

## ||| Growth Decree - Simple Investment Companies and Public Grant Disclosure obligations

### Abstract

Law Decree No. 34/2019 ("Growth Decree") published in G.U. No. 100 of April 30, 2019, amended Legislative Decree 58/1998 with the introduction of the Simple Investment Company ("SIC"), to incentive financing to Italian SMEs.

It also substantially modified the regulation on the financial statements disclosure of public grants introduced by art. 1, c. 125-129, Law 124/2017.

### In detail

#### The Simple Investment Company ("SIC") (art. 27)

Corporate law now includes a new company form, the Simple Investment Company ("SIC"), as an incentive for higher financing of Italian SMEs and in particular start-up companies. SIC are excluded from the category of collective asset management and must:

- || be established in the form of S.p.a.;
- || have a registered office in Italy;
- || have a share capital below EUR 25 millions raised between professional investors and business angels;

|| be active in the collective investment of resources in unlisted SMEs in their start-up period.

#### Transparency on Public grants (art. 35)

The Growth Decree provides that certain entities that receive public grants and contributions as from FY 2018 are required to disclose the nature and the amounts of these grants in the financial statements.

The new reporting obligation apply for the following entities:

- || associations incorporated pursuant art. 13 of Law and art. 137 of the Legislative Decree 206/2005;

- || non-profit associations and foundations;
- || social cooperatives incorporated under Legislative Decree 286/98;
- || commercial enterprises.

Associations, foundations and social cooperatives (i.e. non-commercial entities) must comply with the disclosure obligation via publication on their own website or similar digital portals by June 30 of the following year.

Enterprises must comply with the disclosure obligation in their Statutory Financial Statements (also Consolidated).

It is stated that enterprises that prepare simplified

Statutory Financial Statements, according to art. 2435-bis of the Italian Civil Code, or entities not required to prepare the supplementary notes fulfill the obligation by publication within June 30 of following year on their own websites or on digital portals of their category associations.

The decree clarifies that the disclosure obligations are referred (both for non-commercial entities and enterprises) only to "grants, subsidies, advantages, contributions or aid, in cash or in kind, not of a general

nature and without a corresponding, remunerative nature or compensation".

The decree specifies that the disclosure obligations (both for non-commercial entities and for enterprises) concern the amounts "actually paid", thereby clarifying that, for reporting purposes, a cash approach must be applied.

Disclosure applies only for amounts exceeding EUR 10,000.

The disclosure obligation must be fulfilled for the first time:

|| in the Statutory Financial Statements for FY 2018;

|| for the other entities required to publish on website or digital portals, no later than June 30, 2019.

Failure to comply with reporting may lead to a penalty equal to 1% of the amounts received with a minimum amount of EUR 2,000, as well as disclosure obligations. If the entity does not comply with disclosure obligation within 90 days the public grant could be revoked.

For any further information, please contact us at [studio@ctep.it](mailto:studio@ctep.it)

The above tax information illustrates some tax measures of particular interest, however it does not contain a full description of the topics dealt with and does not represent a professional opinion.

