

• INVEST
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IN ITALY •

ITCA 
ITALIAN TRADE AGENCY

INVITALIA

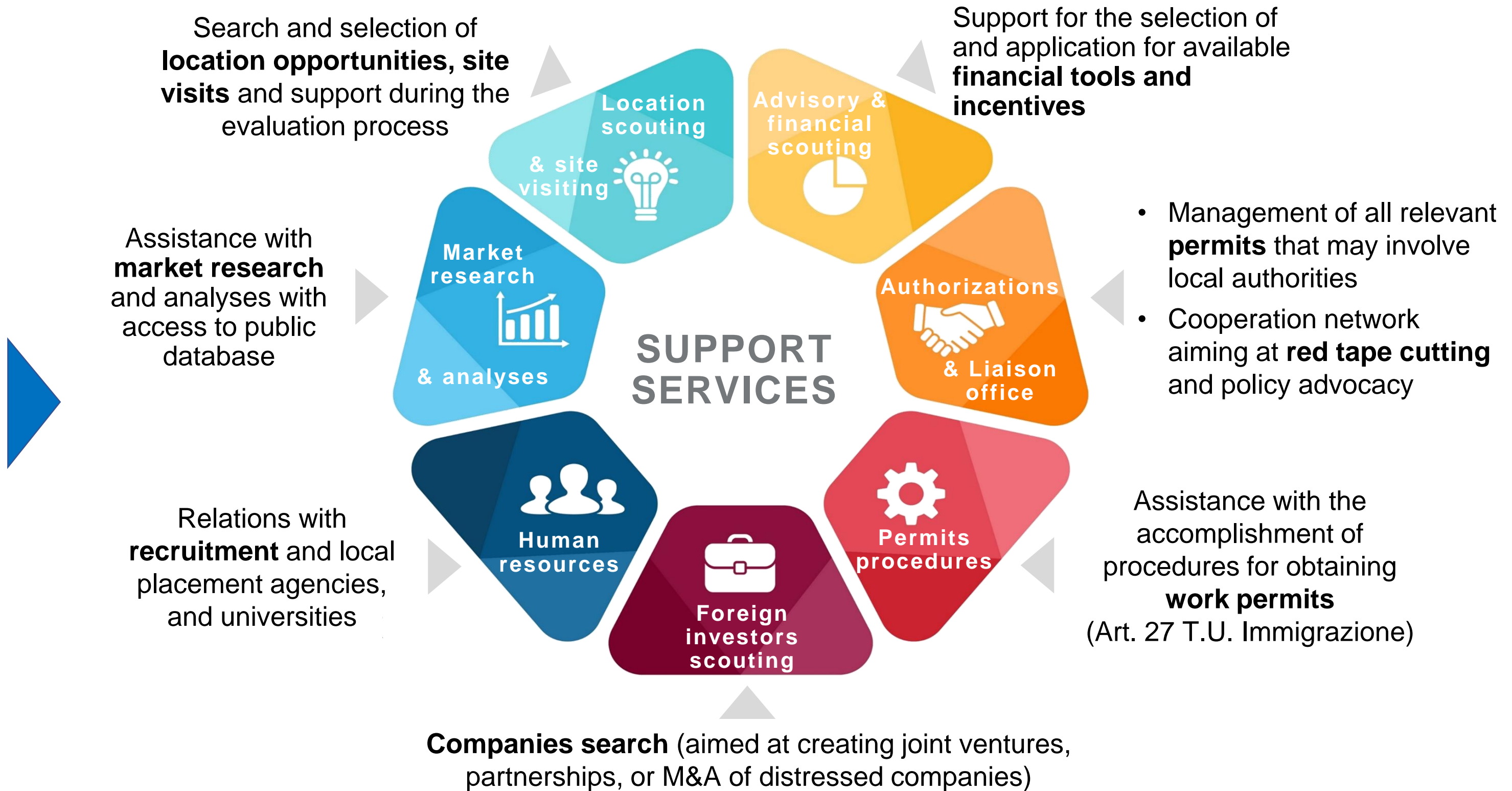
Services and Incentives to Invest in Italy

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INVITALIA

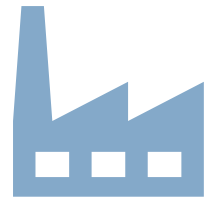
July 14th, 2021

Services and support for foreign companies

- **Invest in Italy**, the brand under which INVITALIA and ITA work together, is a One Stop Shop offering a **wide range of free of charge services**.
- Invest in Italy operates closely with **Regional Authorities** which can also support foreign investors with local services such as:
 - ✓ location scouting;
 - ✓ administrative and bureaucracy issues;
 - ✓ connections and partnerships with local stakeholders;
 - ✓ regional incentives.



Incentives and fiscal benefits



Large investments and Area of industrial crisis

- Development contracts
- Law 181 for distressed areas
- “Enterprises Safeguard” Fund for Distressed companies



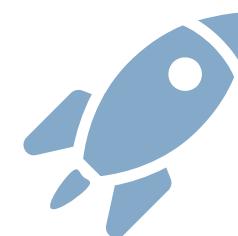
R&D investments

- R&D Circular Economy
- Innovation Agreements



Fiscal benefits

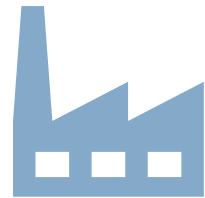
- Tax credits (Industry 4.0, Machineries, R&D, innovation)
- Industry 4.0 training
- Patent Box
- Employment bonuses



SMEs and innovative startups

- Smart & Start Italia
- New Enterprises “Zero interest rate”

Incentives and fiscal benefits



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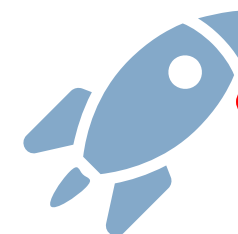
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Fiscal benefits

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SMEs and innovative startups

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Development Contract (1/6)

BENEFICIARIES

- One or more companies with connected and functional investment projects (including R&D)

SECTOR	Minimum investment size (€/M)		
	Whole program	Proposing company project	Affiliated company project
Industrial	20	10	1.5

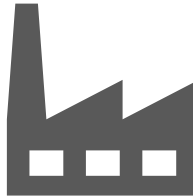

PROCEDURE

- Upon request scheme
- Assistance before the application
- Eligibility evaluation within 120 days
- Project start possible after the application
- Project duration: 3 years

ELIGIBLE EXPENSES

- Land purchase (up to 10%)
- Building works and specific corporate infrastructures (up to 40%)
- Factory-fresh machineries and equipment
- Computer programs, patents, licenses, know-how (up to 50%)
- Costs for employees and general expenses eligible only for R&D projects

Development Contract (2/6)

		LARGE	MEDIUM	SMALL
 Manufacturing	Southern Regions: Campania, Apulia, Basilicata, Calabria, Sicily and Sardinia	25%	35%	45%
	Central-Northern Regions: <u>only listed cities</u>	10%	20%	30%
	Rest of Italy	<i>No eligibility</i>	10%	20%
 R&D	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.

Development Contract (3/6)

R&D&I Program



Total investment: € 446 Mil
Financed with DC (R&D): € 49 Mil

BASIC REQUIREMENT

R&D&I projects **within** an industrial development program

BENEFICIARIES

Companies

Research and knowledge-dissemination organizations
(universities, research institutes, etc.)

AID INTENSITY

No differences and restrictions based on location

Large companies: up to 50% (industrial research) and
up to 25% (experimental development) despite of
geographical location

SMEs can receive higher incentives **up to 80%**

GEOGRAPHICAL AREA

All the national territory

Development Contract (4/6)

Development Contract for Environmental Protection



The Development Contract for Environmental Protection was created to support companies' investments to reduce energy consumption and GHG emissions that alter the climate.

To be eligible for this specific typology of Development Contract, investment projects must be aimed to:

- **a)** exceed EU standards for environmental protection
- **b)** increase the level of protection in the absence of EU standards
- **c)** early adaptation to EU standards
- **d)** achieve higher energy efficiency
- **e)** create high-efficiency cogeneration plants
- **f)** waste recycling and re-utilisation



Development Contract (5/6)

Development Contract for Environmental Protection



PROJECT SCOPE	COMPANY SIZE	AID INTENSITY (%)		
		Southern Regions: Campania, Apulia, Basilicata, Calabria, Sicily and Sardinia	Central-Northern Regions: <u>only listed cities</u>	Rest of Italy
a/b) exceed EU standards for environmental protection / increase the level of protection in the absence of EU standards;	Small	75	65	60
	Medium	65	55	50
	Large	55	45	40
c) early adaptation to EU standards;	Small	30 - 35	20 - 25	15 - 20
	Medium	25 - 30	15 - 20	10 - 15
	Large	20 - 25	10 - 15	5 - 10
d) achieve higher energy efficiency	Small	65	55	50
	Medium	55	45	40
	Large	45	35	30
e) create high-efficiency cogeneration plants	Small	80	70	65
	Medium	70	60	55
	Large	60	50	45
f) waste recycling and re-utilisation	Small	70	60	55
	Medium	60	50	45
	Large	50	40	35

Development Contract (6/6)

* Until June 1st, 2021

<p>Total investments: € 6.8 BLN</p> <p>Investments granted: € 3 BLN</p> <p>Foreign investors: 40+</p>	<p>Projects financed: 188</p> <p>Jobs created: 100K+</p>
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Industrial R&D
North Italy
10% funded



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

Manufacturing
Center Italy
14% funded



Total investment: **€ 82 MLN**
Funded: **€ 17,5 MLN**



Food processing
South Italy
23% funded

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

Manufacturing + R&D
South Italy
35% funded



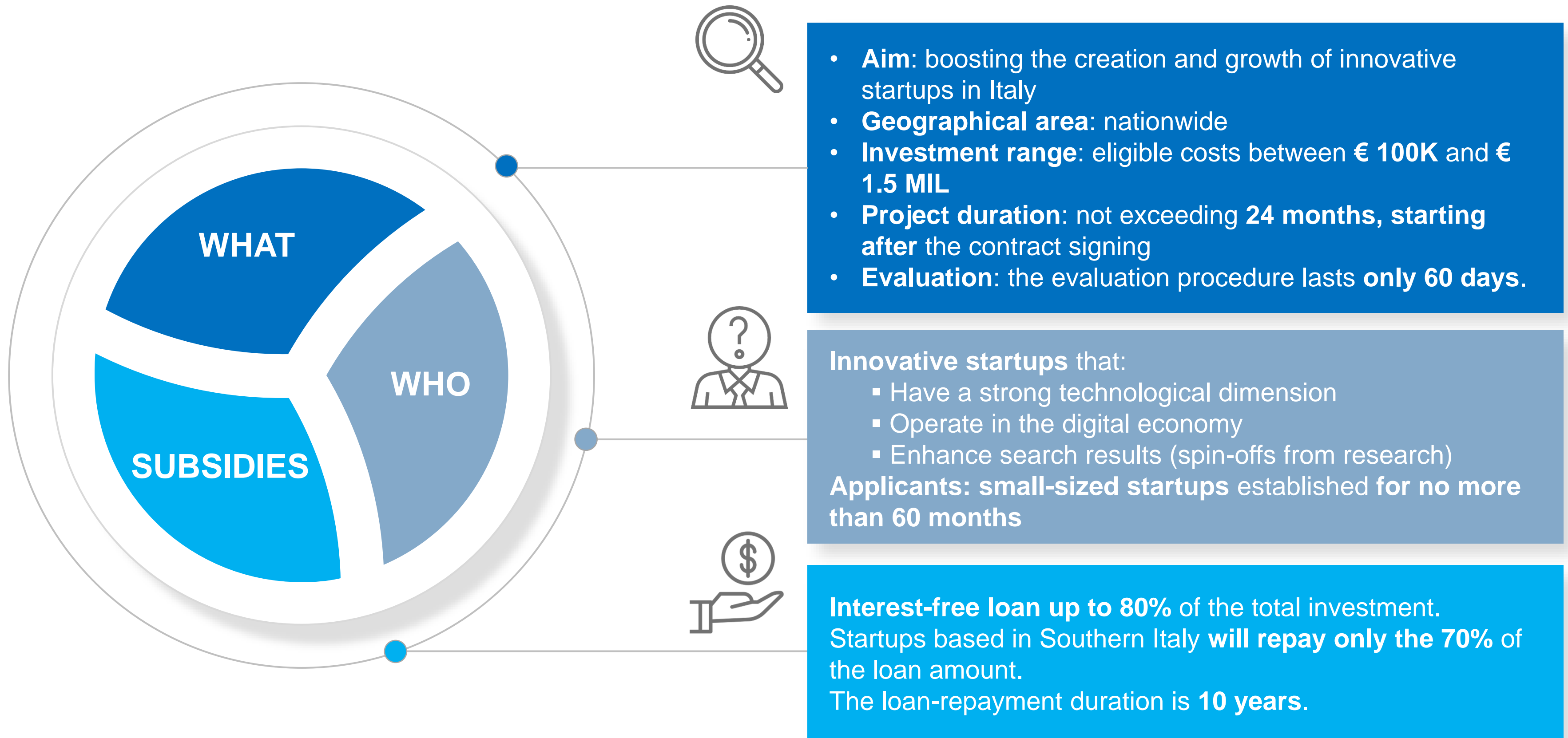
Total investment: **€ 78 MLN**
Funded: **€ 27 MLN**

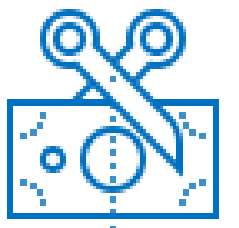
Manufacturing
South & Center Italy
38% funded



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

Smart & Start Italy





Tax credits for tangible/intangible assets

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 16th 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 31st, 2022**
- Investments for which the company make the first payment (at least 20%) before **December 31st, 2022**. Assets must be delivered before **June 30th, 2023**

INCENTIVES

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

* Compensation

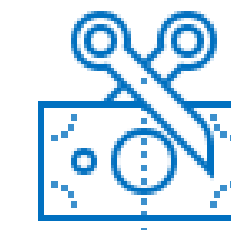
3 years

** 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.



Tax credits for R&D and innovation

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 (%) *
Fundamental research, Industrial research and Experimental development	≤ € 4 MLN	20%
Fundamental research, Industrial research and Experimental development in Southern Regions (Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sardegna and Sicily)	≤ € 3 MLN	25% (large enterprise) 35% (medium enterprise) 45% (small enterprise)
Technological innovation (design, implementation, introduction)	≤ € 2 MLN	10%
Technological innovation "Industry 4.0" and green economy (design, implementation, introduction)	≤ € 2 MLN	15%
Design - Aesthetic conception (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

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THANK YOU

For further information:

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