

CORONAVIRUS



COVID-19: Emergency measures and support measures – Update on Prime Minister Decrees of 8 and 9 March 2020 and other measures

The sudden rise of the Covid-19 (“Covid-19” or “Coronavirus”) cases in northern Italy and the possible spread to other regions has prompted Italian governmental authorities to adopt emergency measures to safeguard public health and avoid an outbreak.

These emergency measures include the Prime Minister’s decree published on 8 March 2020, which provides for severe restrictions in movements of physical persons in the Lombardy Region and 14 neighbouring Provinces (the “8 March Decree”). **On 9 March 2020, these measures were extended to the entire country** under a new decree published overnight (the “9 March Decree”). The extension takes effect on **10 March 2020**.

The 8 March Decree and 9 March Decree provide for **restrictions on movements, not a lockdown of economic activity**. Business is open, manufacturing continues and goods may circulate, with certain precautions for physical persons involved in these activities, as more fully described below.

The measures are expected to remain in place until **3 April 2020**.

Italian authorities have further adopted measures to support the economy, especially in the areas that are most severely affected by the virus. Obviously, given the continuous changes, these measures will be constantly updated depending on the evolutions.

This note provides an overview of the main emergency measures introduced by the 8 March Decree (**extended to the entire Italian territory** under the 9 March Decree) and summarizes the other emergency and support measures adopted so far, listed in **Annex 1** (status as of 10 March 2020). As the measures are vast and rapidly changing, we focus only on the main measures that affect businesses, without providing a complete overview.

1. Which areas are affected?

Earlier measures adopted by the Italian government, including Law Decree 9/2020 and Prime Minister’s decrees of 1 March 2020 and 4 March 2020, divided the Italian territory in so-called “red and yellow zones”.

The red zone included the municipalities of Bertinico, Casalpusterlengo, Castelgerundo, Castiglione D’Adda, Codogno, Fombio, Maleo, San Fiorano, Somaglia, Terranova dei Passerini in Lombardy and Vò in the Veneto Region (the “**Red Zone**”). The yellow zone included the Lombardy, Emilia Romagna and Veneto Regions and the Provinces of Pesaro and Urbino and Savona.

The 8 March Decree provided for a new so-called “orange zone”, which includes the entire Lombardy Region and 14 neighbouring Provinces (Modena, Parma, Piacenza, Reggio nell’Emilia, Rimini, Pesaro and Urbino, Venice, Padua, Treviso, Asti, Verbanio-Cusio-Ossola, Novara, Vercelli and Alessandria (the “**Orange Zone**”).



The red and yellow zones are no longer confirmed and the Prime Minister's Decrees of 1 March 2020 and 4 March 2020 are no longer effective.

Many of the economic support measures set out under questions # 11 to 15 below were adopted specifically for the Red Zone, which now no longer exists.

In light of the sharpened restrictions, first limited to the Orange Zone and then extended to the entire Italian territory on 9 March 2020, we expect that further support measures will be adopted or that the measures that were applicable to the Red Zone will be extended in the coming days and weeks.

2. What are the new emergency measures?

The **8 March Decree does not provide for a lockdown, but introduces severe restrictions on movements of persons**. As stated above, **these restrictions were extended to the entire Italian territory under the 9 March Decree**. The following main rules apply to contain the spread of the Coronavirus:

- public gatherings (*assemblamenti di persone*) of any type, in public places or places open to the public, are strictly forbidden¹;
- persons who tested positive for the Coronavirus must stay in quarantine²;
- anyone with respiratory infections or fever above 37.5 degrees Celsius should stay at home, limit social interaction and contact their doctor even if they have no other symptoms of viral infection;
- all sporting events are suspended, unless they can be held “behind closed doors” or in open air without

¹ See Art. 1, paragraph 2, of the 9 March Decree.

² See Art. 1, paragraph 1, letter b) of the 8 March Decree.

public and with adequate controls on athletes, officers and staff;³

- all sports activities in open air are only allowed if everyone can exercise or practice at a distance of at least one meter⁴;
- all skiing resorts are closed;⁵
- museums, disco and dance clubs, gyms, spas, swimming pools, cultural and social centres are closed;⁶
- schools, nurseries and universities are closed but e-learning should be activated;⁷
- bars and restaurants may open between 6am and 6pm, if they can ensure that everyone is seated at least one meter apart, with any business found violating the rules facing “suspension of activity”;⁸
- all other shops and commercial activities can remain open “provided that the operator guarantees access in a quota-based manner or in any case access suitable for avoiding crowds”;⁹
- shopping centres are to be closed on weekends and legal holidays, except for pharmacies, parapharmacies and shops selling food which may stay open.¹⁰

Movements of physical persons are restricted in and out Italy and also within Italy. Movements are allowed for “**proven professional needs**” (see further below), **exceptional cases** and **health issues**. Persons may, however, return to their domicile, home or residence in Italy.¹¹

Remote working and teleconferences instead of face-to-face meetings are advised “in all possible cases”. If remote working is not possible, employers are advised to put their workers on ordinary leave and take up holidays.¹² When this is not possible, according to the [guidelines issued by the Ministry of Internal Affairs](#), to prove the professional needs which justify the movement of persons, it is sufficient to complete a self-declaration on the basis of the form in the attached [link](#). However, considering that sanctions associated with the bans included in the 8 March Decree include criminal sanctions, we recommend that employers also provide a letter to all workers who cannot fulfil their tasks remotely, confirming the professional needs.

It is also useful to provide workers with documents or material proving the employment relationships (for example a company badge with the necessary identification information) or a recent payslip.

³ See Art. 1, paragraph 3 of the 9 March Decree. The relevant sport infrastructures can only be used “behind closed doors” for training sessions of professional and amateur athletes, recognised of national interest by the Italian Olympic Committee (CONI) and the relevant federations to allow the participation to the Olympic Games or national and international sports events.

⁴ See Art. 1, paragraph 3 of the 9 March Decree.

⁵ See Art. 1, paragraph 1, letter f) of the 8 March Decree.

⁶ See Art. 1, paragraph 1, letter g) and s) of the 8 March Decree.

⁷ See Art. 1, paragraph 1, letter h) of the 8 March Decree.

⁸ See Art. 1, paragraph 1, letter n) of the 8 March Decree.

⁹ See Art. 1, paragraph 1, letter o) of the 8 March Decree.

¹⁰ See Art. 1, paragraph 1, letter r) of the 8 March Decree.

¹¹ See Art. 1, paragraph 1, letter a) of the 8 March Decree.

¹² See Art. 1, paragraph 1, letter e) of the 8 March Decree.

3. What about manufacturing and supply of goods and transport generally?

The Civil Protection Order n. 646 specifies that the **restrictions on movements apply only to physical persons and not to goods**. Production activity and **business in Italy is not suspended**, transport is not blocked and goods can circulate. Airports, ports, trains and roads remain open and operate regularly, even though travel is heavily reduced as persons are restricted in their movements.

Government has expressly clarified that movements in and out Italy are allowed for picking up or supplying goods. Also Assolombarda (i.e. the employers' organization of the provinces of Milan, Monza, Lodi and Brianza) has clarified that (i) any home-work travel is allowed for activities that cannot be conducted remotely and (ii) drivers must comply with the safety measures (i.e. one meter distance) and be provided with personal protective equipment. Obviously, all employers, employees and persons operating in Italy must comply with the requirements for "proven professional needs" or exceptional cases (see above).

4. Are there any other relevant containment measures under the 8 March Decree or 9 March Decree or under special regional laws?

The 9 March Decree has abolished the (more lenient) rules introduced under the 8 March Decree for the rest of Italy (i.e. beyond the Orange Zone), to the extent they are incompatible with the new 9 March Decree. General rules introduced under the 8 March Decree for the entire country that appear still applicable include:

- persons entering Italy after having resided in the last 14 days before the publication of the 8 March Decree in areas at epidemiological risk, as defined by the World Health Organisation, must inform the local Italian health agency and their own medical practitioner or pediatric specialist of their choice;¹³
- elderly people or people with immunology problems are advised to stay at home as much as possible and avoid contacts that are not strictly necessary;¹⁴
- in general, business travel should be avoided and movements of persons must be limited to cases where it is strictly necessary.¹⁵

Italian regions beyond the Orange Zone have also adopted specific rules and procedures to contain the spread of the virus. For example, the Lazio, Campania, Abruzzo and Apulia regions oblige all persons entering their territory and coming from areas that are severely affected by the Coronavirus to inform the relevant municipality, their own medical practitioner or health care officer and observe a quarantine period of 14 days.

5. How will these measures be enforced?

Enforcement of the restrictions provided under the 8 March Decree is entrusted to the Prefecture (*prefettura*), the governmental enforcement authority at provincial level. The local Prefecture must ensure - after informing the Ministry of Internal Affairs - that the emergency measures are implemented and respected.

¹³ See Art. 3, paragraph 1, letter m) of the 8 March Decree.

¹⁴ See Art. 3, paragraph 1, letter b) of the 8 March Decree.

¹⁵ See Art. 3, paragraph 1, letter c) of the 8 March Decree.

The Minister of Internal Affairs have issued guidelines to the Prefectures (the “**Prefecture Guidelines**”). These guidelines provide for the immediate call of the provincial committees for public order and safety who must adopt the necessary coordination measures, and has issued specific indications to control the movements of physical persons.

The 8 March Decree states that those who violate the restrictions could be punished under article 650 of the Italian criminal code (i.e. violation of an authority rule) or under other rules that may be violated by the forbidden conduct.

Article 560 of the Italian Criminal Code provides for an alternative sanction between imprisonment for up to three months or a fine up to EUR 206. These sanctions can be extinguished through an out-of-court settlement (*oblazione facoltativa*) under article 162-bis of the Italian Criminal Code, by paying a sum that is established by the court depending on the seriousness of the breach and the presence of any damaging or dangerous consequences which can be eliminated by the person concerned.

In assessing any criminal offences committed by an employee, also the recommendations received from the employer will be considered. Moreover, in connection with the self-certification confirming professional needs, the Italian Criminal Code provides for sanctions for false declarations (*falso ideologico*) committed by private persons.

6. What economic support measures are available?

In addition to the emergency measures to contain the Coronavirus, the Italian government has adopted a series of measures to support the national economy, which is starting to be severely impacted by the spread of the virus.

The measures are divided into (i) national support measures (also with regard to the labour force and litigation pending in court) and (ii) measures specifically adopted for the Red Zone or other specific areas. See further under questions # 7 to 15 below for a summary description of the support available so far.

As mentioned above, due to the extension of the restrictions to the entire country, we expect that certain economic measures which were applied to the Red Zone will be extended to the whole of Italy, or that new measures will be introduced in the coming days and weeks.

We also start witnessing support initiatives from the private sector (see further under question # 8).

Obviously, the economic measures described below are constantly updated, in light of the evolutions and the spread of Covid-19.

7. What are the economic support measures available to businesses in the entire Italian territory?

Measures to support the tourism sector - Suspension of social security contributions and withholding taxes for businesses active in the tourism industry¹⁶:

for tourist accommodation companies, travel and tourism agencies and tour operators that have their tax domicile, registered office or operational headquarters in Italy the following tax payment deadlines are suspended from 3 March to 30 April 2020:

¹⁶ Cfr. Art. 8 of Law Decree no. 9/2020.

- a) the deadlines relating to the payment of withholding taxes, for which the relevant employers act as withholding agents;
- b) the deadlines relating to the filings and payment of social security charges and the payment of the compulsory insurance premiums. Both payments must be made, in a single instalment, by 31 May 2020¹⁷, without any penalties and interest.

Moreover, no withholding taxes are due by tourist accommodation companies, travel and tourism agencies and tour operators that have their tax domicile, registered office or operational headquarters in the municipalities of the Red Zone for the period between 21 February 2020 and 31 March 2020.

Insolvency - postponement of any crisis-related reporting obligations for private companies¹⁸:

the crisis-related reporting obligations under the new Italian Insolvency Code for SMEs and nano-enterprises¹⁹ in Italy have been postponed until 15 February 2021.

As a result, internal control bodies, auditors, and public authority creditors must implement the practical procedures for fulfilling the reporting obligations only by 15 February 2021, but the duty to appoint the control body in accordance with the new article 2477 of the Italian Civil Code remains.

The postponement of these reporting obligations will result in a gradual implementation of the OCRI reporting system. Therefore, all SMEs that are experiencing difficulties in their internal organization to implement the new procedures under the Insolvency Code²⁰, also due to the effects and economic damage caused by Covid-19, will be exonerated from these reporting obligations for the coming six months.

8. What are the initiatives of the private sector?

The private sector has started to provide support to local companies and export companies which, due to the Covid-19 emergency, are experiencing a sharp drop in demand and orders.

These initiatives include the following:

- (i) the Italian Banking Association (ABI) has entered into agreements with several industry associations which provide for a moratorium on loans granted before 31 January to SMEs that have been damaged by Covid-19, and extends the deadlines for requesting a suspension or extension;
- (ii) the Italian agency for internationalization and promotion of Italian companies abroad (ICE) and the Ministry of Foreign Affairs have reimbursed the costs of foreign trade fairs participation, workshops and exhibitions held since 1 February 2020 (up to a maximum of EUR 6,000 for agri-food companies and EUR 10,000 for companies in the machinery and equipment sector);
- (iii) UBI Banca has declared its intention to solicit, through the Italian Banking Association, the credit

¹⁷ Cfr. Art. 8, paragraphs 1 and 2 of Law Decree no. 9/2020.

¹⁸ The reporting requirements are: (i) for the company's supervisory bodies, auditors and audit firms, to report immediately to the administrative body the existence of any well-founded evidence of a crisis and, in the event of failure to respond or inadequate response or failure to take measures to overcome the state of insolvency, to report to the insolvency composition body c.d. OCRI; (ii) for qualified public creditors, to report any significant amount of debt exposure to the debtor and, if this situation persists after 90 days of notification, to report the situation to the OCRI.

¹⁹ Nano-companies are companies which, after the entry into force of the Insolvency Code, have not exceeded in the last two financial years any of the size limits set out in the corrective decree to the Insolvency Code, i.e.: 1) total assets in the balance sheet: Euro 4 million; 2) revenues from sales and services: Euro 4 million; 3) employees employed on average during the financial year: 20 units.

²⁰ Cfr. Art. 11 of Law Decree no. 9/2020.

world to support companies affected by Covid-19;

- (iv) the Cariplo Foundation has recently approved the creation of a Euro 2 million fund to reduce the effects of the crisis on non-profit entities;
- (v) Intesa SanPaolo is ready to donate Euro 100 million and provide credit support up to Euro 5 billion to families and businesses facing liquidity problems as a result of the virus;
- (vi) TIM and Google have declared their intention to make available to the Civil Protection Service, Italian institutions and businesses the technological infrastructure, communication platforms and programs for digital schools and cutting-edge services for the implementation of smart working.

It is expected that, in the coming days, further institutions and leading entities of the business community will make a contribution to alleviate the emergency situation.

9. What economic support measures are available for the workforce?

Incentives to smart working²¹ - ordinary leave and holidays:

as stated above, all employers, both in the public or private sector, are recommended to promote remote working “in all possible cases”. If remote working is not possible, employers are advised to put their workers on ordinary leave or take up holidays²².

Companies located in the municipalities of the Red Zone and persons residing or domiciled there could suspend all work activities²³, except for those relating to essential services, public utility services and remote activities.

Moreover, procedures for the immediate use of smart-working have been simplified, to contain the spread of the Coronavirus, safeguard commercial activities and ensure continuity of public services throughout the country (see also our newsletter of 5 March). **For the entire term of the state of emergency** (i.e., until 31 July 2020), **employers may activate smart-working procedures** electronically through a simplified procedure introduced by the Ministry of Labor and **without the need for individual agreements with the employees**. The health and safety information obligations can be fulfilled by using the documentation available on the website of the National Work Accident Insurance Agency (INAIL).

As far as smart-working by employees of the public sector is concerned²⁴, the maximum values provided under the current framework agreements with Consip S.p.A. for the supply of laptops and tablets may be increased by up to 50%.

Suspension of mortgages for workers in difficulty²⁵:

any instalments under mortgages granted for the purchase of the first house are suspended for workers in Italy who are suspended from work or suffer reduced working hours for a period of at least 30 days. The regime does not apply to self-employed workers.

For a more detailed analysis of the labour law and health and safety measures, please see our newsletter of 5 March and any further updates that will be published from time to time.

²¹ See Art. 1, paragraph 1, letter r) of the 8 March Decree.

²² See Art. 1, paragraph 1, letter e) of the 8 March Decree.

²³ See Art. 1, paragraph 2, letter n) and o) of Law Decree no. 6/2020.

²⁴ See Art. 18 of Law Decree no. 9/2020.

²⁵ See Art. 26 del D.L. 9/2020.

10. Are there any consequences for litigation pending before Italian courts?

Suspension of judicial activity until 22 March 2020:

the emergency measures also affect legal proceedings pending before Italian courts. In particular, hearings on civil and criminal litigation proceedings pending before any Italian court are **automatically postponed after 22 March 2020** and any deadlines for filing briefs of other action relating to the postponed proceedings are suspended.

The automatic postponement does not apply to hearings in certain civil²⁶ and criminal²⁷ litigation matters which are expressly excluded from this regime in accordance with article. 2, paragraph 2, letter g) of the Law Decree of 6 March 2020. Judicial activity in such cases will therefore regularly proceed.

By 22 March 2020, the presidents of the various courts, after consulting the regional health agency and the local Bar Association Council, must adopt the necessary internal measures, to (i) implement the health and hygiene guidelines for the containment of the Coronavirus and (ii) avoid any gatherings in courts and judicial offices. These measures will apply until 31 May 2020

The Law Decree of 6 March 2020 also introduces a series of specific measures concerning the statute of limitations and forfeiture of rights, and the expiry of any terms under criminal proceedings pending during the suspension period.

²⁶ The following hearings/proceedings in civil matters are excluded from the ex officio postponement:

- 1) hearings in cases under the jurisdiction of the Juvenile Court concerning declarations of adoptability, unaccompanied foreign minors, minors removed from their families and situations of serious harm;
- 2) hearings in cases concerning maintenance or maintenance obligations arising from a family relationship, parentage, marriage or affinity; in proceedings concerning the protection of fundamental human rights;
- 3) proceedings for the adoption of measures of protection, supportive administration, disqualification and incapacitation (such proceedings are excluded only in those cases where there is a situation of non-renewability that is incompatible even with the adoption of interim measures, and provided that the direct examination of the involved person is not incompatible with his/her age and health conditions);
- 4) proceedings under Article 35 of Law No. 833 of 23 December 1978;
- 5) proceedings under Article 12 of Law No 194 of 22 May 1978;
- 6) proceedings for the adoption of protection orders against family abuse;
- 7) proceedings of validation of expulsion, removal and detention of citizens of third countries and/or European Union citizens; proceedings under Articles 283, 351 and 373 of the Code of Civil Procedure and, in general, all proceedings where the delayed processing may cause serious prejudice to the parties.

In the last-mentioned case, the declaration of urgency is made by the head of the judicial office or by his delegate at the foot of the summons or appeal, by decree which cannot be challenged and, for those proceedings already started, by order of the investigating judge or by the chairman of the panel, which cannot be challenged either.

²⁷ The following hearings in criminal matters are excluded from the ex officio postponement:

- 8) validation hearings for arrest or detention;
- 9) hearings in proceedings in which the time limits set out under Article 304 of the Code of Criminal Procedure will expire during the period of suspension,
- 10) hearings in proceedings in which custodial security measures have been requested or applied and when the inmates, the accused or their lawyers expressly request that proceedings take place;
- 11) hearings in proceedings against persons detained, except in cases of precautionary suspension of alternative measures, pursuant to Article 51-ter of the Law no. 354 of 26 July 1975;
- 12) hearings in proceedings during which protective or security measures have been applied;
- 13) hearings in proceedings for the application of preventive measures or in which preventive measures have been ordered;
- 14) hearings in proceedings against juvenile defendants; and
- 15) hearings in proceedings having urgent nature due to the necessity of assuming unavoidable evidence, in the cases provided for under Article 392 of the Code of Criminal Procedure (the declaration of urgency shall be made by the judge or the chairman of the panel, at the request of the party, by reasoned and non-actionable decision).

These measures concerning hearings also apply to proceedings before tax commissions and military courts, to the extent compatible. For administrative law and accounting proceedings, the provisions of article 54, paragraphs 2 and 3 of the Code of Administrative Procedure (*i.e.* holiday suspension regime) will apply until 22 March 2020.

11. What economic support is available to companies and workers in areas particularly affected by the Coronavirus?

As stated above, most of these measures were adopted in connection with the lockdown applicable to the Red Zone, which was repealed when the Orange Zone was created. Now that the restrictions cover the entire Italian territory, we expect that new measures will be introduced or that the Red Zone measures will, in whole or in part, be extended.

The measures for the Red Zone included: (i) general economic measures, (ii) social shock absorbers and other support, (iii) extension of deadlines for paying taxes and social security contributions and (iv) certain tax measures (some of which have a broader scope of application).

For further details see questions # 12 to 15 below.

12. What general economic measures exist for companies and workers in the Red Zone?

SMEs fund - free and privileged access to the guarantee fund for companies operating in areas where Covid-19 is highly widespread²⁸:

until 3 March 2021, SMEs with headquarters or branches located in the Red Zone are allowed priority and free access to the guarantees of the so-called Central Guarantee Fund (the *Fondo Centrale Garanzie "Fund"*)²⁹. This support also includes SMEs in the agri-food sector. Moreover, the Fund's allowance has been increased by EUR 50 million, which may also be used by SMEs located in areas adjacent to the red zone or belonging to a particularly affected sector.

The maximum coverage is (x) 80% of the amount of each financing for direct guarantees; and (y) 90% of the amount guaranteed by the CONFIDI or any other guarantee fund for reinsurance transaction, provided that the initial guarantees do not exceed the 80% coverage ratio.

Export - Refinancing of loans granted to export companies³⁰:

fund 394³¹ managed by SIMEST (*i.e.* the Italian agency providing support to Italian companies operating internationally) has been increased by EUR 350 million to support the international business of SMEs based in the Red Zone. Other support measures include: (i) a 6-month moratorium on the submission of documentation and reporting deadlines for international initiatives towards China and other countries that have suffered suspensions; (ii) a six-month postponement of any pre-amortisation and amortisation terms on granted loans; and (iii) the elimination of the 2% increase, currently applicable to any withdrawals, for

²⁸ See Article 25 of Law Decree 9/2020.

²⁹ Such guarantee of the Fund is a facilitation of the Ministry of Economic Development, which can be activated for loans granted by banks, leasing companies and other financial intermediaries.

³⁰ See Article 25 of Law Decree 9/2020.

³¹ This revolving fund was established by Law Decree 251/1981 in order to support with low-interest loans such Italian exporting companies which carry out commercial penetration programmes in countries other than those of the European Communities or which carry out commercial promotion activities abroad in the tourism sector.

the reimbursement of part of the financing relating to expenses that were not incurred, in case initiatives have been cancelled due to Covid-19.

Reimbursement of canceled business trips³²:

also in connection with the Covid-19 emergency, the Italian government has set aside certain funds to compensate travellers (i) who had purchased tickets for stays in areas particularly affected by the Coronavirus or (ii) were faced with a "sudden impediment" (*sopravvenuta impossibilità*) afterwards.

Suspension of loans granted by Invitalia³³:

companies with headquarters or branches in the Red Zone which received subsidized loans from Invitalia (i.e. the Italian Agency for promotion of investment and development of companies in Italy) benefit from the following measures: (i) the payment of any instalments due before 31 December 2020 can be suspended for maximum 12 months; or (ii) the repayment of these loans is extended by 12 months.

13. What social shock absorbers and other support are available to companies and workers in the Red Zone?

Social shock absorbers – facilitated access to the Ordinary Unemployment Fund for companies in the Red Zone - possibility to apply to the Exceptional Unemployment Fund for one month for employers in Lombardy, Veneto and Emilia-Romagna - Ordinary allowance for employees with employers registered with the SIF:

rules have been amended to facilitate recourse to the Italian system of social shock absorbers (the so-called Unemployment Funds/*Cassa Integrazione* and solidarity funds/*fondi di solidarietà*) and EUR 5.8 million have been allocated to support companies in the Red Zone or employing persons who are resident or domiciled in the Red Zone, which, due to the Covid-19 emergency, have ceased their activities.

In particular, these companies:

- (i) are eligible to apply for **aid from the Ordinary Unemployment Wages Fund (*Cassa Integrazione Guadagni Ordinaria* or CIGO)³⁴** or for **ordinary allowances (*assegno ordinario*)** from the bilateral Solidarity Funds (*fondi di solidarietà bilaterale*) and the residual Solidarity Fund (*fondo di solidarietà residuale*) through a simplified procedure, i.e. without completing the information and consultation procedure and entering into a trade union agreement as normally required;
- (ii) **ask for more ordinary allowances (*assegni ordinari*) than otherwise permitted by law** on the basis of the size of the applicant, within the available maximum limit of EUR 4.4 million for 2020;
- (iii) apply for **recourse, through simplified procedures, to the Ordinary Unemployment Wages Fund, even if recourse to the Extraordinary Unemployment Wages Fund (*Cassa Integrazione Guadagni Straordinaria* or CIGS) is already pending** as of 23 February 2020³⁵. The CIGO will be granted, for a maximum of 3 months, within the maximum expenditure limit of EUR 900 thousand for 2020 and is supervised by the National Health Agency (INPS); and

³² See Article 28 of Law Decree 9/2020.

³³ See Article 6, paragraph 1 of Law Decree 9/2020.

³⁴ See Article 13 of Law Decree 9/2020.

³⁵ See Article 14 of Law Decree 9/2020.

(iv) file a **request for exceptional unemployment support** (*Cassa Integrazione salariale in deroga*)³⁶, for the entire suspension of the employment relationship, which cannot exceed three months.

Also **companies with operations in the Lombardy, Veneto and Emilia-Romagna regions** may present an **exceptional unemployment support request** (*Cassa Integrazione Salariale in deroga*) (i) subject to a trade union agreement, (ii) limited to cases of proven prejudice/damage, (iii) for the entire suspension of the employment relationship, (iv) up to a maximum limit of one month; and (v) up to a maximum amount, for 2020, of EUR 135 million for the Lombardy region, EUR 40 million for the Veneto region and EUR 25 million for the Emilia-Romagna region³⁷.

Following the entry into force of the 8 March Decree and 9 March Decree, we expect that these measures will be updated to include the employees of the rest of Italy as beneficiaries of the social shock absorbers.

Monthly compensation of EUR 500 for the self-employed³⁸

a monthly allowance of EUR 500 for a maximum of three months, in proportion to the term during which activity is suspended, is granted to self employed persons, including the so-called *co co co* or coordinated and continuous consultants, agents, sales representatives and other self-employed workers such as business owners, who work or reside in the Red Zone as of 23 February 2020. The allowance is granted by decree of the relevant region. The request must be filed to INPS within 48 hours from its adoption and is granted within the available aggregate maximum limit of EUR 5.8 million for 2020.

Also in this case, it is likely that the measure will be updated to include, as beneficiaries of this allowance, self-employed persons elsewhere in Italy.

14. Are withholding tax, social security charges, compulsory insurance and other mandatory contributions suspended?

Suspension of utility payments³⁹:

until 30 April 2020, the payment terms of invoices and bills for electricity, water and gas supplies and waste management issued or to be issued in the municipalities in the Red Zone are suspended.

Suspension of the terms for the payment of social security and welfare contributions and mandatory insurance premiums⁴⁰:

for employers operating in the Red Zone, any terms for filing the relevant statements and paying social security and welfare contributions and mandatory insurance premiums in the period from 23 February 2020 to 30 April 2020 are suspended. These filing and payment obligations will become due from 1 May 2020 onwards, and may be spread in up to five equal monthly instalments, without any penalties and interest.

Suspension of the terms for insurance payments and payments to the Chambers of Commerce⁴¹:

in the municipalities of the Red Zone, the following terms are suspended: (a) until 30 April 2020, the terms for annual payments to the Chambers of Commerce; (b) until 30 April 2020, the terms for administrative

³⁶ See Article 15 of Law Decree 9/2020.

³⁷ See Article 17 of Law Decree 9/2020.

³⁸ See Article 16 of Law Decree 9/2020.

³⁹ See Article 4 of Law Decree 9/2020

⁴⁰ See Article 5 of Law Decree 9/2020.

⁴¹ See Article 7 of Law Decree 9/2020.

sanctions for companies submitting late: (1) applications for registration with chambers of commerce; (2) notices to the Administrative and Economic Repertoire Directory (*Repertorio delle notizie economiche ed amministrative*, the so-called REA); (3) the single statement form (*modello unico di dichiarazione*) provided for by Law no. 70 of 25 January 1994; and (4) the request for periodic verification of measuring instruments and the payment of the relevant tariff.

15. Are there any other tax related support measures?

Suspension of deadlines for various tax compliance obligations⁴²:

Italian government has revised the following terms for miscellaneous tax filings, including the filing of the “Wages and Tax Statement” (*Certificazione Unica*), the pre-filled tax returns and 730 tax forms. These measure apply nationwide.

In particular, according to Article 1 of L.D. 9/2020:

- a) for those taxpayers who are obliged to submit the 730/2020 tax form, the deadline for the e-filing to the Italian Tax Authority of the “2020 Wages and Tax Statement” (*Certificazione Unica 2020*) related to the fiscal year 2019 is postponed from 9 March 2020 to 31 March 2020. The term for the e-filing of the 2020 Wages and Tax Statement containing exclusively exempt income or income that cannot be declared through a pre-filled tax return is extended until 2 November 2020;
- b) the new deadline for providing taxpayers with the “2020 Wages and Tax Statement” (*Certificazione Unica 2020*) and the other statements of the employer/withholding agent is 31 March 2020;
- c) the deadline for the Italian Tax Authority to provide information relating to the accounting results of the 730 tax return to employers/withholding agents form is postponed from 9 March 2020 to 31 March 2020;
- d) the deadline for filing to the Italian tax authorities data relating to deductible expenses to be used for the pre-filled Italian tax returns for 2019 is postponed from 28 February to 31 March 2020;
- e) the deadline for the Italian tax authorities to provide the Italian taxpayers with pre-completed Italian tax returns for 2019 is postponed from 15 April 2020 to 5 May 2020;
- f) the effective date of the new rules which amend the terms for tax assistance and pre-completed tax returns based on the 730 tax return, under article 16-bis of Law Decree no. 124 of 26 October 2019 has been anticipated from 2021 to 2020. In particular, the deadline for filing the 730/2020 Tax Return relating to 2019 is postponed from 23 July 2020 to 30 September 2020, irrespective of filing method adopted (i.e. sent either directly by the taxpayer or through withholding agent, Tax Assistant Centers – “Caf” or qualified intermediaries);
- g) the effective date of the provisions of article 4, paragraph 6-sexies, of the Decree of the President of the Italian Republic No. 322 of 22 July 1998, concerning the creation by the Italian Tax Authority of a section in the certified area of its own website for the consultation of the submitted Wages and Tax Statements is postponed to 1 January 2021.

Suspension of the terms for the payments to tax collection agents⁴³:

tax residents or companies with their registered office or principal place of business in the Red Zone may benefit from a suspension of the payments terms for tax collection activities and assessments that fall due

⁴² See Article 1 of Law Decree 9/2020

⁴³ See Article 2 of Law Decree 9/2020

between 21 February 2020 and 30 April 2020. Any payments that are postponed must be made in a single installment during the month following the end of the suspension period and no refund will be made of any amounts which already have been paid.

Also the notifications of tax assessments by the collection agent are suspended.

The rules summarized above also apply to assessment notices from the Italian Customs Agency, any associated collection procedures and all tax enforcement activities referred to in Royal Decree No. 639 of 14 April 1910.

Finally, the deadline for paying any installments under the so-called “*definizione agevolata*” (i.e. an installment plan agreed with the Italian Tax Authority) regulated under articles 3 and 5 of the Law Decree No. 119 of 23 October 2018 and Law Decree No. 34 of 30 April 2019 is postponed to 31 May 2020.

Suspension of the terms of payments and tax fulfillments⁴⁴:

for tax residents of companies with their registered office/principal place of business in the Red Zone, the terms of tax payments and fulfillments, including those of withholding agents,⁴⁵ falling due in the period from 21 February to 31 March 2020 are suspended. The suspension also applies to filings and payments to public authorities made or paid by (i) professionals, tax consultants and tax assistance centers based or operating in the Red Zone, also on behalf of companies and clients not operating there and (ii) service companies and partnerships in which the shareholders resident in the Red Zone own at least 50 per cent of the corporate capital. The payments and filings subject to this suspension must be made in a single installment during the month following the end of the suspension period and no refund will be made of any amounts which already have been paid.

Gianni, Origoni, Grippo, Cappelli & Partners has set up an in-house **Task Force** to constantly monitor the evolution of legislation in the regions affected by the Coronavirus and is at your entire disposal to support you in defining, drafting and implementing the most advisable strategies to limit the impact of the spread of the Coronavirus on the operations of your business and the management of your existing commercial relations. For our previous newsletters on this subject, please click [here](#).

For any questions, please send a mail to coronavirus@gop.it.

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⁴⁴ See Article 3 of Law Decree 9/2020.

⁴⁵ Limited to employment withholding tax and similar.

Annex – List of emergency and economic support measures adopted in connection with Covid-19

To contain and manage the epidemiological emergency caused by the outbreak of Covid-19, the Italian authorities have adopted the following rules and regulations as of 9 March 2020:

- Decree of the President of the Council of Ministers of 9 March 2020 ("Urgent measures to contain the contagion risk on the entire Italian territory"), published in the Italian Official Gazette no. 62 of 9 March 2020 (the "**9 March Decree**");
- Decree of the President of the Council of Ministers of 8 March 2020 ("Urgent measures of infection contingency in the region of Lombardy and in the provinces of Modena, Parma, Piacenza, Reggio nell'Emilia, Rimini, Pesaro, and Urbino"), published in the Italian Official Gazette no. 59 of 8 March 2020 (the "**8 March Decree**");
- Law Decree of 8 March 2020, no.- 11 published in the Italian Official Gazette no. 60 del 8-3-2020 ("**Law Decree 8 March**");
- Resolution of the Council of Ministers of 31 January 2020 ("Declaration of the state of emergency as a consequence of the health risk related to the spread of diseases caused by transmissible viral agents") published in the Italia Official Gazette no. 26 of 1 February 2020;
- Law Decree of 23 February 2020, no. 6 ("Urgent measures for contingency and management of the epidemiological emergency by COVID-19") published in the Italian Official Gazette no. 45 of 23 February 2020 ("**Law Decree 6/2020**");
- Decree of the President of the Council of Ministers of 25 February 2020 ("Further implementing provisions of Law Decree of 23 February 2020, no. 6 on urgent measures for contingency and management of the epidemiological emergency by COVID-19") published in the Italian Official Gazette no. 47 of 25 February 2020;
- Decree of the President of the Council of Ministers of 1 March 2020 ("Further implementing provisions of Law Decree of 23 February 2020, no. 6 on urgent measures for contingency and management of the epidemiological emergency by COVID-19") published in the Italian Official Gazette no. 52 of 1 March 2020 ("Prime Minister's Decree of 1 March"). This measure is no longer effective with the entry into force of the 8 March Decree;
- Law Decree of 2 March 2020, no. 9 ("Urgent measures to assist families, workers and enterprises in connection with the epidemiological emergency by COVID-19") published in the Italian Official Gazette no. 53 of 2 March 2020 ("**Law Decree 9/2020**");
- Decree of the President of the Council of Ministers of 4 March 2020 ("Further implementing provisions of Law Decree of 23 February 2020, no. 6 on urgent measures for contingency and management of the epidemiological emergency by COVID-19, applicable throughout Italy") published in the Italian Official Gazette no. 55 of 4 March 2020 ("**Prime Minister's Decree of 4 March**"). This measure is no longer effective with the entry into force of the 8 March Decree;
- Resolution of the Council of Ministers of 5 March 2020 ("Additional allocation for the implementation of the measures provided in connection with the health risk related to the onset of diseases caused by transmissible viral agents") published in the Italian Official Gazette no. 57 of 6 March 2020;
- Decree of the Ministry of Economy and Finance of 24 February 2020 ("Suspension of the deadlines for the fulfilment of tax obligations in favor of taxpayers affected by the epidemiological emergency by COVID-19") published in the Italian Official Gazette no. 48 of 26 February 2020;
- Order of the Ministry of Health of 25 January 2020 ("Prevention measures against the new Coronavirus") published in the Italian Official Gazette no. 21 of 27 January 2020;
- Order of the Ministry of Health of 30 January 2020 ("Prevention measures against the new Coronavirus") published in the Italian Official Gazette no. 26 of 1 February 2020;

- Order of the Ministry of Health of 21 February 2020 ("Additional prevention measures against the spread of the new COVID-19 disease") published in the Italian Official Gazette no. 44 of 22 February 2020;
- Order of the Ministry of Health of 23 February 2020 ("Urgent measures for the contingency and management of the epidemiological emergency by COVID-19. Piedmont Region") published in the Italian Official Gazette no. 47 of 25 February 2020;
- Order of the Ministry of Health of 23 February 2020 ("Urgent measures for the contingency and management of the epidemiological emergency by COVID-19. Lombardy Region") published in the Italian Official Gazette no. 47 of 25 February 2020;
- Order of the Ministry of Health of 23 February 2020 ("Urgent measures for the contingency and management of the epidemiological emergency by COVID-19. Emilia Romagna Region") published in the Italian Official Gazette no. 47 of 25 February 2020;
- Order of the Ministry of Health of 23 February 2020 ("Urgent measures for the contingency and management of the epidemiological emergency by COVID-19. Liguria Region") published in the Italian Official Gazette no. 47 of 25 February 2020;
- Order of the Ministry of Health of 23 February 2020 ("Urgent measures for the contingency and management of the epidemiological emergency by COVID-19. Veneto Region") published in the Italian Official Gazette no. 47 of 25 February 2020;
- Order of the Ministry of Health of 23 February 2020 ("Urgent measures for the contingency and management of the epidemiological emergency by COVID-19. Friuli-Venezia Giulia Region") published in the Italian Official Gazette no. 47 of 25 February 2020;
- Order of the Presidency of the Council of Ministers, Department of Civil Protection of 8 March 2020 ("Additional urgent civil protection actions in relation to the health risk related to the onset of diseases caused by transmissible viral agents. Order no. 646");
- Order of the Presidency of the Council of Ministers, Department of Civil Protection of 3 February 2020 ("First urgent civil protection actions in relation to the health risk related to the onset of diseases caused by transmissible viral agents. Order no. 630") published in the Italian Official Gazette no. 32 of 8 February 2020;
- Order of the Presidency of the Council of Ministers, Department of Civil Protection of 6 February 2020 ("Additional urgent civil protection actions in relation to the health risk related to the onset of diseases caused by transmissible viral agents. Order no. 631") published in the Italian Official Gazette no. 33 of 10 February 2020;
- Order of the Presidency of the Council of Ministers, Department of Civil Protection of 12 February 2020 ("Additional urgent civil protection actions in relation to the health risk related to the onset of diseases caused by transmissible viral agents. Order no. 633") published in the Italian Official Gazette no. 38 of 15 February 2020;
- Order of the Presidency of the Council of Ministers, Department of Civil Protection of 13 February 2020 ("Additional urgent civil protection actions in relation to the health risk related to the onset of diseases caused by transmissible viral agents. Order no. 635") published in the Italian Official Gazette no. 44 of 22 February 2020;
- Order of the Presidency of the Council of Ministers, Department of Civil Protection of 21 February 2020 ("Additional urgent civil protection actions in relation to the health risk related to the onset of diseases caused by transmissible viral agents. Order no. 637") published in the Italian Official Gazette no. 48 of 26 February 2020;
- Order of the Presidency of the Council of Ministers, Department of Civil Protection of 22 February 2020 ("Additional urgent civil protection actions in relation to the health risk related to the onset of diseases caused by transmissible viral agents. Order no. 638") published in the Italian Official Gazette no. 48 of 26 February 2020;

- Order of the Presidency of the Council of Ministers, Department of Civil Protection of 25 February 2020 ("Additional urgent civil protection actions in relation to the health risk related to the onset of diseases caused by transmissible viral agents. Order no. 639") published in the Italian Official Gazette no. 48 of 26 February 2020;
- Order of the Presidency of the Council of Ministers, Department of Civil Protection of 27 February 2020 ("Additional urgent civil protection actions in relation to the health risk related to the onset of diseases caused by transmissible viral agents. Order no. 640") published in the Italian Official Gazette no. 50 of 28 February 2020;
- Order of the Presidency of the Council of Ministers, Department of Civil Protection of 28 February 2020 ("Additional urgent civil protection actions in relation to the health risk related to the onset of diseases caused by transmissible viral agents. Order no. 641") published in the Italian Official Gazette no. 50 of 28 February 2020;
- Order of the Presidency of the Council of Ministers, Department of Civil Protection of 29 February 2020 ("Additional urgent civil protection actions in relation to the health risk related to the onset of diseases caused by transmissible viral agents. Order no. 642") published in the Italian Official Gazette no. 53 of 2 March 2020;
- Order of the Presidency of the Council of Ministers, Department of Civil Protection of 1 March 2020 ("Additional urgent civil protection actions in relation to the health risk related to the onset of diseases caused by transmissible viral agents. Order no. 643") published in the Italian Official Gazette no. 53 of 2 March 2020;
- Order of the Presidency of the Council of Ministers, Department of Civil Protection of 4 March 2020 ("Additional urgent civil protection actions in relation to the health risk related to the onset of diseases caused by transmissible viral agents. Order no. 644") published in the Italian Official Gazette no. 56 of 5 March 2020.