

## COUNTRY GUIDE

# ITALY



Once the epicenter of the Roman Empire and birthplace of the influential Renaissance movement, Italy is today among the top 10 largest nations by nominal GDP and the third-largest economy in the Eurozone. The country's strategic location, at the center of Europe, extending well into the Mediterranean Sea, has helped develop a long tradition of trading and profiting off its market economy and skilled workforce.

### TOURISM

Tourism is by far Italy's largest industry, accounting for about 11.8% of the country's total GDP. Fifty-one UNESCO World Heritage sites are located in Italy, the most of any country in the world.

### STRATEGIC LOCATION AND EASE OF TRADE


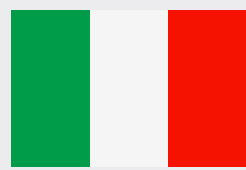







The country's position along the Mediterranean Sea has enabled it to cultivate a vibrant trading industry especially with North Africa, Eastern Europe, and the Middle East. Italy is currently the eighth top exporter in the world and its main trading partners include Germany, the United States, Spain, the UK, Switzerland, and France. As a founding member of the European Union, Italy offers access to a wider market of approximately 500 million consumers.

### BANKING SECTOR

Despite recent political turbulence, the Italian banking sector remains a strong point of the country's economy. The Italian government is continuing to take steps over the next few years to encourage the consolidation of banks through mergers, takeovers, asset transfers, liquidations, or the conversion of a bank into a financial company. Their goal is to boost the international competitiveness of the Italian banking sector.

### AGRICULTURE

While vineyards take up only 5.4% of Italy's agricultural land, it is the world's largest producer of wine, which includes the popular Piedmontese Barolo, Frascati, Barbaresco, and Tuscan Chianti. It is also a leading producer of tropical fruits such as oranges, kiwi, peaches, olives, plums, lemons, cherries, and apricots, in addition to thriving fishing and livestock sectors.

 <b>Geography</b> 	<b>Location:</b> The Italian peninsula is located in southern Europe, extending into the central Mediterranean Sea, northeast of Tunisia. Its two main islands are Sicily, located at its southern tip, and Sardinia, located to the west of the peninsula.  <b>Area:</b> 301,340 sq. km.  <b>Time zone:</b> Central European Time, GMT+1
 <b>Population</b>	62.2 million
 <b>Language(s)</b>	Italian
 <b>Economy</b>	The Italian economy is driven in large part by the manufacture of high-quality consumer goods, in addition to agriculture and construction. Tourism also plays a vital role in the country's economy.
 <b>Capital City</b>	Rome
 <b>Currency</b>	Euro (EUR)
 <b>Political structure</b>	Stable
 <b>Legal system</b>	Parliamentary republic following a civil law system

This information is not intended to provide legal advice or serve as a substitute for legal research to address specific situations.

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# Main Types of Legal Entities

	TRADITIONAL LIMITED LIABILITY COMPANY (S.R.L.)	SIMPLIFIED LIMITED LIABILITY COMPANY (S.R.L.S.)	PUBLIC LIMITED COMPANIES BY SHARES (S.P.A.)	ITALIAN BRANCH OFFICE
<b>Share capital</b>				
Minimum paid-up	€10,000 or €1 if company qualifies for exemption	€10,000 or €1 if company qualifies for exemption	€50,000	No share capital
Maximum authorized	N/A	Up to € 10,000	N/A	No share capital
Usual currency	EUR (€)	EUR (€)	EUR (€)	No share capital
Permitted currencies	No restrictions	No restrictions	No restrictions	No share capital
<b>Domiciliation</b>				
Registered address	Local registered office required	Local registered office required	Local registered office required	Local registered office required
<b>Directors</b>				
Minimum number	One	One	One	One appointed representative
Minimum local	Not required	Not required	Not required	Not required, can be the same director of the foreign company
Corporate directors	Permitted	Not permitted, must be individuals	Permitted	Permitted
<b>Statutory</b>				
Annual filing	Filing of annual financial statements	Filing of annual financial statements	Filing of annual financial statements	Filing of annual financial statements
Company secretary	N/A	N/A	N/A	N/A
Annual general meeting (AGM)	Optional, decisions of directors may be taken by written consultation or written consent	Optional, decisions of directors may be taken by written consultation or written consent	Required	Depends on the requirements of the foreign parent company
Beneficial owner reporting	Must be publicly available and their information filed with the Italian Companies' Register	Must be publicly available and their information filed with the Italian Companies' Register	Must be publicly available and their information filed with the Italian Companies' Register	Must be publicly available and their information filed with the Italian Companies' Register
Re-domiciliation	Permitted	Permitted	Permitted	N/A
<b>Financial administration</b>				
Audit required	Required	Required	Required	Required
Filing of annual return	Required	Required	Required	Required
<b>Tax</b>				
Tax rates	Corporate tax rate 24%	Corporate tax rate 24%	Corporate tax rate 24%	Corporate tax rate 24%
VAT	22% in 2019; will increase to 25.2% in 2020	22% in 2019; will increase to 25.2% in 2020	22% in 2019; will increase to 25.2% in 2020	22% in 2019; will increase to 25.2% in 2020
Tax treaties	Negotiated with 90+ countries	Negotiated with 90+ countries	Negotiated with 90+ countries	N/A

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<b>Other taxes</b>	Customs and excise duties, stamp duty, real estate tax (where applicable), financial transaction and digital service tax, and social security contributions, etc.	Customs and excise duties, stamp duty, real estate tax (where applicable), financial transaction and digital service tax, and social security contributions, etc.	Customs and excise duties, stamp duty, real estate tax (where applicable), financial transaction and digital service tax, and social security contributions, etc.	Customs and excise duties, stamp duty, real estate tax (where applicable), financial transaction and digital service tax, and social security contributions, etc.
<b>Government fees</b>				
<b>Registry fee</b>	Incorporation and registration with notary public €260, company registration €530, grant tax €520, stamp fee up to €30	Incorporation and registration with notary public €260, company registration €530, grant tax €520, stamp fee up to €30	Incorporation and registration with notary public €260, company registration €530, grant tax €520, stamp fee up to €30	Incorporation and registration with notary public €260, company registration €530, grant tax €520, stamp fee up to €30
<b>License fee</b>	Depends on the type of business conducted	Depends on the type of business conducted	Depends on the type of business conducted	Depends on the type of business conducted
<b>Incorporation process</b>				
<b>Summary</b>	<ul style="list-style-type: none"> <li>➤ Articles of Association shall be drafted by way of a public deed, before an Italian Notary Public</li> <li>➤ Filing and registration of the Articles of Association (and the annexed bylaws) with the Chamber of Commerce/Companies' Register</li> <li>➤ Certificate of Existence and good standing of the quotaholders</li> <li>➤ Specific information about company management</li> <li>➤ Italian fiscal code of the Italian company's directors and shareholders</li> </ul>	<ul style="list-style-type: none"> <li>➤ Articles of Association shall be drafted by way of a public deed, before an Italian Notary Public</li> <li>➤ Filing and registration of the Articles of Association (and the annexed bylaws) with the Chamber of Commerce/Companies' Register</li> <li>➤ Certificate of Existence and good standing of the quotaholders</li> <li>➤ Specific information about company management</li> <li>➤ Italian fiscal code of the Italian company's directors and shareholders</li> </ul>	<ul style="list-style-type: none"> <li>➤ A list of Italian company's shareholders and all the information regarding the foreign company wishing to incorporate it</li> <li>➤ Company shareholder's ledger and shares' certificates</li> <li>➤ Italian fiscal code of the Italian company's director and of the shareholders</li> <li>➤ Articles of Incorporation</li> </ul>	<ul style="list-style-type: none"> <li>➤ Registration of the branch with the Italian Registrar of Companies (section of branches of foreign companies)</li> <li>➤ Appointment of the branch representative with the Italian Registrar of Companies</li> <li>➤ Local office registration</li> <li>➤ Obtain an Italian VAT number</li> </ul>
<b>Time</b>	Typically one week	Typically one week	Typically one week	Typically one week
<b>Other</b>				
<b>Are shelf corporations available?</b>	Permitted but uncommon	Permitted but uncommon	Permitted but uncommon	N/A

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# CT Service Offerings – Italy

## Global Transactional Services

- ❑ Due diligence searches
  - Certificate of Good Standing (or equivalent)
  - Health check services
  - Liens/charges
  - Litigation
  - Bankruptcy
- ❑ Document retrieval
  - Articles of Incorporation
  - Memorandum of Association
  - Chamber of Commerce Extract
- ❑ Authentications and legalizations
- ❑ Board changes
- ❑ Company searches
- ❑ Incorporations
- ❑ Liquidation of entities
- ❑ Process agent appointments
- ❑ Translation services

## Global Entity Management

- ❑ Corporate secretarial services
- ❑ Annual compliance
  - Statutory filings
  - Annual board resolution drafting
  - Corporate minute book management
- ❑ Domiciliation/registered address
- ❑ Director services and legal representation



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To learn more about how CT can help you better manage your global compliance needs, contact a CT representative at 855.444.5358 (toll-free U.S.).

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