

Decree-Law “*CuraItalia*” introduces new provisions to counter the emergency related to the covid-19 outbreak.

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On March 17, 2020, it has been published in the Official Gazette the Decree-Law “*CuraItalia*”¹, thus introducing significant economic measures to counter the severe health emergency and the resulting economic shrinkage caused by the outbreak of covid-19 on the Italian territory.

The Italian Government adopted an economic package worth 25 billion Euro, and activated flows for 350 billion Euro, to confront the impact of the covid-19 pandemic on businesses and families.

This intervention of investments, simplifications, and reduction of tax burdens will not be isolated. Indeed, the Decree “*CuraItalia*” will be followed by other measures that will be adopted in April, expectedly supported by European Union funds.

The Decree “*CuraItalia*” addresses four main concerns:

- i. Financing and strengthening the national health system, the Civil Protection and other public bodies involved in the emergency²;
- ii. Adoption of measures to support employment and workers³;
- iii. Adoption of measures to support the liquidity of families and micro, small and medium-sized companies through the banking system and using the Central Guarantee Fund⁴; and
- iv. Adoption of tax measures to support liquidity in favor of families and companies⁵.

Hereafter is provided an overview of the primary measures introduced by Titles III and V of the Decree “*CuraItalia*” on support to:

- i. the liquidity of companies through the banking system;
- ii. specific sectors of private entrepreneurship particularly affected by the outbreak of Covid-19;
- iii. the internalization of the national system;
- iv. the administration of justice; and
- v. citizens and savers.

1. Measures providing financial support and liquidity to companies through the banking system.

The following supporting measures for the liquidity of companies affected by the epidemic emergency through guarantee mechanisms⁶, have been adopted:

¹ The text of the Decree “*CuraItalia*” is available at https://www.gazzettaufficiale.it/atto/vediMenuHTML?atto.dataPubblicazioneGazzetta=2020-03-17&atto.codiceRedazionale=20G00034&tipoSerie=serie_generale&tipoVigenza=originario.

² Cf. Titolo I, Decree “*CuraItalia*”, “*Misure di potenziamento del Servizio sanitario nazionale*” (Artt. 1-18).

³ Cf. Titolo II del Decreto “*CuraItalia*” “*Misure a sostegno del lavoro*”.

⁴ Cf. Titolo III, Decree “*CuraItalia*”, “*Misure a sostegno della liquidità attraverso il sistema bancario*” (Artt. 49-58).

⁵ Cf. Titolo IV, Decree “*CuraItalia*” rubricato “*Misure fiscali a sostegno della liquidità delle famiglie e delle imprese*” (Artt. 60 – 71).

⁶ Cf. Art. 57.

- Cassa Depositi e Prestiti S.p.A. (hereafter, for brevity “CDP”) has been authorized to provide liquidity to companies that suffered a turnover reduction as a consequence of the covid-19 outbreak. This measure allows:
 - banks, supported by CDP, to grant loans more easily to companies that suffered a reduction in turnover as a result of the emergency;
 - CDP, to support the banks that grant these loans through guarantees on bank loan portfolios, including first loss loans, through guarantees on individual bank loans;
 - the State to grant "counter-guarantees" in favor of CDP up to a maximum of 80% of the assumed exposure.

A reserve of 500 million Euro has been allocated to cover the guarantees.

2. Supporting measures regarding specific sectors of private business.

2.1 Support for the transport industry.

Measures in support of air transport

In support of the air transport industry- being severely hit by the covid-19 outbreak - the following measures have been adopted:

- i. recognition of compensation for the damage suffered by companies operating air transport services; and
- ii. an increase of 200 million Euro in the allocation for the Special support Fund for income and employment Support and the requalification and retraining of the sector's personnel.

Measures in support of Alitalia⁷.

Given the situation brought by the emergency affecting the activities of Alitalia - Società Aerea Italiana S.p.A. and Alitalia Cityliner S.p.A., both under extraordinary administration, it has been set forth the establishment of a new company wholly owned by the Ministry of Economy and Finance, hence controlled by a company with a prevalent public or indirect shareholding whose essential elements, including the corporate purpose, are demanded to a decree of the Ministry of Economy and Finance.

The Commissioner of the two companies under extraordinary administration, pending the termination of the procedures for the sale of the business units, will be authorized to take any action necessary to ensure the fulfillment of the extraordinary administration.

Measures in support of maritime transport and other transports⁸.

To address the sudden reduction of maritime traffic of goods and passengers, are envisaged the following measures:

- i. suspension of the application of the “anchorage tax”;
- ii. suspension of the payment of specific fees due for harbor-operations⁹;
- iii. deferment of payments of customs charges; and
- iv. authorization of the movement of vehicles, which, under ordinary conditions, should have been subject to control and revision activities.

2.2 Supporting measures for the shipbuilding industry.

⁷ Cf. Art. 79.

⁸ Cf. Art. 92.

⁹ These fees are prescribed under artt. 16, 17 and 18 of Law n. 84, January 28, 1994.

Export credit¹⁰

In support of the companies of the exporting industry, severely affected by the epidemic crisis, the Ministry of Economy and Finance is authorized to issue the State guarantee in favor of SACE S.p.A. (the Italian export credit agency) referred to specific major orders for the construction of ships by Italian companies, which have already been deliberated by SACE by the effective date of the Decree “*CuraItalia*”, up to a maximum amount of 2.6 billion Euro. This measure pursues the aim to facilitate the completion of strategic commercial operations for the Italian economy and the maintenance of employment levels in this particular sector.

2.3 Measures for insurance companies

Immediate entry into force of the “volatility adjustment” mechanism for insurance companies¹¹

The “volatility adjustment” mechanism provided by the Solvency II Directive¹², which provides that in the event of large fluctuations in a single market, a specific and additional adjustment (the “country adjustment”) is triggered for that market which, following the amendments made by EU Directive 2019/2177¹³, applies when the Country spread is higher than 85 base points instead of the 100 base points initially provided. The Decree “*CuraItalia*” set forth the application of the 85 base points threshold starting from 2019 - and not from July 1, 2020, as initially established - subject to the adoption by EIOPA of the technical measures and their endorsement by the European Commission.

2.4 Supporting measures in favor of companies concerning the relations with Public Administrations

Budget increase for “development contracts”¹⁴ and increase of FSC advance payments¹⁵

Given the crucial importance of the “development contracts”, which allows to carry out strategic development programs for strengthening the Country's productive structure, the budget established for the implementation of the contracts mentioned above has been increased up to 2.37 billion Euro, therefore, of additional 400 million Euro.

Accordingly, it has been foreseen the increase of the advance payments - up to 20% of the allocated resources to the individual interventions - of the Development and Cohesion Fund 2014-2020 within the scope of the Operational Plans of the Central Administrations and the Development Pacts.

2.5 Extraordinary measures to support the press industry¹⁶

Given the essential public service role played by the daily and periodical press, especially during the current health crisis, in order to counteract the decline of advertising investments, an extraordinary regime has been introduced to obtain a tax credit concerning such investments.

¹⁰ Cf. Art. 53.

¹¹ Cf. Art. 52.

¹² The text of Directive 2009/138/CE is available at <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32009L0138>.

¹³ The text of Directive 2019/2177/EU is available at <https://eur-lex.europa.eu/eli/dir/2019/790/oj>

¹⁴ Cf. Art. 80.

¹⁵ Cf. Art. 97

¹⁶ Cf. Art. 98.

2.6 Suspension of fee payments for the sports industry¹⁷.

In order to ease professional and amateur sports associations and clubs to pay the rents for public sports facilities, which remained unused during the health emergency, the payment of the related rents has been deferred until May 31, 2020.

3. Measures to support the internationalization of the country system

Supporting measures in favor of the tourism industry, “Made in Italy” and culture¹⁸.

In a situation of uncertainty such as the current one, the Public Authorities intended to protect vital sectors for the Italian economy, such as tourism and culture.

To this end, it has been established the Integrated Promotion Fund, which will have to strengthen - also through the ICE (the Italian Agency for the Internationalisation of Companies) the means to support the internationalization of Italy and support the “Made in Italy”, including the agri-food sector.

Furthermore, in support of the culture industry, it has been planned the establishment of the Emergency Fund for Entertainment, Cinema and Audiovisual, which, with an endowment of 130 million Euro, shall support these sectors following the suspension of the related activities.

4. Provisions on the administration of justice

Postponement of hearings and adoption of preventive systems in Courts.

The measures to postpone civil, criminal, tax and administrative hearings previously provided until March 22, 2020, are extended until April 15, 2020, subject to specific exceptions.

In addition, it is extended until June 30, 2020, the timeframe for the adoption of the organizational measures necessary to ensure compliance with the health and hygiene guidelines relating to the containment of covid-19 and to avoid gatherings in judicial offices.

Until April 15, 2012, the period for the completion of all acts relating to all civil and criminal proceedings is suspended¹⁹, and specific measures are provided concerning prescription and limitations, as well as for the lapse of time in criminal proceedings pending during the period of suspension of judicial activities.

5. Measures in support of savers and citizens.

Amendments to the FIR discipline²⁰.

In order to provide further support to savers, the rules of the Savers' Compensation Fund, also known as the FIR, have been amended through the possibility for the Technical Commission in charge of the FIR to pay savers an advance of 40% of the amount of compensation paid to them.

Implementation of the First Home Solidarity Fund²¹.

¹⁷ Cf. Art. 95.

¹⁸ Cf. Artt. 72 e 89.

¹⁹ The suspension of limitation periods initially set by D.L. 11/2020 it has been, indeed, extended to all the civil and criminal proceedings, thus, not only to the proceedings for which it has been disposed, therefore, not only to proceedings for which an urgent postponement has been ordered.

²⁰ Cf. Art. 50.

²¹ Cf. Art. 54.

The admission to the benefits of the “Gasparrini Fund”²² is exceptionally extended also to self-employed workers and freelancers, who self-certify that they have registered, in a quarter following February 21 2021, a decrease in their turnover exceeding 33% of the turnover of the last quarter of 2019. For the above purposes, 400 million Euro are allocated to the Gasparrini Fund for the year 2020.

Reimbursement of staying contracts and termination of contracts for the purchase of tickets for shows, museums, and other places of culture²³.

The contracts of stay booked but not used due to the health emergency, as well as tickets for shows, museums, and other places of culture, will be refundable through the issue of vouchers of the same amount.

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²² The “Gasparrini Fund” is a solidarity fund, established by Law no. 244/2007 in order to allow the holders of a loan contract for the purchase of the first house to benefit from the suspension of the payment of instalments, up to 18 months, when situations of temporary economic difficulty arise that are likely to have a negative impact on the overall income of the entire household. Admission to the Gasparrini Fund had previously been extended by Decree Law 9/2020 to workers who had suffered suspension from work or reduction of working hours for at least 30 days due to the epidemiological emergency.

²³ Cf. Art. 88.