



*Ministero
dello Sviluppo Economico*

NATIONAL PLAN IMPRESA 4.0



FOREWORD

Italy is a great industrial country. Our manufacturing companies represent the engine that drives the country's economic growth and development thanks to their ability to produce wealth and employment, make associated industries and services flourish, and contribute to the country's financial, economic and social stability. It is therefore in Italy's interest to create an environment that is favourable to business. Industrial policy is back on top of the Government's

agenda and the tools that we have introduced are tailored to the trademark entrepreneurial spirit within the Italian economy, and are well suited to the new phase of globalisation and major technological change we have already embarked upon. The "Impresa 4.0" National Plan represents a major opportunity for all companies that are ready to take advantage of the unprecedented incentives offered by the Fourth Industrial Revolution. The Plan provides for a wide

array of consistent and complementary measures promoting investment in innovation and competitiveness - all measures that have proved their effectiveness in the past have been strengthened under a "4.0" logic, and new measures have been introduced to meet new needs. The Government and the business community as a whole must make the most of this opportunity. This is why we have embraced a new paradigm of policy-making: we have planned

measures that every company can put in place automatically - thus avoiding any evaluation procedures and the associated red tape - and, above all, without any restrictions in terms of its size, sector or location. As demonstrated by the considerable financial resources that have been committed to the Plan in the coming years, this Government is offering enterprises that want to grow and innovate a new deal. The "Impresa 4.0" National Plan will affect every step of

the life cycle of companies that want to improve their competitiveness by supporting investments, the digitalisation of industrial processes, improvement in workers' productivity, as well as the development of new skills, new products and new processes. The success of the "Impresa 4.0" National Plan depends on the extent to which entrepreneurs take advantage of the measures that have been put in place.

Carlo Calenda

Italian Minister of Economic Development



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PIANO NAZIONALE IMPRESA 4.0

INNOVATION AND COMPETITIVENESS: IMPRESA 4.0

**HYPER AND SUPER
DEPRECIATION**

NUOVA SABATINI

TAX CREDIT FOR R&D

PATENT BOX

GUARANTEE FUND FOR SMEs

**DEVELOPMENT
CONTRACTS**

INNOVATION AGREEMENTS

TAX CREDIT FOR TRAINING 4.0

**INNOVATIVE STARTUP
AND SMEs**

**FUND FOR INTANGIBLE CAPITAL,
COMPETITIVENESS AND
PRODUCTIVITY**



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PIANO NAZIONALE IMPRESA 4.0

HYPER AND SUPER-DEPRECIATION

HYPER-DEPRECIATION:

130%



SUPER-DEPRECIATION:

250%



What it is for

- Supporting and offering incentives to companies that invest in new capital goods, tangible assets and intangible assets (software and IT systems) for the technological and digital transformation of their production processes

Benefits

- Hyper-depreciation: for depreciation purposes, investments in new tangible assets, devices and technologies enabling companies' transformation to "Impresa 4.0" standards will be valued at 250% of the investment value. Applies for outright purchases and lease purchase agreements. Investments in intangible assets, such as software and IT systems, are valued at 140%, in case the company will benefit of the hyper-depreciation on tangible assets
- Super-depreciation: for depreciation purposes, investments will be valued at 130% of the investment value. Applies for outright purchases and lease purchase agreements.

Who it is for

- Everyone with business income, including sole proprietorships subject to enterprise income tax (IRI), which are based in Italy for tax purposes, including permanent establishments of companies based abroad, regardless of their legal form, size and business sector.

How it is accessed

- It is automatically accessible when preparing financial statements and through self-certification.
- Eligibility for tax benefits is satisfied when an order is placed and an advance payment of at least 20% is made by December 31, 2018, and the goods are delivered by December 31, 2019 (for hyper-depreciation) and June 30, 2019 (for super-depreciation).
- For hyper-depreciation purposes, investments with a value of more than €500,000 per asset, must be supported by a sworn technical report prepared by an expert or engineer that is registered in the appropriate professional registers.



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NUOVA SABATINI

CONTRIBUTION FOR PAYMENT OF INTERESTS:

FROM

2,75%

TO

3,57%

What it is for

- Supporting businesses requesting bank loans to invest in new capital goods, machinery, plant, factory equipment for use in production and digital technologies (hardware and software).

Benefits

- Contribution partially covering interest paid by business on bank loans of between 20,000 and 2,000,000 euros, granted by banks approved by the Ministry of Economic Development, drawing either on a specific credit line of the Savings and Loans Fund (Cassa Depositi e Prestiti) or on ordinary reserves. The contribution is calculated on the basis of a conventional 5-year depreciation plan with an annual interest rate of 2.75% and is increased by 30% in the case of investment in "Impresa 4.0" technologies.
- Priority access to the Central Guarantee Fund, for a maximum of up to 80%.

Who it is for

- All micro, small and medium enterprises in Italy in all sectors.

How it is accessed

- Businesses that are interested must present, by December 31, 2018, a bank or financial intermediary with a request for a loan and an application to access the grant, according to the model set forth in the ministerial memorandum.
- The bank or financial intermediary will check the request, determine if the loan is to be approved, and send the Ministry a request to book the respective grant.
- Within 5 business days from receiving the request, the Ministry will notify the bank or financial intermediary of the partial or total availability of funds. Requests for grants shall be processed on a first come first served basis as long as funds are available.



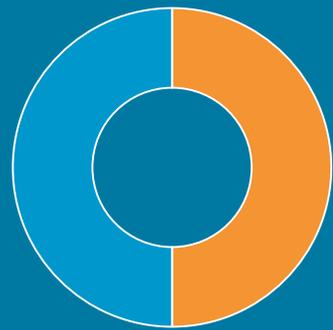
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PIANO NAZIONALE IMPRESA 4.0

TAX CREDIT FOR RESEARCH AND DEVELOPMENT

TAX CREDIT FOR INCREASED RESEARCH AND DEVELOPMENT COSTS:

50%



What it is for

- Encouraging private investment in Research and Development for product and process innovation to ensure the competitiveness of enterprises in the future.

Benefits

- 50% tax credit on incremental Research and Development costs up to an annual ceiling of €20 million a year per beneficiary, calculated on the basis of the average expenditure on Research and Development in the years 2012-2014.
- The tax credit can be used to cover a wide range of different taxes and contributions, even if companies report losses.
- Applies to all expenditure on basic research, industrial research and experimental development: hiring of highly qualified and technically specialised employees, research agreements with universities, research institutes, enterprises, innovative startups and SMEs, depreciation on laboratory equipment and instrumentation, technical know-how and industrial property rights.
- This measure is applicable to Research and Development expenditures incurred in 2017-2020 period.

Who it is for

- All legal entities with a business income (enterprises, non-commercial institutions, consortia and networks of enterprises), irrespectively of their legal form, size or business sector.
- Enterprises based in Italy or abroad with a permanent establishment in Italy which perform their own Research and Development or commission Research and Development work.
- Enterprises based in Italy or abroad with a permanent establishment in Italy which perform Research and Development work on commission for companies based abroad.

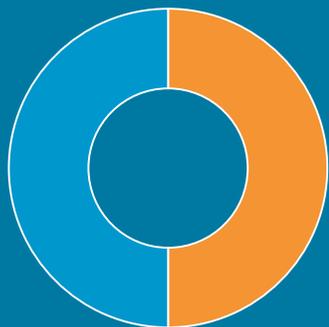
How it is accessed

- Automatically when preparing financial statements and specifying expenditure in income tax returns.
- There is an obligation to provide certified accounting documents.

PATENT BOX

REDUCTION OF CORPORATE INCOME TAX (IRES) AND REGIONAL PRODUCTION TAX (IRAP) RATES FOR INCOME FROM INTANGIBLE ASSETS:

UP TO **50%**



What it is for

- Making the Italian market more attractive to long-term domestic and international investors by offering a special rate of taxation for incomes deriving from the use of intellectual property rights.
- Offering an incentive for bringing back to Italy intangible assets currently held abroad by Italian or foreign companies, while at the same time offering an incentive for keeping intangible assets in Italy rather than relocating them abroad.
- Favoring investment in Research and Development.

Benefits

- An optional special taxation system applicable to income from use of intangible assets: industrial patent rights, registered trademarks, industrial designs and models, copyrighted know-how and software.
- The special condition consists in a reduction of 50% in the corporate income tax (IRES) and regional production tax (IRAP) rates starting in 2017, on business income connected with direct or indirect use (or use on licence) of intangible assets in relation to third-party counterparts or related counterparts (infragroup companies). The benefit is conditional to the taxpayer conducting Research and Development work connected with the development and maintenance of intangible assets.
- For the purposes of calculating the benefit, it is therefore necessary to:
 - determine the "economic contribution" or income deriving from use of intangible assets, after deducting the corresponding costs;
 - determine the ratio (nexus ratio) between qualified R&D costs that were incurred for the development of the intangible asset and overall R&D costs – qualified and not qualified - (incurred to produce the intangible asset);
 - calculate the portion of "income eligible for benefit" by applying the nexus ratio to the "economic contribution" deriving from use of the intangible asset;
 - finally, apply the tax exemption rate to this amount.

Who it is for

- To be eligible for this benefit, a legal entity with a business income must be able to demonstrate that their income derives from use of intangible assets, irrespectively of whether they are capital goods companies or partnerships, individual companies, commercial or non-commercial organizations, or parties with a permanent establishment in Italy that are resident for tax purposes in countries with which treaties have been stipulated for the appropriate exchange of information.

How it is accessed

- The option must be exercised in the tax return for the first fiscal year in which the legal entity intends to opt to use of the benefit, and remains valid for five years starting on the year in which the revenue office (Agenzia delle Entrate) is notified. The benefit may be renewed for the same number of years, and is irrevocable.
- In case of direct use of the intangible asset, it is obligatory to set up a prior agreement (a ruling agreement) with the revenue office to determine the methods to be applied to eligible income. The benefit becomes effective when the ruling agreement is completed.
- The ruling agreement is optional in the case of indirect use of the intangible asset, and the benefit becomes effective when the option is exercised.



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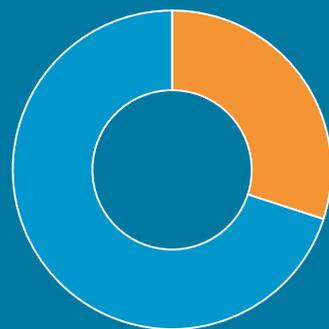
PIANO NAZIONALE IMPRESA 4.0

INNOVATIVE STARTUPS AND SMES

TAX BREAK FOR INVESTMENT IN STARTUPS:

UP TO

30%



What it is for

- Supporting innovative enterprises at all stages of their life cycle.
- Sustaining the development of Italy's startup ecosystem.
- Spreading a new business culture based on teamwork, innovation and openness towards international markets.

Benefits

- A new online, free incorporation procedure.
- Exemption from regulations on dummy companies and companies reporting systematic losses.
- Possibility for limited liability companies to issue tax-free stock options or work-for-equity schemes.
- Incentives to investment in risk capital: a 30% break on personal income tax for investments up to 1 million euros, or a 30% deduction from corporate income tax basis, up to 1.8 million euros
- Free, simplified, fast-track access to the Guarantee Fund for SMEs.
- Equity crowdfunding for raising new risk capital.
- Italia Startup Visa: a priority visa for innovative entrepreneurs from all over the world.
- Possibility of transferring losses reported by startups to listed companies holding at least 20% of their shares.
- In case of failure/bankruptcy: exemption from regular bankruptcy regulations.
- In case of success: scale-ups can easily shift to the "innovative SME" status, keeping the key benefits of the startup regime.

Who it is for

- Innovative startups: newly-established unlisted limited companies with an annual value of production below 5 million euros, whose company purpose is clearly related to innovation. To prove the latter requirement, they must meet at least one of the following criteria:
 - 15% of annual expenditure is attributable to R&D activities;
 - 2/3 of the team is made up of university graduates, or, alternatively, 1/3 PhD holders, PhD students or researchers;
 - ownership of a patent or a software.
- Innovative SMEs: small and medium-sized enterprises established as limited companies in possess of certified financial statements. In addition, they must meet at least two of the following requirements:
 - 3% of annual expenditure is attributable to R&D activities;
 - 1/3 of the team is made up of university graduates, or, alternatively 1/5 PhD holders, PhD students or researchers;
 - ownership of a patent or a software.

How it is accessed

- By registering in the dedicated section of the Business Register, through an online self-certification in which applicants confirm that they fulfil the above-mentioned legal requirements. The innovative startup regime lasts no longer than 5 years from the date of incorporation.



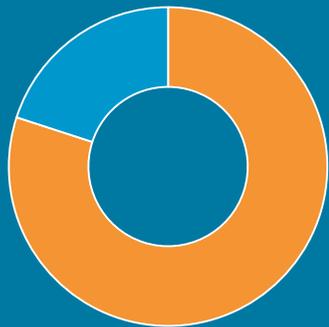
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GUARANTEE FUND FOR SMEs

**PUBLICLY
GUARANTEED LOAN:**

80%



What it is for

- Supporting businesses and professionals who have difficulty accessing bank loans because they do not have sufficient guarantees.

Benefits

- Granting of a public guarantee, covering up to a maximum of 80% of the loan, for short and medium- to long-term loans both as a source of cash and for investment purposes. The Fund guarantees that each business or professional will be provided a maximum of 2.5 million euros for use in one or more operations up to the established ceiling, with no limit on the number of operations that may be performed. The limit refers to the amount guaranteed, while there is no ceiling on the total loan.

Who it is for

- Micro-enterprises and SMEs, including startups.
- Professionals registered in professional orders or with membership of professional associations registered in the list kept by the Ministry of Economic Development.
- Beneficiaries operating in all business sectors are admitted, except for the finance sector, provided they are considered economically and financially sound.

How it is accessed

- In the case of the direct guarantee, interested parties must present a bank or financial intermediary with a request for a loan and, at the same time, request support in the form of a public guarantee. The bank or financial intermediary will forward the request to Banca del Mezzogiorno - Mediocredito Centrale SPA, which is managing the system. The procedures are quick and streamlined, so that access requirements may be checked and a decision made promptly. In the case of the legal entity obtains the loan defaulting, the bank or financial intermediary who made the loan may claim compensation from the Guarantee Fund.



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DEVELOPMENT CONTRACTS

ENDOWMENT

850 M€

What it is for

- The Development Contract supports large investments in the industrial, tourism and environmental protection sectors.
- The minimum total investment required is 20 million euros. Such minimum investment threshold is reduced to 7.5 million euro for processing and commercialization of agricultural products.

Benefits

- The benefits are granted in the following modalities, also in combination with each other:
 - subsidized loan, up to 75% of eligible expenses
 - interest subsidy
 - plants subsidy
 - subsidized financing;
- The benefit amount, in compliance with the state aid limits, is determined on the basis of the project, its location, the size of the company. Anyway, the contribution amount and form of the eligible subsidies are defined within the negotiation phase.
- Particular criteria for the determination of the allowable benefits are provided, following the UE regulations, for the development programs for environmental protection and for programs concerning the processing and commercialization of agricultural products.

Who it is for

- The Development Contract is targeted at Italian and foreign companies.
- The recipients of the subsidies are:
 - the applying company, promoting the entrepreneurial initiative is responsible for the technical and economic compliance of the Contract
 - any member companies that implement investment projects under this Development Contract
 - the participants in any research, development and innovation projects.
 - The applying company is the formal point of contact for Invitalia, including on behalf of member companies.
- The Development Contract may also be jointly carried out by multiple parties with the network contract (Law 33 of 9 April 2009). In this case, the specially appointed joint body acts as the representative of the Contract participants and shall take on all obligations towards Invitalia.

How it is accessed

- Online application on the website of Invitalia, the National Agency for inward investment and economic development
- Fast Track: new access to Development Contracts that reduces the time needed to obtain the benefits. Start of the Development Program within 6 months from the approval; conclusion of the investment program within 36 months.



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PIANO NAZIONALE IMPRESA 4.0

INNOVATION AGREEMENTS

ENDOWMENT

200 M€

What it is for

- Projects concerning industrial research and experimental development aimed at the creation of new products, processes or services or the noteworthy improvement of existing products, processes or services, through the development of one or more of the technologies identified by the European Union Framework Program for Research and Innovation 2014 - 2020 "Horizon 2020", such as:
 - Information and communication technologies (ICT)
 - Nanotechnology
 - Advanced materials
 - Biotechnology
 - Advanced manufacturing and processing
 - Space
 - Technologies to achieve the following objectives of the "societal challenges" priority set by the Horizon 2020 Program
- Research and development projects must include expenses and eligible costs of not less than € 5 million and not exceeding € 40 million, with a duration not exceeding 36 months

Benefits

- Benefits are the following:
 - Subsidized financing for a minimum percentage of 20% of eligible costs and expenses (to which a defined variable share may be added in relation to available regional financial resources)
 - Subsidized loan, if provided for by the Agreement, up to a limit of 20% of the eligible costs and expenses (to which a defined variable percentage can be added in relation to the available regional financial resources)

Who it is for

- Italian companies in the industrial, agro-industrial, artisan or industrial services with projects concerning industrial research and experimental development aimed at creating new products, processes or services or at the noteworthy improvement of existing products, processes or services, through the development of one or more of the technologies identified by the European Union's Framework Program for Research and Innovation 2014 - 2020 "Horizon 2020"

How it is accessed

- Presentation through certified mail to the Ministry of Economic Development of a project proposal containing at least the following elements:
 - the name and the size of each proponent subject;
 - the description of each project;
 - the type and amount of the requested aid.



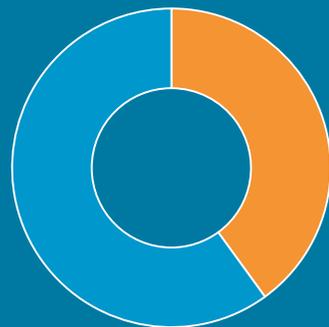
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TAX CREDIT FOR TRAINING 4.0

TAX CREDIT FOR TRAINING 4.0

40%



What it is for

- Support the expenditure in the employees training concerning the technology envisaged by the Italy's National Plan Impresa 4.0 and fill the skill gap.

Benefits

- The incentive, equal to 40%, refers to expenses related to labor costs involved in training courses, agreed through collective or territorial bargaining with trade unions
- Tax credit can be used by companies up to an amount of 300,000 euros for training courses on technologies provided by the Italy's National Plan Impresa 4.0.
- The training activities must be agreed upon by collective or territorial bargaining with trade unions and must concern the following areas:
 - sales and marketing;
 - computer science and techniques;
 - production technologies.
- These benefits last only for 2018.

Who it is for

- All legal entities with a business income, regardless of their legal form, size, business sector or accounting system adopted and methods for determining income for tax purposes.

How it is accessed

- Automatically when preparing financial statements and specifying expenditure in income tax returns.



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PIANO NAZIONALE IMPRESA 4.0

FUND FOR INTANGIBLE CAPITAL, COMPETITIVENESS AND PRODUCTIVITY

ENDOWMENT

2,7 BLN €
(2018-2031)

What it is for

- Foster industrial policy targets, with particular regard to the National Plan Impresa 4.0 and increase the competitiveness and productivity of the national economy.

Benefits

- Dedicated resources for financing:
 - research and innovation projects to be carried out in Italy by public and private entities (including foreign ones) in strategic areas for the development of intangible capital functional to the country's competitiveness
 - operational and administrative support for the projects implementation, in order to enhance the results and foster their transfer to the productive economic system.

How it is accessed

- The rules of assignment and management will be decided by the body identified through MD (Ministerial Decree) Ministry of Economy and Finance, Ministry of Economic Development and Ministry of Education, University and Research



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