

Internationalisation – Simest non-repayable grants



Focus on

Foreword

Significant new provisions have been introduced as concerns non-repayable grants for business internationalisation managed by Simest S.p.A., a company within the Cassa Depositi e Prestiti (deposits and loans fund) Group, further to the European Commission authorisation within the temporary framework for State aids.

In particular, starting from 6 August 2020, new amendments have been introduced to non-repayable grants which broaden the opportunities available to Italian businesses, allowing more of them to access and further strengthening the benefits identified for the seven types of projects specifically provided for internationalisation, also through non-repayable funds for 50% of the investment.

Regulatory references

In March this year, the so-called “Cura Italia” Decree (art. 72 of Law Decree 18/2020) provided for the possibility - using the fund made available under Law Decree n. 251 dated 28 May 1981 (Law 394/1981), so-called revolving fund ex law 394/81 - to make available non-repayable co-financing up to 50% of the amount granted.

In May this year the so-called “Rilancio” Decree (art. 48 of Law Decree 34/2020), among other things, increased the financial allocation under art. 72 of Law Decree 18/2020 and, with reference to the activities of the revolving fund ex law 394/81, cancelled the limitations introduced by the norms on State aids, so-called de minimis threshold.

On 11 June 2020, with a Decree by the Minister of foreign affairs and international cooperation, in collaboration with the Minister of economic development and with the Minister of economy and finance, the extension of the measures provided for under the revolving fund ex law 394/81 for interventions referred to EU Member States entered into force (previously, the revolving fund ex law 394/81 was reserved exclusively to extra EU internationalisation projects).

The EU Commission approval, on 31 July 2020, of the State aid system within the temporary framework for State aid measures to support the economy in the current Covid-19 outbreak (State Aid SA.57891) (2020/N), completed the regulatory framework allowing to obtain grants for seven types of projects, all essentially aimed at the internationalisation of businesses.

In particular, until 31 December 2020, the program offering support in the internationalisation process to all businesses with registered office in Italy and with at least two complete Financial Statements approved and filed (with the exclusion of the programme for International Fairs, Exhibitions and Business Missions, for which a single Financial Statements filed are sufficient) are the following:

- Capitalisation of SMEs;
- Participation in International Fairs, Exhibitions and Business Missions;
- Programmes for the introduction into Foreign Markets;
- Temporary Export Manager;
- E-Commerce;
- Feasibility Studies;
- Technical Assistance Programmes.

Rates applied, guarantees required and amount limitations

The rate applied to the grant is equal to 10% of the reference EU rate, which, as at September 2020, is equal to 0.083%. Subsidised loans, moreover, are exempt from the requirement to provide a guarantee, as an exception to the regulation currently in force on the revolving fund, for applications submitted by 31 December 2020.

All types of investments mentioned above can receive, to date, up to 40% of the non-repayable grants up to a maximum amount of Euro 100,000 (with the exception of the introduction into Foreign Markets, for which the non-repayable amount is equal to 20%). Starting from September 2020, the non-repayable amount will grow up to 50% and the relevant limit to Euro 800,000 of total aids for each business.

Below is a chart summarising the seven types of tools available and the relevant characteristics.

TOOL	BENEFICIARIES	AMOUNT OF THE GRANT	DURATION OF THE GRANT	ADVANTAGES
Capitalisation of exporting companies	SMEs and MidCaps with at least 20% of their turnover generated abroad in the last 2 years (or 35% in the last year)	Max. € 800.000 up to 40% of shareholders' equity	Max 6 years, including 2 pre-amortization years	<p>Possibility to obtain up to 40% of the amount (max. 100.000 Euros) as a non-repayable grant*</p> <p>Exemption of guarantees for all 2020</p> <p>Refund of remaining amounts at a concessional rate if the equity solidity and the portion of foreign turnover are maintained</p>
Participation in International Fairs, Exhibitions and Business Missions	SMEs and MidCap and large companies that want to participate in fairs, exhibitions and missions in foreign countries or in international fairs**	Up to 100% of expected costs, up to 15% of revenues in the last FY (max. € 150.000)	Max 4 years, including 12 pre-amortization months	<p>Possibility to obtain up to 40% of the amount (max. 100.000 Euros) as a non-repayable grant*</p> <p>Exemption of guarantees for all 2020</p> <p>Refund of remaining amounts at a concessional rate</p>
Programmes for the introduction into Foreign Markets	All companies that need to build an enterprise network to acquire new foreign markets	Up to 100% of expected costs. Max. 25% of the average turnover in the last two-year period	Max 6 years, including 2 pre-amortization years	<p>Possibility to obtain up to 20% of the amount (max. 100.000 Euros) as a non-repayable grant*</p> <p>Exemption of guarantees for all 2020</p> <p>Refund of remaining amounts at a concessional rate</p> <p>First outpayment up to 50% of the loan</p>

TOOL	BENEFICIARIES	AMUNT OF THE GRANT	DURATION OF THE GRAT	ADVANTAGES
Temporary Export Manager	All companies that temporarily hire specialized figures for internationalization	Up to 100% of expected costs. Max. 15% of the average revenues in the last two-year period (max. € 150.000)	Max 4 years, including 2 pre-amortization years	<p>Possibility to obtain up to 40% of the amount (max. 100.000 Euros) as a non-repayable grant*</p> <p>Exemption of guarantees for all 2020</p> <p>Refund of remaining amounts at a concessional rate</p> <p>First outpayment up to 50% of the loan</p>
E-Commerce	All companies that develop their trade in foreign countries through a digital platform (owned or outsourced)	Up to 100% of expected costs. Max. 15% of the average revenues in the last two-year period (max. € 450.000 in case of owned platforms, max. € 300.000 in case of third parties' platforms)	Max 4 years, including 1 pre-amortization year	<p>Possibility to obtain up to 40% of the amount (max. 100.000 Euros) as a non-repayable grant*</p> <p>Exemption of guarantees for all 2020</p> <p>Refund of remaining amounts at a concessional rate</p> <p>First outpayment up to 50% of the loan</p>
Feasibility Studies	All companies that want to evaluate the opportunity of an investment abroad	Up to 100% of expected costs. Max. 15% of the average turnover in the last two-year period (max. € 200.000 for commercial investments, max. € 350.000 for production investments)	Max 4 years, including 12 pre-amortization months	<p>Possibility to obtain up to 40% of the amount (max. 100.000 Euros) as a non-repayable grant*</p> <p>Exemption of guarantees for all 2020</p> <p>Refund of remaining amounts at a concessional rate</p> <p>First outpayment up to 50% of the loan</p>
Technical Assistance Programmes	All companies starting personnel training programmes abroad, or for post-sale service	Up to 100% of expected costs. Max. 15% of the average revenues in the last two-year period (max. € 300.000 for training, max. € 100.000 for post-sale service)	Max 4 years, including 12 pre-amortization months	<p>Possibility to obtain up to 40% of the amount (max. 100.000 Euros) as a non-repayable grant*</p> <p>Exemption of guarantees for all 2020</p> <p>Refund of remaining amounts at a concessional rate</p> <p>First outpayment up to 50% of the loan</p>

* Since the half of September, it will be possible to obtain up to 50% of the non-repayable grant, up to the limit of total € 800.000 for each company.

** To access this tool, it is sufficient to file the financial statements relevant to a complete FY.

Our professionals would be pleased to provide you with any further information you may need.

Please refer to Clever Desk on our website - bgt-grantthornton.it - for further details on any issues concerning COVID-19.

