

Financing Facility Support

What help is available?	What does the help entail?	Which companies are eligible?	What is the criteria (if any) for applying?	How to apply	When will the finance be available?
<p>Guarantee Fund for Small and Medium Enterprises</p> <p>More information can be found here (in Italian) and here (in Italian).</p>	<ul style="list-style-type: none"> • Fund designed to facilitate small and medium enterprises (SMEs) in accessing funding from financial institutions (banks, leasing companies and other intermediaries) by way of grant of a partial public guarantee. • Fund constitutes an additional statutory guarantee to (and often replaces) the securities provided directly by companies. • As a result of COVID-19, for a limited period of nine months from 16 March 2020, the Italian government is derogating from the ordinary regime regulating the Guarantee Fund (through Decree no. 18). • The fund will now provide the following main measures: <ul style="list-style-type: none"> – Lenders are entitled to obtain the guarantee free of interest – The maximum amount of the guarantee per borrower has increased up to €5 million – For direct guarantees, the maximum guarantee amount is 80% of the amount of each financing, for a maximum guaranteed amount of €1.5 million per company – Public administrations and contributing EU programs may grant their contribution in order to increase the number of participants, thereby raising the maximum coverage ratio by the Fund up to 80% as a direct guarantee and 90% as reinsurance – The guarantee may also be granted in favour of refinanced facilities where the financed amount is at least 10% more than the outstanding amount of the original facilities 	<ul style="list-style-type: none"> • SMEs as defined by the European Commission Recommendation are those enterprises having not more than 250 employees and falling under one of the following requirements: <ul style="list-style-type: none"> (i) annual revenues not exceeding €50 million or (ii) assets not exceeding €43 million. 	<ul style="list-style-type: none"> • As an exception, for the purposes of access to Guarantee Fund (eligibility conditions), the probability of default by companies is to be assessed only on an economic and financial basis. This allows SMEs to be eligible even when presenting a distressed financial situation resulting from COVID-19. • SMEs with “non-performing” or “unlikely to pay” exposures and companies in difficulty under Article 2(18) of Regulation (EU) 651/2014 are out of scope. 	<ul style="list-style-type: none"> • Please note that the Guarantee Fund provides neither guarantees nor funding directly to the borrower and is not party to the negotiations between financial institutions and borrowers. 	<ul style="list-style-type: none"> • The facility is now available.

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<p>Financial support to affected companies and lenders</p> <p>Further information on the recent decrees issued by Italian government can be found here (in Italian).</p>	<ul style="list-style-type: none"> • SMEs owing debt to banks or financial intermediaries may obtain a moratorium in case of suffering of shortage of liquidity due to the COVID-19 crisis. • Outstanding lines of credit (used or unused) become irrevocable until 30 September 2020. • Bullet loans with contractual maturity before 30 September 2020 are automatically extended (without any formality) until that date on the same terms and together with any security or guarantee. • Payments of instalments or lease payments related to loans and mortgages repayable in instalments that are due prior to 30 September 2020 are deemed suspended until 30 September 2020 and the related repayment schedule is deemed extended without further formality and at no extra cost for either party. SMEs may also opt to request suspension of principal payments only. • In respect of the suspended payments, lenders are entitled to obtain (free of charge and without any credit check by the fund) a fund guarantee in the amount of 33% of the additional drawdowns on credit lines, or loans whose maturity is extended or of instalments that are suspended. 	<ul style="list-style-type: none"> • SMEs 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • Eligible businesses must submit a self-certification declaring to have suffered a temporary shortage of liquidity as a direct consequence of the COVID-19 emergency. 	<ul style="list-style-type: none"> • The facility is now available.

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<p>Converting certain deferral tax assets (DTAs) into tax credits</p> <p>Further information on the recent decrees issued by Italian government can be found here (in Italian).</p>	<ul style="list-style-type: none"> • Upon payment of a 1.5% fee that is deductible for corporate income tax purposes, DTAs arising from tax losses or allowances for corporate equity may be converted into tax credits. • Measures aim to allow companies to avoid shortage of liquidity by reducing financial assets required for paying taxes and social security contributions. • The conversion is limited to an amount not exceeding 20% of the nominal value of non-performing loans transferred to a third party in exchange for consideration no later than 31 December 2020 (even if not booked in the financial statement). • A cap of €2 billion receivables applies to third party transfers made by companies, which are members of the same corporate group. • Conversion of the DTAs into tax credits occurs upon receivables' transfer. Such tax credit can be used to pay current taxes, withholding taxes and social security contributions and any excess can be refunded. 	<ul style="list-style-type: none"> • All companies, regardless of their size, other than insolvent companies 	<ul style="list-style-type: none"> • For the purposes of this scheme non-performing loans are defined as financial or commercial receivables with at least a 90-day payment delay. 	<ul style="list-style-type: none"> • Conversion of DTAs into tax credits is subject to the exercise by the company, by the end of the financial year in which the assignment of the credits takes effect, of the election under the Article 11 of Law Decree No. 59/2016, if not already exercised, and the consequent payment of the 1.5% fee. • The tax credit obtained from the conversion of advance tax must be disclosed in the tax return for the tax period 2020. 	<ul style="list-style-type: none"> • The tax credit is available for set-off from the time when assignment of the receivables from which it originates takes effect.
<p>Financial support by means of Cassa Depositi e Prestiti (CDP)</p> <p>More information can be found here (in Italian).</p>	<ul style="list-style-type: none"> • CDP is a state-controlled fund and deposit institution. • Fund aims to allow banks to extend credit to companies, with the support of CDP. • Provides incentives to boost synthetic securitization through CDP. In particular: <ul style="list-style-type: none"> – Banks, with the support of CDP, are allowed to further extend credit to companies – CDP is allowed to support banks in providing such loans – The state is allowed to grant counter-guarantees to CDP up to 80% of CDP's exposure at market rates. 	<ul style="list-style-type: none"> • All companies, regardless of their size, which have suffered a decrease of their turnover due to COVID-19 	<ul style="list-style-type: none"> • Subsequent ministerial decrees will define the specific conditions which must be fulfilled in order to obtain such guarantees. 	<ul style="list-style-type: none"> • CDP provides neither guarantees nor funding directly to the borrower and is not party to the negotiations between the bank and the borrower. 	<ul style="list-style-type: none"> • The facility is now available.

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<p>Increase of public funding allocated to relevant development projects</p> <p>More information can be found here (in Italian).</p>	<ul style="list-style-type: none"> Development Contracts, introduced into law by Article 43 of Law Decree No. 112 of 25 June 2008 and operational since 2011, represent the main facilitation instrument dedicated to support large strategic and innovative productive investment programmes. The government has provided for an increase in the public funding allocated for development contracts. 	<ul style="list-style-type: none"> All companies, regardless of their size 	<ul style="list-style-type: none"> Business programme for industrial development and environmental protection programmes must contain eligible expenditure of no less than €10 million. Applications relating exclusively to processing and marketing of agricultural products must not be less than €3 million. Applications for tourism development programmes must not be less than €5 million. Investments proposed by participating entities (including research, development and innovation programmes) must have a cost of not less than €1.5 million. 	<ul style="list-style-type: none"> Requests for access must be submitted to the National Agency for the Attraction of Investments and Business Development S.p.A. – INVITALIA, Managing Entity of the Facility. 	<ul style="list-style-type: none"> The facility is now available.
<p>Financial measures relating to export credit in the tourism sector</p> <p>More information can be found here.</p>	<p>To export credit activities in sectors affected by the COVID-19 crisis during the current financial year, the government has allowed the Ministry of Economy to offer state guarantees for non-market risks in favour of SACE S.p.A. for approved transactions in the cruise sector for a maximum amount of €2.6 billion.</p> <p>SACE S.p.A. is the Italian export credit agency that offers a complex range of instruments for credit insurance, investment protection, provision of securities and financial guarantees.</p> <p>The measure aims to (i) grant the completion of commercial transactions that are strategic for Italian economy and (ii) maintain the employment levels.</p>	<p>All companies of the cruise sector, regardless of their size</p>	<p>N/A</p>	<p>This measure means that the Ministry of Economy and Finance can offer state guarantees in favour of SACE S.p.A.</p>	<p>The facility is now available.</p>

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<p>Measures aimed at supporting the agricultural sector and the fishing industry</p> <p>Further information on the recent decrees issued by Italian government can be found here (in Italian).</p>	<ul style="list-style-type: none"> Article 78 of Law Decree 17 March 2020, no. 18 introduces a €100 million fund to help companies of these sectors pay off accrued interests due and to cover losses recorded in the fishing industry, within the limits set forth in the EU Reg. no. 2013/1408, as amended by the following EU Reg. no. 2019/316. 	<ul style="list-style-type: none"> All companies of the agricultural sector and the fishing industry (5,000 estimated companies, according to Technical Report) 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> The Minister for Agriculture, Food and Forestry will determine the criteria and the procedures for implementing the Fund by Ministerial Decrees, according to EU provisions about <i>de minimis</i> aid in the agricultural sector. 	<ul style="list-style-type: none"> The facility is now available.
<p>Financial incentives to companies in order to promote the production and the supply of medical devices and protective equipment</p> <p>More information can be found here.</p>	<ul style="list-style-type: none"> Financial measures for investment projects aimed at expanding or reconverting business activities for the production and supply of medical devices. Invitalia is the National Agency for Inward Investment and Economic Development. It is owned by the Italian Ministry of Economy and manages all national incentives for the promotion and creation of new companies and innovative startups. Invitalia has been allowed to provide financing through non-repayable grants and operating grants, as well as subsidized loans, to companies manufacturing and supplying medical devices, such as masks, respirators and other protective devices. A low-interest, zero-interest loan is provided to cover 75% of the investment project, repayable over seven years. The maximum possible benefit amounts to €800,000. The subsidized loan may turn into a non-repayable loan in variable percentages depending on the speed of implementation of the project. 	<ul style="list-style-type: none"> All companies organized as corporations, regardless of their size 	<ul style="list-style-type: none"> The facility may also cover investments incurred before the submission of the application, but after the publication of the Law Decree no. 18 dated 17 March 2020 are also eligible. 	<ul style="list-style-type: none"> Online application on the website of Invitalia. 	<ul style="list-style-type: none"> The facility was available beginning 26 March 2020.

Other Financial Support

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<p>Solidarity Fund for First Principal Residences</p> <p>Law no. 244/2007 established the Solidarity Fund for mortgage loans used to purchase first principal residences. The fund allows to eligible borrowers to benefit of payment suspensions in certain situation of temporary financial difficulty.</p> <p>Further information on the recent decrees issued by Italian government can be found here (in Italian).</p>	<ul style="list-style-type: none"> The government has extended the provisions relating the suspension of instalments applicable to (irrespective of location) cases of suspension from work or reduction of working hours for a period of at least 30 days. The government has also granted the access to the Solidarity Fund, for a period of nine months, also to self-employed workers and professionals who have suffered a decrease in turnover of more than 33% in the last quarter of 2019 as a result of the closure or restriction of their activities due to COVID-19. 	<ul style="list-style-type: none"> Employees and self-employed workers and professionals who have suffered a decrease in turnover of more than 33% in the last quarter of 2019 due to COVID-19 	<ul style="list-style-type: none"> The owner of a main dwelling property may apply for access to the fund's benefits, holder of a loan contract for the purchase of the same property not exceeding €250,000. Due to the state of emergency, the ISEE requisite is not requested. The loan must also be amortised for at least one year at the time of application. 	<ul style="list-style-type: none"> The borrower has to send a request to their bank. 	<ul style="list-style-type: none"> The facility is now available.

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