

This is an overview in English. Please consider that only the original text in Italian language has legal value.

**Decree-Law n.18 of 17 March 2020**  
**Measures to strengthen the National Health Service and economic support for families, workers and businesses related to the COVID-19 epidemiological emergency**

*(OJ N. 70 of 17-3-2020)*

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An overview of the measures laid down by the Decree, which includes:

- Additional funding for the NHS and the Civil Protection Department
- Measures to improve workers' safety
- Liquidity support to households and businesses through the financial sector
- Liquidity support to households and businesses through the postponement of deadlines for tax/social security contributions payments
- Other, including among others streamlined procedures for Telecom companies to enhance the relevant infrastructures, nationalization of Alitalia and postponement of annual shareholders' meetings.

You can find a recap of the most significant measures below.

**a. Additional funding for the NHS to improve the response to the Covid-19 contagion spread**

- €150 million will be allocated to pay for NHS healthcare professionals (either with a view to recruiting more doctors and nurses or to remunerate those who are already working for the NHS for their overtime)
- Additional personnel will be recruited by the Ministry of Health to increase and improve controls at ports and airports (€5 million)
- **Regions will be authorised to resort to private healthcare units in order to achieve the targets set by the Ministry of Health in terms of additional intensive care units and pneumology units.** Regions will obviously remunerate private healthcare units for this, and the Government will allocate €240 million to this purpose
- Also, private healthcare operators will be asked to supply healthcare professionals and equipment to the National Healthcare Service (€100 million will be allocated to compensate private operators)
- €50 million and streamlined procedures will be put in place so that Regions may set up temporary healthcare units
- The Civil Protection Department will be authorised to grant funding as an incentive to companies that manufacture medical devices and individual protective devices (€50 million)
- The Civil Protection Department will be authorised to seize medical devices and even real estate properties for the management of this emergency (€150 million are allocated to compensate the owners)
- Additional measures allow for an increase in the personnel of Military Health units and the National Health Institute
- Measures were added to allow the Italian Medicines Agency (AIFA) to adopt a simplified procedure for the medical trials to be conducted on medicines for the treatment of

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patients with Covid-19 – AIFA has already authorized and it is coordinating the trial on the use of a medicinal product, originally authorized for the treatment of rheumatoid arthritis, on 330 covid-19 patients under intensive care in Naples, Modena and Reggio-Emilia

- **Overall, the NHS funding will be increased by roughly €1.750 billion and the Civil Protection Department funding will be increased by €1.750 billion in 2020.**
- **An extraordinary Commissioner will support the Civil Protection Department in the purchase, production and distribution of instrumental goods** that are needed to boost the response of the NHS to the Covid-19 emergency, particularly as regards the enhancement of intensive care units (i.e. supply of ventilators). The purchases to be carried out under the supervision of the Commissioner will benefit from a simplified procedure and will not be subject to the control of the Court of Auditors

**b. Measures to improve workers' safety in manufacturing sites**

- €50 million will be allocated to businesses for the purchase of medical devices and other individual protection devices
- Also, businesses and professionals will be granted a tax credit worth 50% of the expenses incurred for the sanification of their work places up to €20,000 (here as well €50 million will be allocated to this purpose)

**c. Extension of income support schemes and unemployment benefits for workers**

- **Employers who temporarily shut down their companies because of the covid-19 emergency may ask for income support for their employees for a period of max. 9 weeks between 23 February 2020 and 31 August 2020. €1.7 billion are allocated in 2020 to this purpose.** In light of the seriousness of this emergency, income support scheme will be available even without the need for employers to enter an agreement with Unions. Please note that the ordinary income support scheme only applies to workers under a standard employment contract
- Wherever the ordinary income support scheme does not apply (including, among others, in agriculture and fisheries), **Regions may enter agreements with Unions under which they will grant extraordinary income support schemes and social security contributions to workers, for a maximum period of 9 weeks. €3.3 billion are allocated to this purpose in 2020.**
- Employees both in the public and the private sector may benefit of a parental leave of max. 15 days if their children are under 12 years of age, due to the temporary shutdown of schools and kindergartens. They will be paid 50% of their normal salary during their parental leave. As an alternative option, they may ask for a "baby-sitting bonus" of €1,000. If their children are over 12 but under 16 years of age, parents will be authorized to go on parental leave but they will not receive any indemnity
- Additional 12 days of leave will be available to employees
- Quarantine periods are considered as sick days for employees
- Professionals, workers under atypical (i.e. non-permanent) employment contracts, workers in the tourism sector and in agriculture will be granted an extraordinary bonus of €500

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- A dedicated fund will be set up (€200 million) with the purpose of granting an “income of last resort” to workers who do not qualify for any of the above-mentioned support schemes
- As regards involuntary unemployment benefits, the Decree provides for an extension in deadlines for the relevant applications.

**d. Liquidity support to businesses and households through the financial sector**

Small and medium enterprises

- The capacity of the Guarantee Fund for small and medium enterprises will be enhanced. For a period of 9 months, the Fund will be authorized to assist exposures of SMEs vs. banks and other financial intermediaries with its guarantee up to €5 million (instead of €2.5 million) and up to 80% of the exposure. The Fund’s guarantee will imply no additional burden for the SMEs
- Also, small and medium enterprises that have been harmed by the restrictions imposed to manage the covid-19 emergency and that have a debt exposure vs. banks and financial intermediaries will benefit from an **extension in payment deadlines until 30 September**. Their creditors will be compensated by the above-mentioned Guarantee Fund up to 33%.

Businesses irrespective of their size

- Businesses that sell non-performing loans within 31 December 2020 may **convert deferred tax assets into tax credits**, up to 20% of the nominal value of the loan
- Any debt exposure of companies that do not qualify to receive support from the SME Guarantee Fund will be assisted by the State’s guarantee, through Cassa Depositi e Prestiti (up to 80% of the exposure)

Other

- Citizens who were either shareholders or subordinate bond holders of banks that were placed in receivership and have been harmed from the application of the bail-in clauses, and are entitled to compensation pursuant the existing legislation, will receive part of that compensation in advance
- The Ministry of Economy and Finance will be authorised to grant the **State’s guarantee to export credits in the tourism sector**, particularly to benefit cruise operators (up to €2.6 billion)
- **For a period of nine months, those who apply for a suspension of mortgage payments** and can certify that they have experienced a drop in their income/turnaround by over 33% vs the previous quarter **will be exempted from 50% of the payment of interests accrued during the period when the mortgage payment is suspended** – banks will be compensated by a dedicated public fund

**e. Liquidity support to businesses and households through the suspension of tax payments/social security contributions**

- **The deadlines for the payment of withholding taxes/social security contributions/mandatory work injury compensation insurance premiums are suspended until 30 April for businesses in a wide range of sectors** that are harmed by the restrictions currently in place, including tourism, sports (including sports equipment), entertainment, gambling, bars/pubs/restaurants, kindergartens, assistance

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to the elderly, companies managing coach and railway stations, ports, airports. These payments will be due on 31 May (30 June for sports clubs), unless they are divided into installments

- **Withholding Tax payments, VAT payments, contributions and insurance premiums that are due between 8 March and 31 March 2020 are suspended for professionals and small businesses with a turnaround up to €2 million** (whatever the sector). These payments will be due on 31 May unless they are divided into installments
- Incomes earned within 31 March by businesses with a turnaround up to €400,000 will not be subject to the withholding tax. The relevant payments will be due on 31 May unless they are divided into 5 installments
- **For all residents in Italy, deadlines for tax procedures (NOT tax payments) are suspended until 31 May**
- Also, tax assessments and collection procedures are suspended until 31 May
- Shops which pay a rent will be granted a **tax credit worth 60% of the rent paid in the month of March 2020**.

**f. Other measures to support businesses in specific sectors**

- **Agriculture and fisheries:** 70% of Common Agricultural Policies contributions will be paid in advance (instead of 50%); also, passive interests associated to any bank loan will be compensated by the government

**g. Air transport – Alitalia**

- A newco will be set up (either controlled by the Ministry of Economy or by a company with the State as a controlling shareholder) to which the assets of Alitalia SpA and Alitalia Cityliner SpA will be conferred until/unless their sale to a private operator is finalized (which is unlikely, given the impact of this emergency on airlines). The Ministry of Economy and Finance will be authorized to contribute to the capital increase of this newco
- Beyond Alitalia, compensations will be due to all airlines with an ENAC license for the losses incurred due to the Covid-19 emergency.

**h. Streamlined procedures to undertake telecommunications infrastructure improvement**

- Until 30 June 2020, companies supplying networks and services in the field of tlc may undertake measures to improve the relevant infrastructures, enhance connectivity and ensure continuity of service, **by simply notifying these measures to the independent Authority on Communications (AGCOM) which will “modify or integrate the regulatory framework accordingly”**.

**i. Sports**

- **Payments of rents for the use of sports facilities owned by the State or local Governments (e.g. San Siro stadium) is suspended until 31 May.**

**j. Measures concerning the postponement of annual shareholders’ meetings**

The following measures will apply to those meetings scheduled within 31 July 2020 or until the covid-19 national emergency ends:

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- Annual shareholders meetings will be held **within 6 months of the end of the financial year**
- Joint stock companies, limited liability companies and cooperative companies may foresee when they summon their meetings that shareholders may participate remotely
- Listed companies may hold their shareholders' meeting at the sole presence of the shareholders' designated representative
- The same goes for cooperative banks ("Banche Popolari" and "Banche di Credito Cooperativo").

**k. Other measures**

- The term in charge of the college of Commissioners of the independent Authority of Communications (AGCOM) and the independent Data Protection Authority are extended until 60 days after the covid-19 emergency ends (their renewal was scheduled within 31 March)
- All judicial proceedings (civil, criminal, administrative, military) and all administrative procedures are suspended until 15 April, as well as any activity of the Court of Auditors
- Regarding the **referendum on the reduction in the number of MPs**, that had already been suspended by a previous Act, this Decree establishes that it will be scheduled within 8 months of 23 January 2020, when it was greenlighted by the Supreme Court