

The state of play of the measures implemented in favour of small and medium-sized enterprises and professionals: start for applications for financing guaranteed by the Central Guarantee Fund

For VAT-subjects

While taking stock of the situation and concerning the measures implemented in favour of the small and medium-sized enterprises (SMEs) and professionals please also refer to the contents of our previous newsletter no. 17/2020 (and to our newsletter no. 18/2020 as far as enterprises located in the Autonomous Province Bolzano are concerned).

Please keep in mind that the measures below have been introduced with Law Decree no. 23, published on 8 April 2020 (traceable in internet at <https://www.gazzettaufficiale.it/eli/id/2020/04/08/20G00043/s>), as well as the fact that amendments in the occasion of conversion of same into law cannot be excluded.

Please note that Italy has in the meantime been accorded the authorization by the EU Commission to implement in their entirety the measures in favour of the small and medium-sized enterprises (enterprises fall within the SME category if they do not exceed a turnover of Euro 50 million, total assets in the balance sheet of Euro 43 million and 250 employees). The measures provided by the Decree mentioned above shall have effect until 31 December 2020.

The main measures in favour of the SMEs by the means of the Central Guarantee Fund (enterprises with not more than 499 employees) are the following:

- a 100% guarantee may be provided by the Central Guarantee Fund for loans up to Euro 25,000 that banks may grant per single enterprise (or professional) without any assessment of creditworthiness. The amount of the loan may not exceed 25% of the applicant's revenues as resulting from the last deposited financial statement or last tax return submitted and may not exceed the amount of Euro 25,000 (therefore, in order to be granted the maximum amount, the enterprise shall have realised revenues of at least Euro 100,000 in the last balance sheet/tax return). The financing has a duration of 6 years, during which a 2-year pre-amortisation period is provided.

Subjects established as from 1 January 2020 shall present a self-certification or other documents proving the damage suffered by the emergency situation created by the Coronavirus.

In order to apply for the financing the subjects concerned shall file a specific application to be sent by certified e-mail (or by normal e-mail) to their proper bank; the forms for such application can be found at the following internet link: <https://www.fondidigaranzia.it/normativa-e-modulistica/modulistica/>, but it is advisable to discuss it previously with your bank.

In the Autonomous Province Bolzano, such financing amount is increased to Euro 35.000 (but with a financing period of 5 years), provided that also a guarantee cooperative, i.e. GARFIDI or CONFIDI, is involved, and provided as well that the relevant financing bank adheres to the memorandum of understanding entered into by the Autonomous Province Bolzano/GARFIDI/CONFIDI/local banks (the memorandum of understanding has validity until 31 March 2021 and in any case until the funds made available by the Autonomous Province Bolzano are exhausted). The access requirements have changed a little (i.e. the enterprise has to be registered at the Company Register and shall have its registered office/production unit located at least since 9 March 2020 within the Autonomous Province Bolzano; the applying professionals shall be resident at least since 9 March 2020 in said Province). Also in this case the enterprise (or professional) shall transmit to the proper bank a specific request, which is why we recommend to make direct contact with the proper bank until such forms will be at disposal on the internet;

- a 90% guarantee may be provided by the Central Guarantee Fund (the guarantee can reach 100% if a guarantee cooperative, e.g. CONFIDI/GARFIDI, is involved in the operation) to cover new loans granted to subjects with revenues up to Euro 3,200,000, for a financing amount up to the lower amount between 25% of the turnover and Euro 800,000. The duration of such financings can be freely determined: it is likely that it will take some time for the investigation/assessment/resolution of the funding.

In the Autonomous Province Bolzano, if the financing bank adheres to the memorandum of understanding entered into by the Autonomous Province Bolzano/GARFIDI/CONFIDI/local banks (as already specified, the memorandum of understanding has validity until 31 March 2021 and in any case until the funds made available by the Autonomous Province Bolzano are exhausted) and in order to promote a fast granting of the loan, a pre- or bridge financing may be granted. Practically, the bank verifies the pre-feasibility and decides on the financing; thereafter the guarantee cooperatives GARFIDI and CONFIDI will grant a 90% guarantee in order to facilitate the pre-financing with a maximum amount of Euro 800,000 and a duration of 6 months, until availability of the guarantee provided by the Central Guarantee Fund. Once available, the Central Guarantee Fund will assume 90% of the guarantee and the guarantee cooperative will assume the remaining 10%. Those who need this type of financing shall directly contact their bank, as well as the reference consultant within our Firm;

- a guarantee of 90% may be provided by the Central Guarantee Fund to cover new loans granted to subjects with revenues of over Euro 3,200,000, for a financing amount higher than Euro 800,000 and up to Euro 5,000,000. Such loans can have a freely determinable duration and shall be granted without involvement of a guarantee cooperative; it will probably take some time for their investigation/assessment/resolution. Whoever needs this type of financing shall directly contact their bank, as well as the reference consultant within our Firm.

Furthermore, please note the following:

- there is the possibility to apply for a guarantee of 80% by the Central Guarantee Fund on financings granted by the bank no later than 3 months before the applying date and in any case after 1 January 2020;
- it is also possible to apply for a guarantee by the Central Guarantee Fund for re-financing operations;
- for real estate investment operations in the tourism and hotel sector as well as the real estate sector with a duration of at least 10 years and amount of over Euro 500,000, the guarantee provided by the Central Guarantee Fund can be cumulated with other types of loan guarantees (e.g. the registration of mortgages on real estates).

Whoever needs this type of financing shall directly contact their bank, as well as the reference consultant within our Firm.

Please note that loan guarantees for large enterprises (i.e. enterprises falling outside the SME category) can be supported, in some cases, by SACE S.p.A.; to this regard the related implementation regulation is expected and certainly your bank will support you in such matter.



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