

Newsalert

The main provisions of the “CuraItalia” Law Decree on economic assistance for businesses, workers and families

On 16 March 2020, the Italian Government approved a law decree containing urgent measures aimed at strengthening the National Health Service and the provision of economic aid for families, workers and businesses to cope with the COVID19 epidemiological emergency (the so-called “Decreto CuraItalia”, or the “Decree”).

The Decree, responding to the need to face the continuing emergency caused by COVID19, provides for a wide range of economic support measures for businesses and citizens and introduces some specific provisions aimed at ensuring the orderly performance of certain activities such as in the justice system.

We summarize below the main provisions of the Decree, divided by area of application; more detailed information will be available in the topicspecific newsletters in course of publication by the Firm.

The Decree is expected to be published in the Official Journal in the coming days, and may, in its final form as adopted, include amendments with respect to the latest draft.

a. Liquidity assistance through the banking system

The Decree introduces provisions benefiting families and enterprises in the form of:

- the extension of the existing provisions relating to the Guarantee Fund for SMEs (*Fondo di Garanzia per le PMI*), including some temporary derogations from its usual conditions, and the introduction of an extraordinary moratorium for mortgages, leasing, credit facilities and maturing short term loans from banks or other financial intermediaries which were in place at the date the Decree comes into force;
- temporary extension of the existing provisions relating to the Solidarity Fund for Mortgage Loans for the purchase of first principal residences (*Fondo di Solidarietà per i mutui per l’acquisto della prima casa*) to the self-employed and self-employed professionals where they can show a material reduction in revenue owing to the closing of or restrictions on their activity as a result of compliance with the COVID19 emergency measures;
- measures relating to synthetic securitization through the statecontrolled investment bank, Cassa Depositi e Prestiti (CDP);
- measures facilitating the sale of non-performing loans, permitting the transformation of deferred tax assets (“DTA”) into tax credits.



b. Tax provisions

The main tax provisions are:

- the postponement of the payment of withholding taxes on employment income and similar income, social security and welfare contributions and premiums for compulsory insurance;
- the postponement of tax compliance obligations, other than tax payments, the duty to apply withholding tax and withholdings for regional and municipal additional taxes, for the period from 8 March to 31 May 2020 for those with fiscal domicile, registered office or an operating establishment in Italy;
- the extension to 20 March 2020 and without penalties or interest, of the deadline for payments to public administrations expiring on 16 March 2020;
- a bonus of 100 euros, in favor of public and private sector employees with a total income not exceeding 40,000 euros, to be ratioed to the number of days of March 2020 that they continue to work at their workplace;
- a tax credit in favor of all those who carry out a business, art or profession in order to encourage the sanitization of the working environment, as a measure to contain the contagion of the COVID-19 virus;
- a tax credit in favor of all business operators other than those carrying out activities identified as essential by the provisions contained in Annexes 1 and 2 of the Decree of the President of the Council of Ministers of 11 March 2020, (e.g., pharmacies, parapharmacies, sellers of basic foodstuffs, etc.);
- a tax deduction for gifts in cash made by individuals and non-commercial bodies in favor of the State, regions, local authorities, bodies or foundations and associations legally recognized as non-profit-making;
- the postponement from 8 March 2020 to 31 May 2020 of the deadlines relating to the activities of the offices of the tax authorities;
- the postponement of the deadlines for payment of the debts expiring in the period from 8 March 2020 to 31 May 2020 administered by the tax collection agents;
- the postponement to 29 May 2020 of the terms for the payment of the tax levy on equipment suitable for lawful gaming and the payment of the relevant license fee;
- taxpayers who voluntarily waive the postponements provided for in the Decree may request that their decision to be published on the institutional website of the Ministry of Economy and Finance, to enhance their reputation in the public eye.

c. Labour measures

Among the main provisions on labour are the following:

- a new ordinary lay-off treatment is envisaged to replace the previous social safety nets in favor of companies that at the date of entry into force of the decree-law 23 February 2020, n. 6, have an extraordinary wage supplement treatment underway and companies that have a solidarity check in progress;
- parents are entitled to receive a specific leave for children aged 12 and under for a continuous or split period in any case not exceeding fifteen days and there are other measures for assistance with reduction of working hours;
- a one-time indemnity for freelancers and certain other categories of workers, such as those occupied in seasonal tourism;
- the period spent in quarantine by workers is equated to sickness for the purposes of the economic treatment provided for by the reference legislation;
- the deadlines for payments of social security and welfare contributions are suspended.

The Decree also prohibits, for 60 days from when the Decree comes into force, the launch of collective or individual dismissal procedures for economic/reorganization reasons (normally an objectively justified reason).

d. Justice measures

These include:

- the postponement beyond 15 April 2020 of all hearings in civil, criminal, tax and military proceedings, with limited exceptions;
- the postponement to 15 April 2020 of the deadlines for any procedural step, including for the appeal of judgements and for notification of first instance appeals from mediation tribunals; where the start of the relevant period would otherwise fall during the postponement period, it will start on 15 April;

- for criminal matters, there are special measures relating to limitation periods, and to notifications of the Assizes Court and the Assizes Appeal;
- the suspension, from 23 February 2020 to 15 April 2020, of all deadlines related to the conduct of administrative proceedings, whether at the instance of a party or the tribunal, with a consequential impact on *golden power* provisions .

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Once published on the Official Journal, the Decree must be converted into law within sixty days and could be amended by Parliament during such process of conversion.

For further details, please reach out to your usual Chiomenti contact.