

COVID-19: ASSISTANCE FOR SMALL BUSINESSES

(ITALY)

Last updated: March 26, 2020

RELIEF/LOAN ASSISTANCE

ORDINARY REDUNDANCY FUND (CIGO) (Cassa Integrazione Guadagni Ordinaria)

1. The CIGO for industry and construction integrates or replaces the remuneration of workers whose work has been suspended or reduced for business situations due to transitory events not attributable to the company or employees.
2. CIGO is paid up to a maximum period of **13 continuous weeks**, which can be extended quarterly up to a total maximum of **52 weeks**, and it **amounts to 80% of the total remuneration** that would be due to the worker for the hours not worked.
3. However, citing the “COVID-19 emergency” as a reason for the CIGO results in:
 - a. A suspension and replacement of any wage subsidy already in place under existing social security nets
 - b. The subsidy not having a maximum duration of CIGO in resumed ordinary circumstances
 - c. An extension to members of staff of employers that are enrolled in the Wage Supplement Scheme
4. The CIGO is paid initially by the employer, but, upon simple request, direct payment of the benefit can be issued by INPS.
5. For more information and the relevant documentation, visit:
<https://www.inps.it/nuovoportaleinps/default.aspx?itemdir=50599#>

CENTRAL GUARANTEE FUND FOR SMEs (FONDO CENTRALE DI GARANZIA)

1. The Guarantee Fund is a public guarantee that facilitates access to credit for SMEs – supporting companies who have difficulty accessing bank credit because they do not have sufficient guarantees. These

- public guarantees, in practice, replace the expensive guarantees normally required to obtain a loan
2. Micro, small, or medium-sized enterprises (SMEs) registered in the Register of Companies can be guaranteed and must be assessed to be able to repay the guarantee loan.
 3. The maximum coverage is **80% of the loan** on all types of operations in both the short, and medium-long terms, both for liquidity and investments, and will guarantee a maximum amount of **EUR1.5m per enterprise**
 4. With COVID-19, these guarantees are made **free of charge**, and repayments of existing loans can be **extended or suspended** based on the loan.
 5. For more information and the relevant documentation, visit:
<https://www.fondidigaranzia.it/>

TAX INCENTIVES

TAX CREDIT FOR SANITATION OF WORK PREMISES

1. As an incentive to sanitize work premises, a tax credit is granted to employers equal to **50% of the sanitation expenses incurred in FY 2020**
2. This credit **cannot exceed EUR20,000**
3. An implementation decree will be issued sometime in April – this will provide further details into the credit

TAX CREDIT FOR SHOPS

1. A tax credit equal to **60% of the rent/lease paid for March 2020** for shops and other similar premises is granted to business taxpayers
2. The building must fall within cadastral category C/1 (shops and similar buildings).
3. The tax credit can only be used by offsetting it in Form F24 found at:
https://www.agenziaentrate.gov.it/portale/documents/20143/250689/Modello+di+versamento+unificato+-+F24+Ordinario_i+Modello+F24+%282%29.pdf/b773b043-a490-82de-550a-eda75246efa0