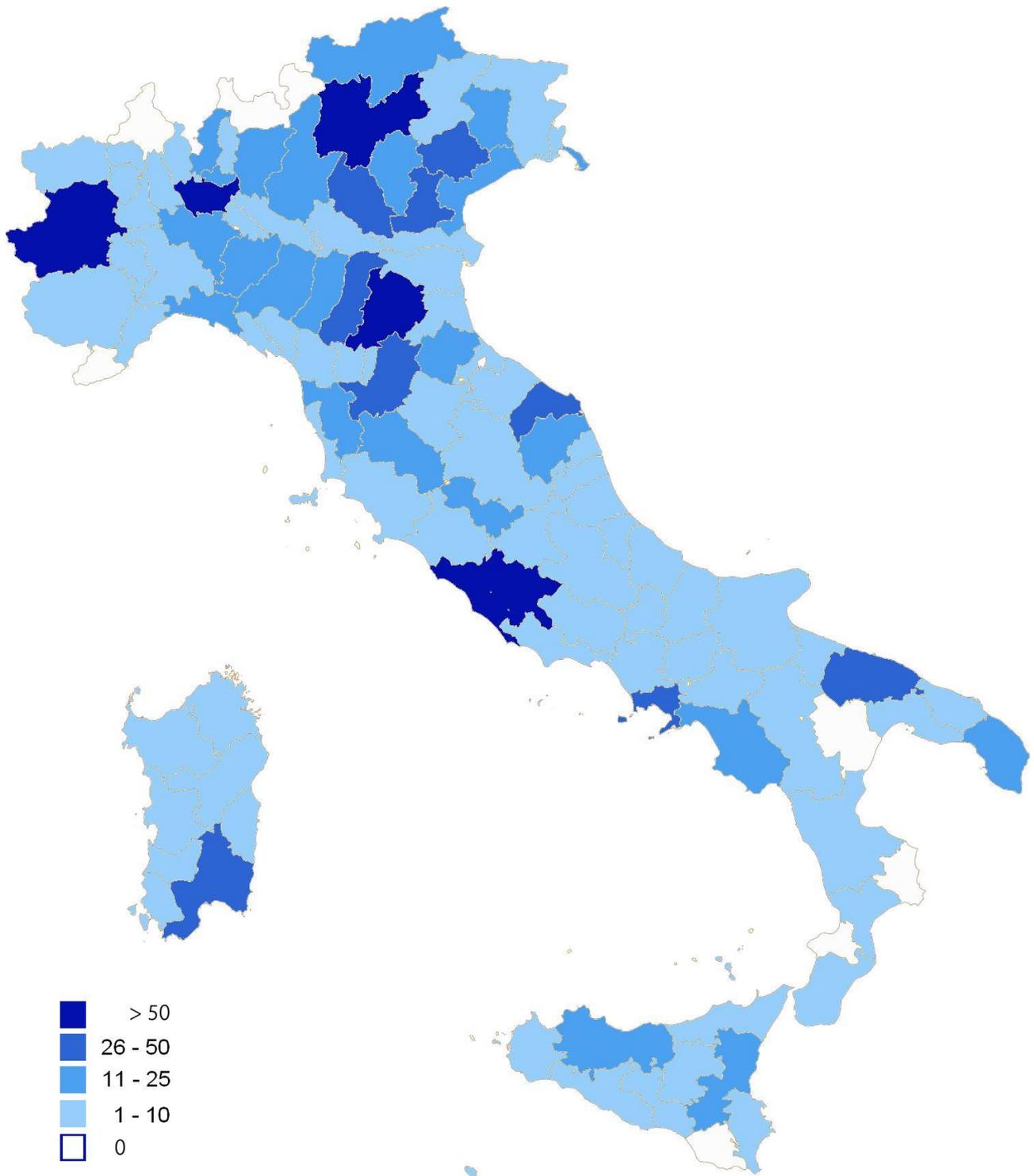
As far as their geographical distribution is concerned, 58% of Italian startups are located in the north of the country, 23% in the centre and 19% in the south. On a regional level, the region with the highest number of startups is Lombardy (341 startups), followed at a considerable distance by Emilia-Romagna (192) and Lazio (177); the Campania region is the leading southern region with 83 startups (7th place) (see Table 2). If we consider Italy's provinces, Milan (228), Rome (158) and Turin (113) are home to the highest number of startups in absolute terms. Naples is the leading southern province with 50 innovative startups, and ranks sixth on a national level (see Chart 4).

**Table 2. Number of innovative startups per region
(February 2014)**

REGION	NUMBER OF STARTUPS
Lombardy	341
Emilia-Romagna	192
Lazio	177
Veneto	144
Piedmont	133
Tuscany	123
Campania	83
Trentino Alto-Adige	83
Marche	82
Puglia	72
Friuli-Venice Giulia	59
Sardinia	54
Sicily	54
Abruzzo	30
Liguria	27
Umbria	21
Calabria	20
Molise	10
Basilicata	9
Valle D'Aosta	5
NORTH-WEST	506
NORTH-EAST	478
CENTRE	403
SOUTH	332
ITALY	1,719

Source: Statistics by the Ministry of Economic Development based on data by Infocamere

Chart 4. Distribution of innovative startups per province (February 2014)



Source: Statistics by the Ministry of Economic Development based on data by Infocamere

The regions with the highest concentration of innovative startups are Trentino Alto-Adige (7.6 startups per 10,000 enterprises), Friuli-Venice Giulia (5.5) and Marche (4.7), compared to the total number of enterprises registered at the Chambers of Commerce; the top three provinces are Trieste, Trento and Ancona (see Table 3).

Table 3. Number of innovative startups per 10,000 registered companies (February 2014)

Region			Province		
1	Trentino-Alto Adige	7.6	1	Trieste	14.4
2	Friuli-Venice Giulia	5.5	2	Trento	14.0
3	Marche	4.7	3	Ancona	8.9
4	Emilia-Romagna	4.1	4	Gorizia	7.4
5	Valle d'Aosta	3.7	5	Pordenone	6.9
6	Lombardy	3.6	6	Milan	6.4
7	Sardinia	3.2	7	Bologna	6.2
8	Tuscany	3.0	8	Pisa	6.0
9	Piedmont	2.9	9	Cagliari	5.6
10	Veneto	2.9	10	Macerata	5.3

Source: Statistics by the Ministry of Economic Development based on data by Infocamere

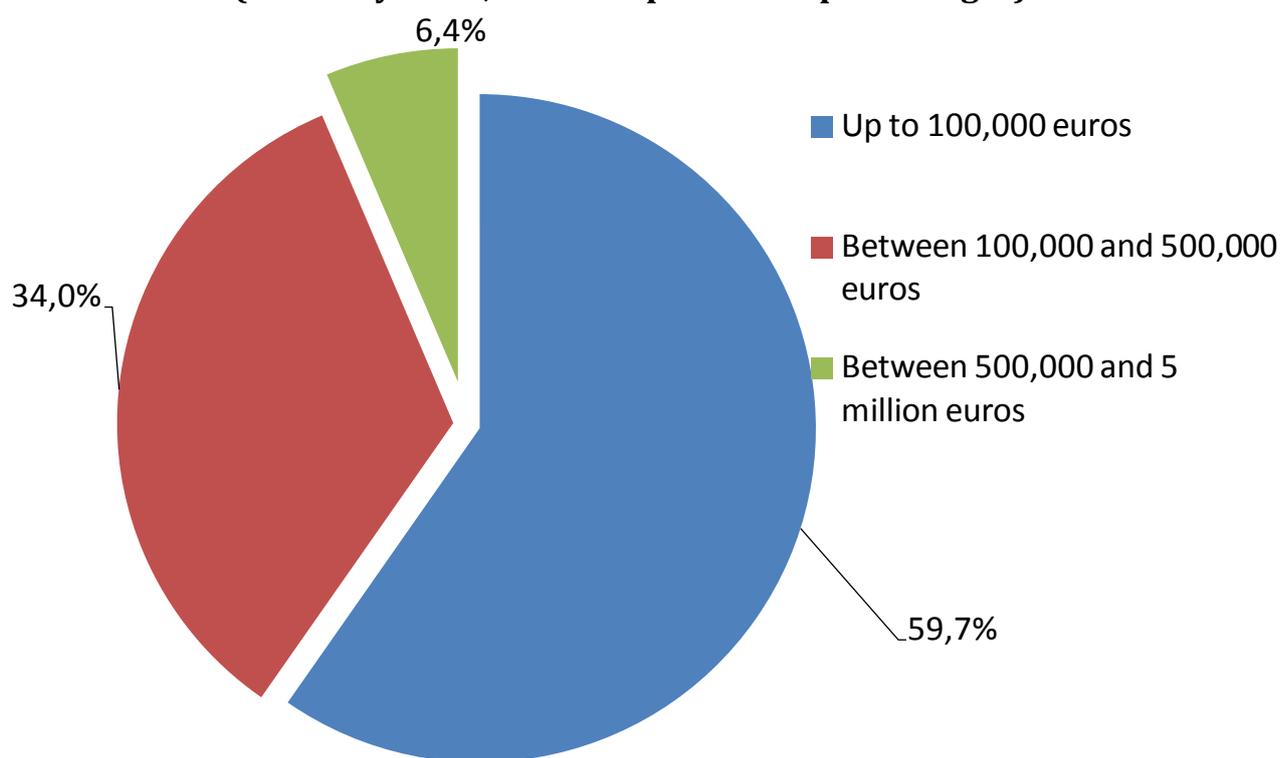
Microenterprises are clearly predominant: on average, Italian innovative startups have 2.6 employees; only 3.5% of them have 10 or more employees⁸.

If we analyse the value of last year's (2012) production, almost 60% of startups had a turnover of up to 100,000 euros, a third had a turnover of between 100,000 and 500,000 euros and only 6.4% had a turnover of between 500,000 and 5 million euros. In 2012, on average, Italian startups produced goods and provided services corresponding to almost 178,000 euros each. Nevertheless, half of them produced goods and provided services amounting to less than 72,000 euros (see Chart 5)⁹.

⁸ Statistics taken for 550 enterprises for which these data were available.

⁹ Statistics taken for 474 enterprises for which the 2012 balance is available.

**Chart 5. Distribution of innovative startups per production value groups
(February 2014, values expressed in percentages)**



Source: Statistics by the Ministry of Economic Development based on data by Infocamere

If we consider the macro-sectors to which Italian startups pertain, almost 78% of startups offer services, 18% are in the industry/crafts sector, 4% in commerce. Nevertheless, there are also innovative startups in the agricultural and tourism sector (3 and 7 units respectively) (see Chart 6).

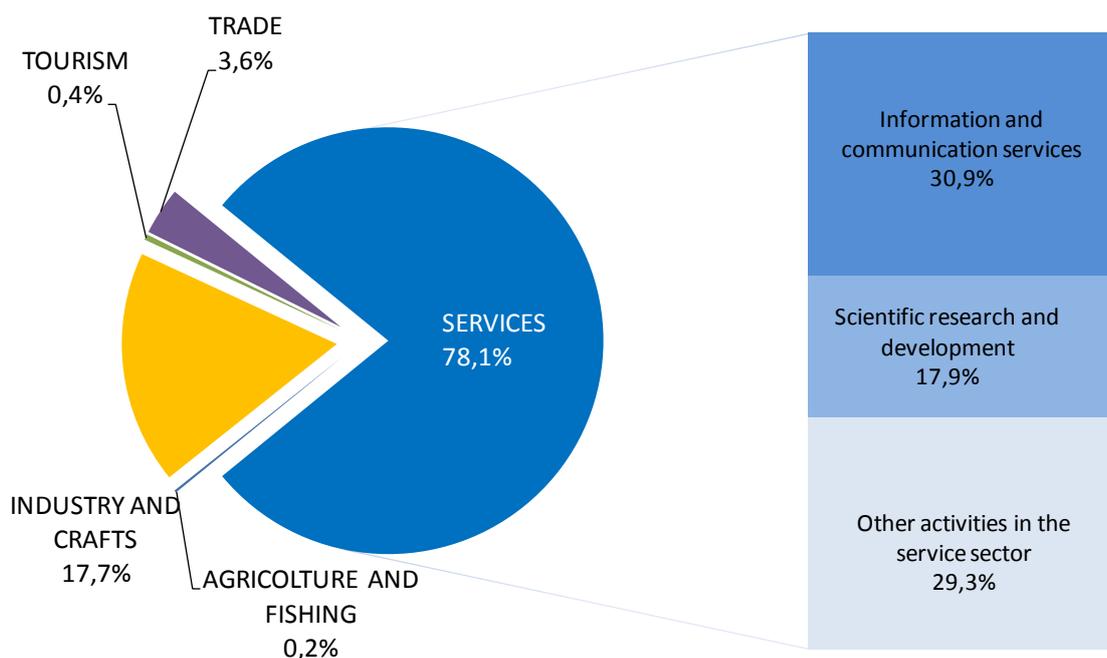
The predominant activities in both the service and industrial processing sectors are those related to the digital world.

More precisely, if we examine the economic class of activities in the service sector as per the ATECO 2007 classification, the activities that stand out are the production of software which is not related to editing (354 enterprises); other experimental R&D activities in the field of natural sciences and engineering (215); webpage creation (95); IT consulting (88) and other services related to IT (85).

Amongst industrial activities, on the other hand, the most prominent are the production of computers and hardware (19 enterprises); the manufacture of engines, power generators and transformers (18); the manufacture of other machines for general use (15);

the manufacture of machines for specific use– including parts and accessories (15); the manufacture of measurement, test and navigation instruments and devices–excluding optical ones (14).

**Chart 6. Distribution of innovative startups per economic sector
(February 2014, values expressed in percentages)**



Source: Statistics by the Ministry of Economic Development based on data by Infocamere

2. THE CERTIFIED INCUBATOR

A second pillar of the field in question focuses on promoting the development of certified incubators. These enterprises host, support and monitor the development of startups - right from the conception of the business idea to its first development - by offering training, operational and management support, providing working instruments and venues and facilitating the connection between investors and entrepreneurial ideas deemed to have a high economic return, but which are not yet attractive for the capital market. The managers of certified incubators offer entrepreneurs their own experience and competence, thus allowing innovative businesses to launch their activity on the market in an effective and, above all, quick way.

At the end of a consulting process which involved about one hundred public and private entities across the whole country, we have accurately defined the requirements which qualify such entities¹⁰. These include the availability of adequate venues, equipment and technical-managerial staff with recognised experience, as well as regular collaboration with universities, research centres, public institutions and financial partners. Moreover, regulations state that the incubator must have adequate experience in providing support for innovative startups. The aim of the certification is to support the incubators' gradual growth, promoting centres of excellence across Italy which can make a valuable contribution towards the development of the production system.

Some of the support measures provided for startups have been extended to certified incubators, which are also obliged to register at the special section of the Companies Registry and to update their information periodically.

The 19 certified incubators – 2/3 of which are located in the north, and only two in the south of Italy – have a total of 257 employees, which corresponds to an average of about 14 employees per enterprise, the maximum number of employees being 74. An analysis of the production value for the year 2012 shows that Italian certified incubators had a turnover of 2.3 million euros on average, with the peak being almost 9 million euros.

¹⁰ [Decree by the Ministry of Economic Development \(22 February 2013\)](#)

**Table 4. Number of certified incubators per region
(February 2014)**

REGION	CERTIFIED INCUBATORS
Lombardy	4
Veneto	3
Friuli-Venice Giulia	3
Lazio	2
Marche	2
Piedmont	2
Sardinia	1
Sicily	1
Trentino-Alto Adige	1
NORD-WEST	6
NORD-EAST	7
CENTRE	4
SOUTH	2
ITALY	19

Source: Statistics by the Ministry of Economic Development based on data by Infocamere

3. SUPPORT MEASURES FOR THE INNOVATIVE STARTUP ECOSYSTEM

3.1 *Exceptions to Corporate Law Regulations*

The benefits for innovative startups and certified incubators start with limited set-up costs, on the one hand, and exemption from stamp duties, compulsory administration fees for registering in the Companies registry and the compulsory annual fee paid to the Chambers of Commerce, on the other. In its first year, every company saves almost 450 euros in total.

It should be also pointed out that concessions apply to losses. During their first few years of activity, highly innovative enterprises, which are characterised by high risk, may record losses. If the available capital is insufficient, such losses have a direct impact on the company's share capital. Where losses result in the share capital being reduced by over 1/3, the shareholders' meeting must lower the capital proportionally to the losses recorded by the following financial year. A 12-month extension is applied to innovative startups, during which the capital can be reduced proportionally to the losses. While ordinary companies must lower capital by the following financial year, startups can do this for up to two financial years after they suffered losses. Moreover, regulations concerning non-operational dummy companies which constantly make a loss, do not apply to startups. These regulations provide for the allocation of a set minimum income on a flat-rate basis. Such exceptions to ordinary regulations allow startups to complete the launch stage and recover from the losses incurred in early stages of their growth.

In response to the high economic risk faced by those who decide to set up a business and invest in highly innovative activities, simplified winding-up and shutdown procedures have been put in place. The aim of these procedures is to reduce the duration of the winding-up process for any startup in crisis. These startups are offered simplified proceedings compared to those provided by the bankruptcy legislation. Such measures allow entrepreneurs to start a new alternative business project in a simpler and faster way, encouraging so-called "restarts".

More precisely, startups alone are subject to procedures provided for by Law no. 3 of 27 January 2012 concerning crises due to over-indebtedness. Consequently, even where a startup makes a debt exceeding the amount stated in the requirements, which are provided for by

article 1 of the bankruptcy law, it shall not be declared bankrupt or subject to other procedures provided for by the bankruptcy law.

Twelve months after the administrative order is issued to sanction the start of winding-up proceedings, the public shall no longer have access to data regarding the startup's partners. This measure aims to prevent any partner who decides to start a new business from being put at a disadvantage with third parties, having been unsuccessful in their previous venture.

3.2 Work-related Measures

More flexible regulations have been introduced (in comparison with regulations applicable to ordinary companies) regarding fixed-term jobs. For new recruitment in startups, it is possible to stipulate easily renewable contracts of different lengths - from a minimum of six months to a maximum of 36 months. As an exception to the maximum time-frame of 36 months, it is possible to stipulate a new fixed-term contract which lasts up to the end of the fourth year of a startup's life. By the end of the four-year period, the fixed-term contract is automatically changed to an open-ended one.

In order to foster loyalty among management, employees and suppliers such as lawyers and accountants, startups and incubators may offer them capital shares by way of additional remuneration. The revenues resulting from these financial instruments are tax deductible for both fiscal and contributory purposes. In other words, startups and incubators may make use of instruments such as stock options and "work for equity" on even better terms than big companies listed on the Stock Exchange.

Another concession which falls under a special system for innovative startups and certified incubators, is granted to all owners of commercial enterprises and applies to open-ended contracts – including fixed-term contracts which have been changed to open-ended contracts– for personnel with a PhD or a Master's degree in technical-scientific fields. Individuals who hold a Master's degree must carry out activities in fundamental research, industrial research or experimental development¹¹.

¹¹ The decree issued on 23 October 2013 by the Minister of Economic Development, in concert with the Minister of Economy and Finance, came into force on 22 January 2014. The decree puts forward implementation regulations regarding tax credit, which applies to the employment of highly-qualified staff and has been introduced by art. 24 of Decree Law 83/2012 entitled "*Urgent measures for the country's growth*".

Concessions consist in tax credit equal to 35% of the costs the company has incurred, which is available for a one-year-period at the most and covers a maximum of 200,000 euros per year. The company's costs include effective wage costs incurred by the company - including gross remuneration (before tax), compulsory contributions and benefits for children and family members.

Concessions are granted - according to *de minimis* rules - to innovative startups and certified incubators (for employment contracts signed after 19 December 2012 and subsequent to the company's registration at the special section of the Companies Registry), for which there is a 2 million euro reserve available. If the aforementioned quotas are used up, the subjects are granted access to the remaining resources according to *de minimis* rules.

Innovative startups and certified incubators can also benefit from concessions in relation to the cost of traineeship contracts, which classify as short-term employment. Moreover, the process of applying for concessions has been simplified.

3.3 Access to credit

Simplified procedures and criteria for innovative startups and certified incubators have also been put in place concerning interventions by the Central Guarantee Fund for SMEs. The provision aims to make it easier for these enterprises to secure the necessary financial means for their growth¹².

Enterprises in the launch stage can face great difficulties in obtaining tangible securities which are necessary to meet the requirements for securing bank credit. The task of obtaining the required guarantees is even more onerous for enterprises that focus on activities with a high growth potential - as is the case of innovative startups and certified incubators - since such activities are perceived to involve more risk. With its interventions, the Fund aims to reduce such distortions, thus enabling companies of strategic importance for the competitiveness of Italy's economy to access the resources they need. These resources are necessary for both the operating aspect and for planning investments that are directed towards the company's development and growth.

¹² The [decree issued on 26 April 2013 by the Minister of Economic Development in concert with the Minister of Economy and Finance](#), came into force on 26 June 2013.

As newly established companies, innovative startups cannot be evaluated based on balance sheet data. In order to preserve their innovative character, they need streamlined procedures allowing them to make quick investments.

This is why the procedure startups and certified incubators need to follow to receive a guarantee from the Fund has been simplified considerably.

The only requirement is that the funding body does not purchase any guarantees, i.e. any tangible securities, insurance cover or bank guarantees, on its financial operation.

The guarantee on bank credits for startups and incubators is granted free of charge. Moreover, applications concerning this type of enterprise are given priority at the preliminary inquiries stage and for presentation to the Management Committee.

The Fund may intervene in all types of operation, even in the absence of an investment programme. In addition, beneficiaries are not required to pay for a small part of the credit with their own means.

The guarantee is granted without taking into account the company's or incubator's balance sheet data.

The maximum sum granted to every innovative startup or certified incubator is 2.5 million euros. This grant may be used in different operations until the upper limit has been reached, there being no limit on the number of operations. This is a substantial sum, especially in relation to innovative startups which, as defined by law, have a yearly turnover of lower than 5 million euros.

The Fund covers up to 80% of the total amount of the credit in the case of a direct guarantee, or 80% of the sum provided by credit guarantee consortia or other guarantee funds in the case of a counter-guarantee.

Twenty percent of the financial operation must still be covered by the funding body, since it is not provided for by tangible securities, insurance cover or bank guarantees (except in the case of individual guarantees). We therefore note that there is always a certain degree of involvement by the bank, since it has more information on the enterprise and can easily make an accurate evaluation of the startup's or the incubator's development strategies and perspectives. However, covering 80% of the financial operation's risk undoubtedly provides a great incentive to the bank for granting the credit.

If the funding body acquires tangible securities, insurance cover or a bank guarantee and there exists a statement proving that the startup or incubator has been duly registered in

the special section of the Companies registry, it may intervene free of charge; if, however, the statement is missing, ordinary proceedings apply.

From 26 July 2013¹³ to 13 February 2014, 42 applications for a Fund intervention to support innovative startups were received. Of these, 40 were accepted, while, for the other two, additional documents were requested. Thus, the Fund acted as a guarantor for a value of 4.7 million euros, which, in turn, resulted in about 6.2 million euros of credits being given to innovative startups.

The highest number of applications accepted was recorded in the service sector (20 operations, i.e. 50% of the total), followed by the industrial sector (18 operations, i.e. 45% of the total), then the trade and the construction sectors (1 operation for both sectors, i.e. 2.5% of the total).

As for the different geographical areas involved, most of the applications accepted concern startups located in the north (33 operations, i.e. 82.5% of the total) and in the centre of Italy (5, i.e. al 12.5% of the total). Only two applications came from southern regions (5%).

The average credit granted to innovative startups is 155,000 euros, an amount larger than that recorded in 2012 for all SMEs (133,000 euros).

In terms of the types of intervention supported by the Fund, in 62.5% of the cases a direct guarantee was granted, while a counter-guarantee was given in the remaining 37.5% of the cases.

The most common operations are medium-long term ones (i.e. those which last for longer than 18 months), which correspond to a 62.5% share and are characterised by a level of funding which, on average, is significantly higher than that which is granted to short-term operations (206,000 euros compared to 70,000 euros respectively).

During the time period indicated previously, the Fund also intervened in support of a certified incubator by carrying out two long-term direct guarantee operations for a total of 2.5 million euros, which resulted in a bank credit of 3.5 million euros.

¹³ On this date, the administrator of the [MCC Fund issued circular no. 652](#), in which he defined the criteria and simplified procedures regarding access of innovative startups and certified incubators to Fund interventions.

3.4 *Seed and venture capital*

Historically, Italian SMEs had to face three structural problems: lack of available capital, difficulties in accessing credit and the companies' small size. These factors limit investment opportunities and, ultimately, have negative repercussions on the innovative potential of the entrepreneurial system. In other countries, obstacles like these are overcome through *private equity*, an instrument consisting in the temporary acquisition of the company's capital shares with the aim of disposing of them in the medium-long term, thus making a profit in the capital account.

In Italy, this is much less frequent, since throughout the years there have been much fewer operations on the private equity market in absolute terms, compared to the largest European countries. Although it is increasing, the total amount of *private equity* investments is considerably lower than in countries such as France, Germany, and the United Kingdom, representing a share of the GDP which is between three and seven times lower than in these countries¹⁴.

As has been highlighted by the European Commission in the 2012 Small Business Act¹⁵, the weakest link in the Italian capital market is *venture capital*, i.e. the capital provided to enterprises operating in sectors with a high potential for growth, in their launch or consolidation stages. The amount of venture capital provided seems even smaller, almost negligible, when compared to other European countries.

Data provided by AIFI (the Italian Association for Private Equity and Venture Capital) show that in 2012 only 106 enterprises in Italy received investments in the *early stage* period, which covers the initial stages of an enterprise's life cycle. In Germany, on the other hand, there were 811 such enterprises, 365 in France and 182 in Spain¹⁶.

In terms of the total amount invested, compared to 135 million euros invested in the Italian market, Germany invested 535 million euros and France 443 millions. In Italy the average amount invested per individual enterprise is very low; in 2012 it was equal to 1.3 million euros.

¹⁴ EVCA, 2012 *Pan-European Private Equity and Venture Capital Activity* http://www.evca.eu/uploadedfiles/home/knowledge_center/evca_research/2012_Pan-European_PE&VC_Activity.pdf

¹⁵ http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/files/countries-sheets/2012/italy_it.pdf

¹⁶ AIFI, *Il mercato italiano del Private Equity e Venture Capital nel 2012 (the Italian Private Equity and Venture Capital Market)* <http://www.aifi.it/IT/PDF/Statistiche/IlmercatoitalianodelPEeVC2012.pdf>

One form of investment worth mentioning is *angel investing*, which represents the first link in the venture capital financing chain. *Business angels* are natural persons who make direct investments in the launch stages of a business project and who also take on a management role, together with the project creator. In comparison with *early stage* and *venture capital* operators, *business angels* invest smaller sums but do so more quickly, intervening in the very first stages of a business.

According to data provided by IBAN (the Italian Business Angel Network), the Italian market is clearly lagging behind France and Spain, the two European countries which are most similar to Italy in terms of their culture and experience in the sector¹⁷.

Compared to these two countries, the number of startups which received investments in Italy is two to three times lower, while the number of recognised *business angels* is five to ten times lower.

Moreover, the survey carried out by IBAN for the year 2012 also highlights that the amount invested was 34 million euros for a total of 95 startups. The average investment per company was about 360,000 euros.

There is therefore a clear need to promote policies aimed at fostering *venture capital* market growth in Italy in order to start bridging the large gap between Italy and other European countries, both in terms of the players operating in the sector and, consequently, in terms of available capital invested in the sector.

In order to foster *seed capital* investments, it is crucial to improve the capacity of startups to attract private capital. This may be achieved through tax leverage.

Natural persons who invest in innovative startups are entitled to tax deduction on gross income tax equal to 19% of the amount invested, up to a maximum amount of 500,000 euros. Companies, in turn, are entitled to a deduction on taxable income equal to 20% of the amount invested in share capital, up to a maximum of 1.8 million euros.

With regard to investments in startups with a focus on the social dimension or for startups which design and sell only highly technological innovative products or services in the energy sector, the deduction available to natural persons increases to 25% and deductions available to companies to 27%.

¹⁷ IBAN, *Sintesi Survey 2012, Il mercato italiano del capitale di rischio informale (Synthesis Survey 2012, The unofficial Italian venture capital market)* http://www.iban.it/Sintesi_Survey_2012.pdf

Tax incentives apply to both direct investments in startups and indirect investments through the *OICR - Organismi di Investimento Collettivo del Risparmio* (Bodies for the Collective Investment in Transferable Securities) or other enterprises dealing predominantly with investments in this type of company.

In the case of investments made through *OICR*, incentives apply to the full amount invested; if investments are made through other companies with share capital, incentives are proportional to the amount invested in startups by the intermediary company.

Concessions are subject to the investment being maintained at least for a two-year period¹⁸.

The transfer of shares– even if partial– in return for payment, prior to the end of the two- year period results in the loss of all concessions. The same applies to capital reductions and to the distribution of financial reserves or other funds which have been created by applying surcharges on the issue of startups' shares or on the shares of the startups' main investors¹⁹.

3.5 Equity crowdfunding

Equity crowdfunding, i.e. raising venture capital through internet portals, can also considerably boost the financial consolidation of new innovative enterprises.

Law 221/2012 entrusted the Consob (the Italian Securities and Exchange Commission) with the task of regulating some specific aspects of this phenomenon. The aim was to create a reliable “environment”, which would enhance trust in investors.

The Consob adopted new regulations on 26 June 2013 (resolution no. 18592/2013), as a result of an upstanding public consultation process.

Italy is the first country in the world to have adopted detailed regulations on equity crowdfunding, thus becoming a pacesetter. Within the scope of its law-making mandate, the Consob made it compulsory for “individual” web portal administrators to register, while authorised administrators, such as banks and brokerage firms, may administer internet

¹⁸ With Decree Law no. 76/2013, subsequently amended and ratified in Law no. 99/2013 (the so-called “Labour package”), tax concessions which were initially planned for the 2013-2015 period, have been extended until 2016.

¹⁹ After having been approved by the European Commission on 6 December 2013, the decree, which defines the implementation procedures applying to concessions, was signed by the Minister of Economy and Finance, in concert with the Minister of Economic Development. It is now due to be registered at the Court of Auditors.

portals without being obliged to register, but they must continue to report to the Consob and are included in a dedicated section of the registry in order to ensure transparency²⁰.

The Regulations define a number of general obligations concerning the behaviour of authorised administrators (diligence; accuracy and transparency; effectively managing conflicts of interest; equal treatment of beneficiaries of the offers) as well as the kind of information that must be given to investors so as to enable them to comprehend the nature of the investment and take informed decisions. The information provided must therefore be correct, up-to-date and clear and must not be misleading.

The Regulations further identify specific information that administrators must publish in a concise and easily comprehensible form. Multimedia techniques may be used. This information concerns the management of the portal, investment in innovative startups and individual offers available on the portal.

Administrators do not only provide information regarding the investment. They are also responsible for making sure that access to parts of the portal containing offers is granted solely to investors, except professional investors, who have previously read the information on the portal; answered a questionnaire showing that they have fully understood the investment's main characteristics; and declared that they have sufficient financial means to support themselves if the investment they are planning to make were to be lost in full.

The administrator must pass the orders on to banks and investment firms which operate with investors following the applicable rules included in Part II of the consolidated law and the related implementation regulations ("MiFID" regulations). For a gradual increase in cost to be achieved and the development of this phenomenon to be fostered, these rules do not apply under certain conditions relating to the order's value and to the type of investor. For natural persons, the relevant thresholds are: 500 euros per investment and 1,000 euros per year; while for legal persons the thresholds are 5,000 euros per investment and 10,000 euros per year.

In order to fine-tune offers, the administrator must ensure that a share corresponding to at least 5% of the instruments offered is subscribed by professional investors, banks or

²⁰ The following requirements have been defined: integrity requirements regarding individuals who have a controlling position; as well as integrity and professional conduct requirements for administrators, directors or individuals who have a controlling position. To sum up, integrity is linked to the absence of criminal charges, while professionalism is linked to both experience and specific skills in different sectors. These skills increase in proportion to the administrators' role (executive or non-executive). New requirements related to the professionalism of web portal administrators include greater flexibility for the non-executive administrators of platform, who may have experience in sectors other than the financial sector. The platform's CEO, on the other hand, must have experience in the financial sector in any case.

incubators. It is interesting to note that incubators have been included in the professional investors category. Those who are usually the first to contribute to the growth of innovative startups can now become the first ones to support them, by investing in them through equity crowdfunding.

In February 2014, there were three web portals listed in the Consob register, of which two were authorised as “individual” administrators, while one was classified as *de jure* administrator and was included in the special section of the registry. Two portals were launched between the end of 2013 and the beginning of 2014, at the same time as the first two crowdfunding offers, although no fundraising operation has been concluded yet. As for the platforms about to be launched, there are currently three platforms who have applied to Consob for authorisation.

3.6 Internationalisation

In order to foster their internationalisation, startups can avail themselves of the support services offered by the Italian Trade Agency (ICE) at a reduced cost. More precisely, the Agency offers assistance on provisions, company law, taxation, real-estate, contracts and credits. On 4 June 2013, the Agency authorised the distribution of “Startup Service Card”, designed for all innovative startups registered in the special section of the Companies Registry. The card holder is entitled to 30% discount on the assistance offered by the Agency, not including external costs. Moreover, in 2013 some innovative startups could participate in fairs and recognised international events in the field of innovation, using venues which were made available free of charge.

Up to 21 February 2014, 22 innovative startups requested the Services Card. In 2013, the Agency offered support to 25 innovative startups through events such as “Pioneers” and “Bio Europe” in Vienna, “Game connection” in Paris and “Webit” in Istanbul.

4. MONITORING AND EVALUATION

The startup policy framework may be revised and additions may be made. Instructions regarding such revisions and additions shall be taken from the policies' monitoring and evaluation system, which will be compiled by the “*Technical Committee for the monitoring and evaluation of policies supporting the innovative startup ecosystem*”, established with an order by the Ministry of Economic Development on 31 January 2014. The committee comprises qualified representatives of the Italian National Institute for Statistics, the Chambers of Commerce, the Consob, as well as some independent experts from the academic world. These professionals are entrusted with drawing up project and management guidelines. These guidelines will make up a permanent system designed to monitor the implementation of measures supporting the establishment and development of innovative startups and evaluate the impact of such measures on growth, employment and innovation.

The monitoring activity aims, above all, to offer a transparent overview of the efforts made by the Government and, above all, by the Ministry of Economic Development, to follow through with the package of measures in the *DL Crescita 2.0* (Growth 2.0 Decree Law). The beneficiaries of such measures are not only those who finance the policy in question or the people responsible for managing it, but rather a much wider group of people who all have in common the desire of creating a favourable ecosystem for innovative entrepreneurship.

Another aim of the monitoring is to understand “what really works”, i.e. which measures lead to the desired changes. The main goal is that of directing future policy making towards those means of intervention which proved to be the most effective in the past and amending or scrapping ineffective policies.

5. ADDITIONAL SUPPORT MEASURES FOR THE INNOVATIVE STARTUP ECOSYSTEM

The commitment of the Italian government to support new highly technological enterprises is not limited to the regulatory package introduced by Law 221/2012.

5.1 *Italia Startup VISA*

Drawing upon measure 44 of the *Destinazione Italia*²¹ (Destination Italy) plan, i.e. the Government's systematic policy to attract foreign investment and promote the competitiveness of Italian enterprises, *Italia Startup Visa* is based on the realisation that visas are a strategic incentive to attract and retain talent and innovation; visas should be used strategically to incentivise certain categories of individuals, particularly innovative entrepreneurs, to come to Italy.

Drawing upon these conclusions, the Prime Minister's Decree on the "*Temporary management of migration flows of non-EU workforce for non-seasonal work on Italian territory in the year 2013*" published in the Official Journal no. 297 on 19 December 2013 (the so-called Migration Flows Decree 2013/2014), introduced a new category of visa applicants: people applying for visas to undertake freelance jobs, i.e. "foreign citizens who plan to set up «innovative startups» – as defined by Law no. 221 of 17 December 2012 – who fulfill the requirements set out by this law and who are able to have a freelance relationship with the company" (art. 3). Guidelines on the concession of visas for this category of applicants, who wish to carry out a freelance job, shall shortly be defined thanks to the joint effort of the Ministry of Foreign Affairs and the Ministry of Economic Development.

5.2 *Leonardo Startup Award*

For the past two years, the Leonardo Committee has presented its annual Startup Award to one startup which stands out for its ability to innovate, economic performance, social impact and international ambitions. This award is one of a number of accolades

²¹ <http://destinazioneitalia.gov.it/>

allocated by the Committee and presented by the Italian President to top Italian entrepreneurs on the “Day of Italian Quality”.

In 2012 and 2013 the winners of the Leonardo Startup Award were Silicon Biosystems and NISO Biomed, respectively. Both enterprises come from the biomedical sector; the first sector is from Bologna, the second from Turin.

This year the competing startups have been chosen amongst the winners of the main Italian and international “startup competitions” and have been examined by a group of experts suggested by six associations which are closely linked to the innovative entrepreneurship ecosystem: *Associazione Italiana del Private Equity e Venture Capital (AIFI – Italian Private Equity and Venture Capital Association)*, *Associazione Parchi Scientifici e Tecnologici Italiani (APSTI - Association of Italian Science and Technology Parks)*, *Italian Business Angel Network (IBAN)*, *Italia Startup, Network per la Valorizzazione della Ricerca Universitaria (NETVAL- Network for the Promotion of University Research)*, *Associazione degli Incubatori e delle Business Plan Competition Accademiche Italiane (PNICUBE –Association of Incubators and Italian Academic Business Plan Competitions)*.

The process of judging and awarding the Leonardo Startup Award, which has come to be considered a real “prize of all prizes”, has been coordinated by the Ministry of Economic Development, the Leonardo Committee and the Italian Trade Agency (ICE).

5.3 Contamination Labs

The Ministry of Economic Development and the Ministry of Education, University and Research have drawn up a policy the aim of which is to offer university students from the Convergence regions (Campania, Puglia, Calabria, Sicily) a stimulating environment in which to develop innovation projects with a business dimension. This objective will be reached by creating Contamination Labs in Italian universities. These spaces will enable students from different academic backgrounds to interact, while promoting entrepreneurship, innovation, an interdisciplinary perspective and new models of learning. One million euros were made available to create such structures through the *Start Up* competition. This competition was financed by the Ministry of Education, University and Research, which drew upon national resources which had previously been allocated to the National Operative Programme for Research and Competitiveness 2007-2013, and were subsequently reallocated to the Action Plan for Cohesion.

A committee of experts chosen by the Ministry of Education, Universities and Research, and by the Ministry of Economic Development, selected the projects put forward by the *Università degli Studi Mediterranea di Reggio Calabria*, *Università della Calabria* (Cosenza), *Università degli Studi di Catania* and *Università degli Studi di Napoli Federico II*. These four projects will soon be launched and will duration of 24 months. Their evolution will be monitored by the above-mentioned ministries.

5.4 International Agreements

On 25 October 2012, Italy and Israel reached a cooperation agreement in the field of startups and, more generally, high-tech industries (in particular cleantech and water management, health, cyber security and the biomedical industry), the aim of which is to facilitate the flow of talented people, innovative ideas and investment between the two countries. Currently, the mixed panel, composed of highly competent experts and representatives of institutions from both countries, has started putting in place the joint working plan for the year 2014. The plan was defined during a bilateral Italy-Israel meeting which was held in Rome on 2 December 2013.

5.5 The Italian Startup Ecosystem: Who's Who

The Italian Startup Ecosystem: Who's Who²², drawn up by Italia Startup and by the Industrial Engineering Department of the Politecnico di Milan School of Management, in collaboration with the SMAU (the International Exhibition of Information and Communication Technology) and with the institutional support of the Ministry of Economic Development, offers a detailed mapping of the players which are part of the Italian startup ecosystem and increases their visibility on an international level. These players include startups, incubators, investors and coworking venues.

5.6 CleanStart

The Corrente Project, which is overseen by GSE, launched Cleanstart in September 2013 on the initiative of the Ministry of Economic Development²³. Cleanstart is a list of

²² <http://www.italiastartup.it/whoiswho>

²³ <http://corrente.gse.it>

services offered at favourable rates and aimed at startups in the sectors of renewable energies, energy efficiency, water management and sustainable transport. By taking part in the Corrente project, startups have access to all the services which are already available to the 1,800 enterprises participating in the project. These include: training events, bilateral meetings with international counterparts, info-days and presentations of the most interesting investment markets, fairs and information on job opportunities in different sectors, on a national and international level.

Thirty-five innovative startups in the field of cleantech, which are registered in the special section of the Companies Registry, are already participating in Cleanstart (out of an estimated total of 262 enterprises; statistics by the Corrente project based on data from 17 February 2014). Sixteen of them have partaken in different initiatives dedicated to:

- Training on EU projects: 7 startups
- Digital Energy Tour: 4
- Writing an article for the GSE magazine "*Elementi*": 3
- Participating in working groups on international markets: 2
- Participating in international initiatives: 1

STATISTICAL APPENDIX

Table 5. Distribution of innovative startups per region

	Region	Innovative Startups	%	Registered enterprises on 31 December 2013	Number of Innovative Startups per 10,000 registered enterprises
1	LOMBARDY	341	19.8	949,631	3.6
2	EMILIA-ROMEGNA	192	11.2	468,318	4.1
3	LAZIO	177	10.3	622,221	2.8
4	VENETO	144	8.4	493,176	2.9
5	PIEDMONT	133	7.7	454,613	2.9
6	TUSCANY	123	7.2	414,563	3.0
7	CAMPANIA	83	4.8	561,732	1.5
8	TRENTINO-ALTO ADIGE	83	4.8	109,366	7.6
9	MARCHE	82	4.8	175,617	4.7
10	PUGLIA	72	4.2	380,243	1.9
11	FRIULI-VENICE GIULIA	59	3.4	107,418	5.5
12	SARDINIA	54	3.1	167,755	3.2
13	SICILY	54	3.1	459,967	1.2
14	ABRUZZO	30	1.7	149,334	2.0
15	LIGURIA	27	1.6	164,901	1.6
16	UMBRIA	21	1.2	95,493	2.2
17	CALABRIA	20	1.2	178,789	1.1
18	MOLISE	10	0.6	35,019	2.9
19	BASILICATA	9	0.5	60,260	1.5
20	VALLE D'AOSTA	5	0.3	13,544	3.7
	<i>NORTH-WEST</i>	<i>506</i>	<i>29.4</i>	<i>1,582,689</i>	<i>3.2</i>
	<i>NORTH-EAST</i>	<i>478</i>	<i>27.8</i>	<i>1,178,278</i>	<i>4.1</i>
	<i>CENTRE</i>	<i>403</i>	<i>23.4</i>	<i>1,307,894</i>	<i>3.1</i>
	<i>SOUTH</i>	<i>332</i>	<i>19.3</i>	<i>1,993,099</i>	<i>1.7</i>
	ITALY	1,719	100.0	6,061,960	2.8

Source: Statistics by the Ministry of Economic Development based on data by Infocamere

Table 6. Distribution of innovative startups on a provincial level

	Province	Innovative Startups	Geographical area	Registered enterprises on 31 December 2013	Number of innovative startups every 10,000 registered enterprises
1	Milan	228	North-West	358,006	6.4
2	Rome	158	Centre	464,986	3.4
3	Turin	113	North-West	231,081	4.9
4	Trento	72	North-East	51,517	14.0
5	Bologna	60	North-East	96,766	6.2
6	Napoli	50	South	273,410	1.8
7	Padua	48	North-East	99,781	4.8
8	Firenze	43	Centre	109,266	3.9
9	Ancona	42	Centre	47,062	8.9
10	Cagliari	39	South	69,881	5.6
11	Modena	35	North-East	75,158	4.7
12	Bari	31	South	150,973	2.1
13	Treviso	30	North-East	90,986	3.3
14	Verona	28	North-East	96,842	2.9
15	Pisa	26	Centre	43,299	6.0
16	Lecce	25	South	72,251	3.5
17	Bergamo	24	North-West	96,019	2.5
18	Brescia	24	North-West	121,364	2.0
19	Trieste	24	North-West	16,716	14.4
20	Venice	24	North-East	77,288	3.1
21	Genoa	23	North-West	86,574	2.7
22	Palermo	22	South	97,901	2.2
23	Parma	22	North-East	46,903	4.7
24	Macerata	21	Centre	39,623	5.3
25	Pordenone	19	North-East	27,614	6.9
26	Reggio Emilia	19	North-East	56,460	3.4
27	Salerno	18	South	119,930	1.5
28	Catania	15	South	100,928	1.5
29	Piacenza	14	North-East	30,758	4.6
30	Monza-Brianza	13	North-West	72,154	1.8
31	Como	12	North-West	49,333	2.4
32	Pavia	12	North-West	48,961	2.5
33	Pescara	12	South	35,884	3.3
34	Ravenna	12	North-East	41,116	2.9
35	Siena	12	Centre	29,369	4.1

Table 6. Distribution of innovative startups on a provincial level

	Province	Innovative Startups	Geographical area	Registered enterprises on 31 December 2013	Number of innovative startups every 10,000 registered enterprises
36	Bolzano	11	North-East	57,849	1.9
37	Forli Cesena	11	North-East	43,554	2.5
38	Prato	11	Centre	33,488	3.3
39	Sassari	11	South	55,752	2.0
40	Terni	11	Centre	22,042	5.0
41	Vicenza	11	North-East	83,473	1.3
42	Arezzo	10	Centre	38,209	2.6
43	Cosenza	10	South	66,079	1.5
44	Ferrara	10	North-East	36,851	2.7
45	Lucca	10	Centre	43,936	2.3
46	Perugia	10	Centre	73,451	1.4
47	Taranto	10	South	47,902	2.1
48	Benevento	9	South	34,720	2.6
49	Potenza	9	South	38,407	2.3
50	Rimini	9	North-East	40,752	2.2
51	Varese	9	North-West	71,412	1.3
52	Ascoli Piceno	8	Centre	24,705	3.2
53	Campobasso	8	South	26,011	3.1
54	Catanzaro	8	South	32,839	2.4
55	Gorizia	8	North-East	10,879	7.4
56	Latina	8	Centre	57,952	1.4
57	Pesaro Urbino	8	Centre	41,745	1.9
58	Udine	8	North-East	52,209	1.5
59	L'Aquila	7	South	30,978	2.3
60	Messina	7	South	60,223	1.2
61	Cremona	6	North-West	30,406	2.0
62	Cuneo	6	North-West	71,845	0.8
63	Livorno	6	Centre	32,395	1.9
64	Teramo	6	South	36,487	1.6
65	Alessandria	5	North-West	45,096	1.1
66	Aosta	5	North-West	13,544	3.7
67	Chieti	5	South	45,985	1.1
68	Foggia	5	South	72,381	0.7
69	Frosinone	5	Centre	46,339	1.1
70	Mantova	5	North-East	42,291	1.2
71	Novara	5	North-West	31,667	1.6

Table 6. Distribution of innovative startups on a provincial level

	Province	Innovative Startups	Geographical area	Registered enterprises on 31 December 2013	Number of innovative startups every 10,000 registered enterprises
72	Viterbo	5	Centre	37,797	1.3
73	Lecco	4	Nord-west	26,935	1.5
74	Lodi	4	North-West	17,367	2.3
75	Agrigento	3	South	41,260	0.7
76	Avellino	3	South	43,898	0.7
77	Caserta	3	South	89,774	0.3
78	Fermo	3	Centre	22,482	1.3
79	Pistoia	3	Centre	32,909	0.9
80	Trapani	3	South	46,814	0.6
81	Asti	2	North-West	24,885	0.8
82	Belluno	2	North-East	16,311	1.2
83	Caltanissetta	2	South	24,915	0.8
84	Isernia	2	South	9,008	2.2
85	La Spezia	2	North-West	20,770	1.0
86	Nuoro	2	South	27,549	0.7
87	Oristano	2	South	14,573	1.4
88	Reggio Calabria	2	South	49,946	0.4
89	Savona	2	North-West	31,137	0.6
90	Biella	1	North-West	19,177	0.5
91	Brindisi	1	South	36,736	0.3
92	Enna	1	South	15,154	0.7
93	Grosseto	1	Centre	29,097	0.3
94	Massa-Carrara	1	Centre	22,595	0.4
95	Rieti	1	Centre	15,147	0.7
96	Rovigo	1	North-East	28,495	0.4
97	Siracusa	1	South	37,597	0.3
98	Vercelli	1	North-West	17,277	0.6

Source: Statistics by the Ministry of Economic Development based on data by Infocamere²⁴

²⁴ The provinces which are not present in the table do not have any innovative startups (last updated February 2014).