



THE ITALIAN AGENDA

POLICIES AND STRATEGIES FOR INNOVATION

STEFANO FIRPO

ITALIAN MINISTRY OF ECONOMIC DEVELOPMENT
HEAD OF MINISTER'S TECHNICAL SECRETARIAT

INNOVATIVE STARTUP

- ESTABLISHED FOR NO LONGER THAN **60 MONTHS**
- **RESIDE IN ITALY OR IN ANOTHER EU COUNTRY** BUT SUBJECT TO TAXATION IN ITALY
- TURNOVER LOWER THAN **5 MILLION €**
- **IT DOES NOT DISTRIBUTE PROFIT**
- ITS CORE BUSINESS CONSISTS OF **INNOVATIVE GOODS OR SERVICES OF SIGNIFICANT TECHNOLOGICAL VALUE**
- IT DOES NOT ORIGINATE FROM A **MERGER, DEMERGER OR DIVESTMENT PROCESS**

LAW 221/2012 - ITALY'S STARTUP ACT



INNOVATIVE STARTUP

- MEETS *AT LEAST ONE* OF THE FOLLOWING CRITERIA:
 1. **R&D EXPENDITURE: 15%** OF ITS COSTS CONCERN R&D ACTIVITIES
 2. **QUALIFIED TEAM:** AT LEAST **1/3** OF THE TEAM IS MADE UP OF PEOPLE WHO **EITHER HOLD A PhD OR ARE PhD CANDIDATES** AT AN ITALIAN OR FOREIGN UNIVERSITY OR HAVE CONDUCTED RESEARCH FOR AT LEAST THREE YEARS **OR** AT LEAST **2/3** OF THE TEAM IS MADE UP OF PEOPLE **HOLDING A MASTER'S DEGREE**
 3. **IP:** IT IS THE OWNER OR THE LICENSEE OF A **PATENT OR SOFTWARE**

LAW 221/2012 - ITALY'S STARTUP ACT



INNOVATIVE STARTUP

CUTS IN RED TAPE

- **FREE, ONLINE INCORPORATION** AND REGISTRATION THROUGH SELF-CERTIFICATION
- **NO FEES** DUE TO THE CHAMBER OF COMMERCE FOR ANY DOCUMENT
- **FLEXIBLE CORPORATE MANAGEMENT TOOLS** — LTD. = INC.
- **ZERO TAX REGIME** FOR COMPANIES SUFFERING FROM **SYSTEMATIC LOSSES**
- **FLEXIBILITY IN CAPITAL REPLENISHMENT** AFTER LOSSES
- **SIMPLIFIED VAT DECLARATION** PROCEDURE TO IMPROVE CASH FLOW
- **FAIL FAST MECHANISM**

LAW 221/2012 - ITALY'S STARTUP ACT



INNOVATIVE STARTUP

TAILOR-MADE LABOUR LAW

- **FIXED-TERM LABOUR CONTRACTS** APPLICABLE FOR THE WHOLE STARTUP'S LIFE CYCLE
- **VARIABLE PAY** DEPENDING ON THE STARTUP'S PERFORMANCE
- WORKERS & CONSULTANTS PAID WITH **STOCK OPTIONS AND WORK FOR EQUITY** (TAXABLE JUST AS CAPITAL GAIN!)

LAW 221/2012 - ITALY'S STARTUP ACT



INNOVATIVE STARTUP

INCENTIVES FOR FUNDING & INVESTMENTS

- **ROBUST TAX RELIEF (FROM 19% TO 27%) ON INVESTMENTS INTO STARTUP'S EQUITY BY ANGEL INVESTORS, VCS AND CORPORATES**
- **POSSIBILITY OF RAISING MONEY THROUGH EQUITY CROWDFUNDING ONLINE PORTALS (FIRST TAILOR-MADE LAW ON AN INTERNATIONAL LEVEL)**
- **FREE, FAST-TRACK PUBLIC GUARANTEE ON BANK LOANS, COVERING 80% OF THE LENT SUM**

LAW 221/2012 - ITALY'S STARTUP ACT





Italia Startup Visa

- VISA FOR EXTRA-EU CITIZENS WILLING TO SET UP AN INNOVATIVE STARTUP IN ITALY
- CENTRALIZED PROCEDURE (ISV TECHNICAL COMMITTEE)
- THE COMMITTEE EVALUATES THE APPLICATION (CV + BUSINESS MODEL) **WITHIN 30 DAYS**
- FINANCIAL RESOURCES FOR AT LEAST 50,000 € ARE REQUIRED
- **PROCESS ENTIRELY MANAGED ONLINE**, THROUGH A DEDICATED WEBSITE: [ITALIASTARTUPVISA.MISE.GOV.IT](https://italiastartupvisa.mise.gov.it)



#ItaliaStartupVisa



NURTURING HIGH-TECH STARTUPS

- **250 MILLION €** MADE AVAILABLE FOR ZERO INTEREST RATE STARTUP LOANS
- LENDING COVERS UP TO **80%** OF INVESTMENT PROGRAMS AMOUNTING **UP TO 1,5 MILLION €**
- TARGET: INNOVATIVE STARTUPS AND INDIVIDUALS WILLING TO SET UP ONE WITHIN 60 DAYS, INCLUDING EXTRA-EU CITIZENS HOLDING A **STARTUP VISA**
- FAST-TRACK FOR PROGRAMS FINANCED FOR AT LEAST 30% WITH CAPITAL PROVIDED BY QUALIFIED INVESTORS



#SmartStart2

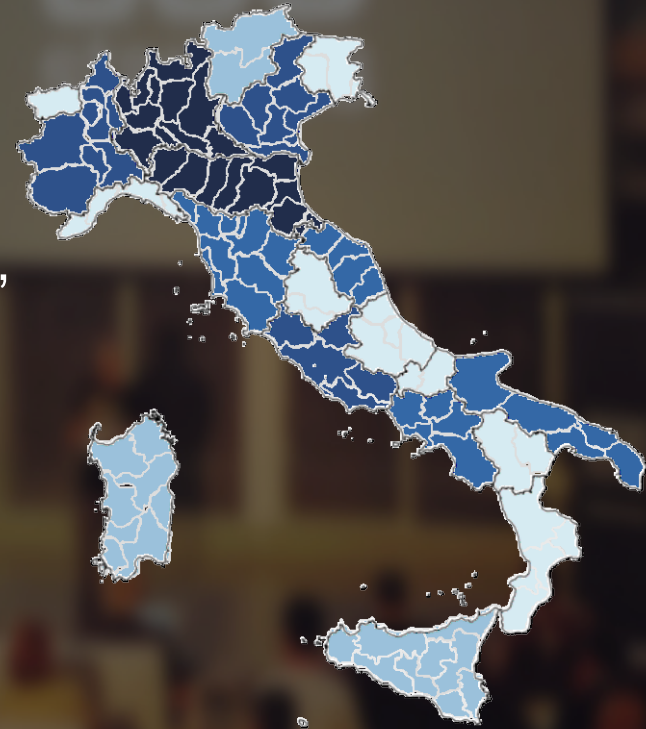
THE ITALIAN STARTUP ECOSYSTEM

MORE THAN 3,500 HIGH-TECH REGISTERED STARTUPS:
57% LOCATED IN NORTHERN, 21% IN CENTRAL AND
22% IN SOUTHERN ITALY

SECTORS: 77% OPERATE IN SERVICES (ICT, SOFTWARE,
MEDIA ETC.), 18% IN INDUSTRY & CRAFTSMANSHIP, 4%
IN TRADE

**700 MILLION EURO TURNOVER WITH OVER 15,000
PARTNERS AND EMPLOYEES**

ONLINE DATABASE: **STARTUP.REGISTROIMPRESE.IT**



INCUBATOR ECOSYSTEM

28 CERTIFIED INCUBATORS



THE ITALIAN STARTUP ECOSYSTEM

RESULTS SO FAR

- ✓ **3,512** NEW STARTUPS (+40 PER WEEK), EMPLOYING MORE THAN **15,000** PARTNERS AND WORKERS
- ✓ **351** BANK LOANS TO **279** INNOVATIVE STARTUPS (TOTAL AMOUNT: **128** MILLION; AVERAGE SIZE: **366.000 €**) THANKS TO PUBLIC GUARANTEE FUND
 - ✓ 28 CERTIFIED INCUBATORS
 - ✓ 22 STARTUP VISAS UNDER EVALUATION
 - ✓ 15 EQUITY CROWDFUNDING PORTALS

INNOVATIVE SME

- **RESIDE IN ITALY OR IN ANOTHER EU COUNTRY BUT SUBJECT TO TAXATION IN ITALY**
- **BE NON LISTED ON A FINANCIAL MULTILATERAL MARKET**
- **HOLDER OF A CERTIFIED BALANCE SHEET FOR THE LAST FISCAL YEAR**

DL INVESTMENT COMPACT - 2015



INNOVATIVE SME

- MEETS ***AT LEAST TWO*** OF THE FOLLOWING CRITERIA:
 1. **R&D EXPENDITURE: 3%** OF ITS COSTS CONCERN R&D ACTIVITIES
 2. **QUALIFIED TEAM:** AT LEAST **1/5** OF THE TEAM IS MADE UP OF PEOPLE WHO **EITHER HOLD A PhD OR ARE PhD CANDIDATES** AT AN ITALIAN OR FOREIGN UNIVERSITY OR HAVE CONDUCTED RESEARCH FOR AT LEAST THREE YEARS **OR** AT LEAST **1/3** OF THE TEAM IS MADE UP OF PEOPLE **HOLDING A MASTER'S DEGREE**
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DL INVESTMENT COMPACT - 2015



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- **FLEXIBILITY** IN CAPITAL REPLENISHMENT AFTER LOSSES

TAILOR-MADE LABOUR LAW

- **WORKERS & CONSULTANTS PAID WITH STOCK OPTIONS AND WORK FOR EQUITY (TAXABLE JUST AS CAPITAL GAIN!)**

DL INVESTMENT COMPACT - 2015



INNOVATIVE SME

INCENTIVES FOR FUNDING & INVESTMENTS

- **ROBUST TAX RELIEF (FROM 19% TO 27%) ON INVESTMENTS INTO SME'S EQUITY BY ANGEL INVESTORS, VCS AND CORPORATES**
- **POSSIBILITY OF RAISING MONEY THROUGH EQUITY CROWDFUNDING ONLINE PORTALS**
- **FREE, FAST-TRACK PUBLIC GUARANTEE ON BANK LOANS, COVERING 80% OF THE LENT SUM**

DL INVESTMENT COMPACT - 2015



R&D Tax Credit

25%

Incremental tax credit, up to € 5 Million, for R&D costs incurred in each fiscal year of the 2015-2019 period compared to the fixed average of costs incurred in the 2012-2013-2014 period

50%

If the cost is related to the hiring of highly qualified personnel employed in R&D activities OR to R&D activities outsourced to an external organization, such as innovative startups, university spin-offs and research centers

PATENT BOX



50%

tax exemption for income related to **direct/undirect exploitation of any legally protectable IP** (patents, brands,)

- The **relevant IP income** is determined on the basis of the ratio between the costs for developing and expanding the IP related product and total costs incurred by the company
- The R&D costs carried out through **outsourcing** (to startups, research centers etc.) for the development of the concerned IP tools are considered as relevant IP costs

CAPITAL GOODS

15%

tax credit on additional investment in machinery and capital goods above 10.000€ (**Guidi Padoan**)

Soft loans

financing investment on machineries, equipments, capital goods and new production use factory equipments, as well as investments in hardware, software and digital technologies (**Nuova Sabatini**)

FOR FURTHER INFORMATION

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