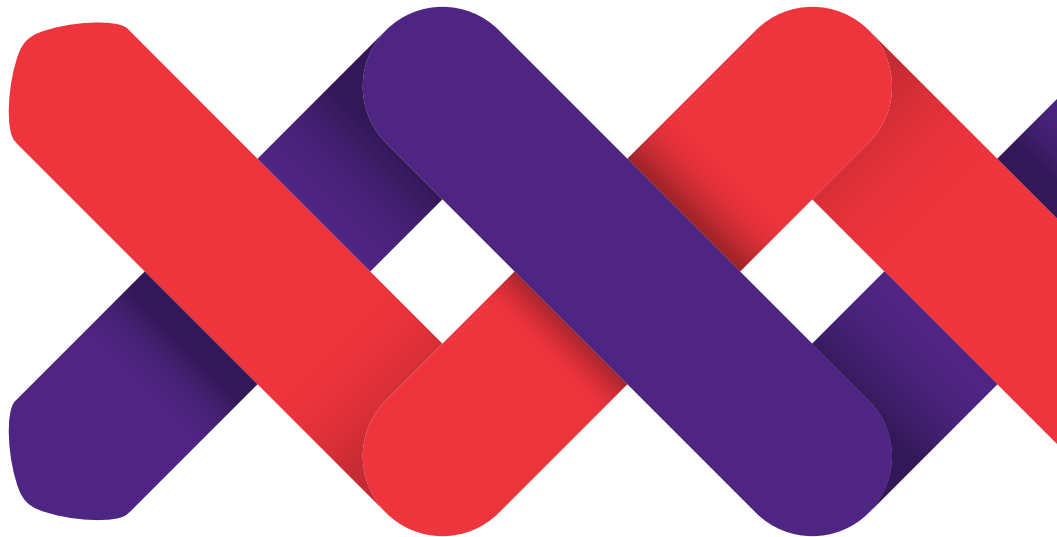


Leoni & Partners

HR News

Covid-19 emergency- DL 23/2020

Last updated on 9 April 2020



Focus on...

Below are the main and most important provisions that concern the scope of our activity.

Title I, II, and III - Public guarantees to favour the granting of loans to small, medium and large enterprises and the suspension of expiry dates of securities

Title I, Artt. 1 to 3 - Measures for the granting of loans to enterprises

The operativeness of Sace Spa has been established to support the business system through the issue – by 31 December 2020 – of specific guarantees with banks, financial institutions, and other qualified institutions, for any type of loan, within the maximum aggregate amount of 200 billion Euros.

The decree allows credit institutions to grant loans (repayable in six years) to businesses and professionals through simplified procedures, though different depending on the size of the enterprise and the amount requested.

Loans up to 25,000 Euros can be obtained without any bank preliminary investigation, while loans for higher amounts and up to 800,000 can be obtained with a full guarantee by the Government, but banks still need to assess creditworthiness and this could delay the procedures. For loans higher than 800,000 and up to 5 million, the guarantee will not be full.

Please refer to the content of the Decree for any evaluation concerning the granting of loans and the conditions provided by the legislator.

Title II, Artt. 4 to 14 - Measures to ensure continuity to businesses affected by the Covid-19 emergency

Urgent measures are implemented, in order to ensure a faster re-start of activities of all entities affected by the Covid-19 emergency.

Among these measures, the coming into force of the Code of business crisis and insolvency is deferred to 1st September 2021. At the same time, the terms for arrangements with creditors and approved debt restructuring agreements due between 23 February 2020 and 31 December 2021 are postponed by six months.

The terms of maturity of some securities (promissory notes, bills of exchange, etc.) are suspended.

Please refer to the content of the Decree for further details.

Title III, Artt. 15 to 17 - Measures on exertion of special powers in strategically relevant sectors

In order to deal with the emergency and limit the negative effects of the epidemic, urgent measures were introduced with reference to the management of special power within sectors having a strategic relevance at a national level.

Please refer to the content of the Decree for information on the broader scope of implemented measures.

Title IV - Tax and accounting measures

Art. 18 - Suspension of tax and social security payments

For those subjects carrying out a business activity, art or profession:

- whose tax domicile, registered office or operating office is located in Italy
- whose revenues, or considerations, did not exceed 50 million Euros in FY 2019;
- whose turnover or considerations decreased by at least 33% in March and April 2020 compared to the same months of the previous FY.

The terms for the payment of VAT, withholding taxes on income from subordinate employment, regional and municipal surtaxes, as well as of social security contributions are suspended.

For those subjects having the same characteristics as described above but whose revenues or considerations are higher than 50 million Euros in FY 2019, whose turnover or considerations decreased by at least 50% in March and April 2020 compared to the same months of the previous FY, the tax and contribution payments suspensions apply.

Concerning the deadline on 16th April 2020, the possibility to defer it must be established by comparing the turnover figure of March 2020 with that of March 2019.

Concerning the deadline on 18th May 2020, the possibility to defer it must be established by comparing the turnover figure of April 2020 with that of April 2019

Tax and social security payments are also suspended for those subjects who started their business activity, art, or profession after 31 March 2019.

The suspension of tax and contribution payments also apply – regardless of the turnover or revenue amount – to those subjects carrying out a business activity, art, or profession whose tax domicile, registered office, or operating office is located in Bergamo, Brescia, Cremona, Lodi and Piacenza, who suffered from a decrease in turnover or considerations by at least 33% in March and April 2020, compared to the same months in the previous FY.

The above described suspended payments will be due in a single payment by 30 June 2020 (or in five instalments starting from June 2020), without applying any penalty or interest.

Amounts already paid will not be refunded.

The Decree provides the provisions under Law Decree 9/2020 and Law Decree 18/2020 concerning the suspension of tax and contribution payments continue to apply to “mostly affected” businesses. Therefore, businesses of the supply chain identified by the Tax Authorities can benefit from the suspension of payments through F24 form due by 16th April (16th April and 18th May for businesses in the sports industry) even if they do not meet the requirements introduced by this Decree. For those businesses, the terms for the resumption of tax collection remain unchanged and therefore still regulated by the abovementioned decrees.

Art. 19 - Extended suspension of payment of withholding taxes on income from self-employment

For those subjects whose tax domicile, registered office or operating office is located in Italy, whose revenues or considerations did not exceed 400,000 Euros in the FY preceding the current one at 17 March 2020, withholding taxes are not applied by withholding agents, provided that they did not incur expenses for subordinate or similar employment in the previous month.

Unpaid withholdings will be due in a single payment by 31 July 2020 or in up to five instalments starting from July, without applying any penalty nor interest.

Art. 20 - “Previsional method” for June advance payments

Penalties and interest do not apply on the omitted or insufficient payment of: advance payments on income of individuals; of taxes on the income of individuals; and of the regional tax on production activities (IRAP) – if the paid amount is not lower than 80% of the amount that would be due as advance payment basing on the tax return relevant to the current FY.

Art. 21 - Relief from time limits for tax and contribution payments

Tax and social security contribution payments, as well as mandatory insurance premiums, due by 16 March 2020 (and subsequently postponed to 20 March 2020 under Law Decree no. 18/2020), are considered as paid within the terms (therefore, not subject to interest and penalties) if fulfilled by 16 April 2020.

Art. 22 - Electronic submission of *Certificazione Unica 2020*

For the current year, the term for the submission of “CU 2020” due by 31 March 2020, is postponed to 30 April 2020 without applying penalties if the submission occurs within the new established term.

Art. 23 - Extension of the validity of DurF

The validity of DurF (document on tax payment regularity) issued by 29 February 2020 is extended to 30 June 2020.

Art. 25 - Remote tax assistance

With reference to FY 2019 (“Modello 730/2020” form), considered the restrictions introduced to deal with the Covid-19 epidemic, the decree provides for those subjects receiving subordinate employment and similar income the possibility (up to the end of the health emergency period) to electronically file a signed copy of the authorization to access

the precompiled tax return, together with a copy of the ID and the further needed documentation to CAFs (tax assistance centres) and qualified professionals.

The same procedures can apply to electronically file all applications for Inps (National Social Security Institute) provisions.

Art. 30 - Tax credit for the purchase of protection devices in working places

In order to incentivize the purchase of protection equipment aimed at avoiding the spread of Covid-19 in working places, the tax credit applies, already granted for costs incurred for the sanitization of work environments and equipment.

Art. 34 - Prohibition to combine pensions and incomes

It is provided that the granting of the allowances for professionals under *Cura Italia* law decree depends on the absence of pensions received and on the exclusive registration with the relevant professional social security fund.

Art. 35 - Inps - National Social Security Institute - PIN code

Up to the end of the emergency period, it will be possible to obtain the Inps PIN code following a simplified online procedure.

Title V - Provisions on procedural deadlines

Artt. 36 and 37 - Extension of suspension terms

All suspension terms relevant to the civil, criminal, administrative, court and tax justice have been extended.

Title VI - Provisions on health and labour

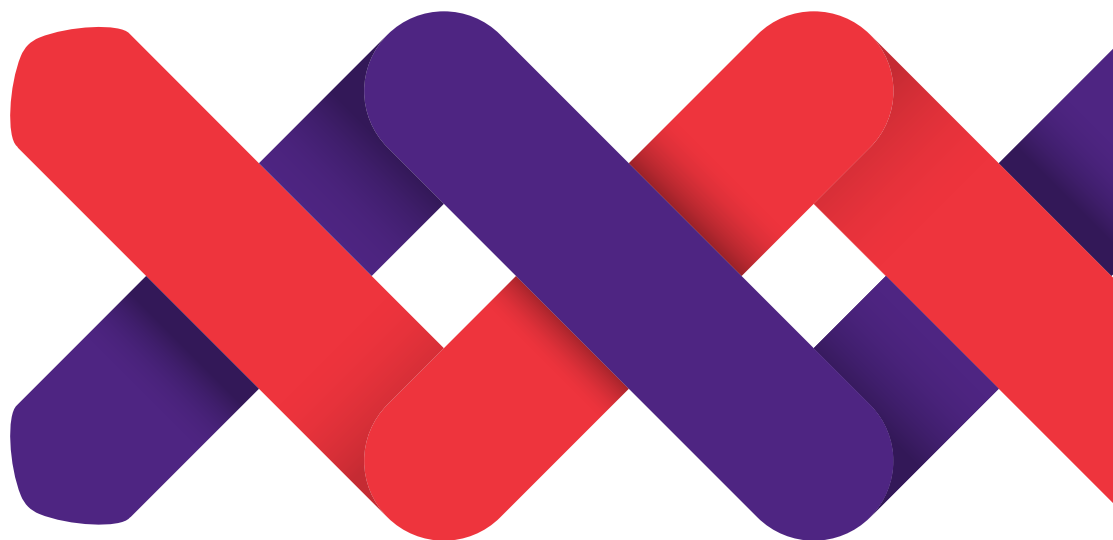
Artt. 38 and 40 - Provisions on health

The law introduced some specific provisions on agreements for practitioners/structures under contract with the national health service, medical-radiological equipment and practices, as well as for the clinical trials of medicines for the Covid-19 epidemiological emergency.

Reference is made to the Decree for further details.

Art. 41 - Provisions on labour

It is also provided for that measures to support people's income through the use of ordinary and exceptional layoff and the ordinary allowance provided by the Redundancy fund contribution should also be addresses to all employees hired in the period between 24 February and 17 March 2020. The "Cura Italia" Decree originally provided for that State layoff funds could be accessed only by people on the companies' payroll as at 23 February 2020.



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