



COMMERCIAL LAW GROUP ITALIA

# DOING BUSINESS IN ITALY

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# 1. MONITORING YOUR BUSINESS PARTNER

- Identification: *Partita IVA* (VAT number) and *Codice Fiscale* (Tax ID Number)
- *Registro delle Imprese* (Commercial Register)  
<http://registroimprese.infocamere.it/en/login>
- Financial Statements

## Most common Italian company types

SRL = *società a responsabilità limitata*

(limited company)

SPA = *società per azioni*

(joint stock company)

SNC = *società in nome collettivo*

(private partnership)

## 2. ACCESS TO CREDIT, PAYMENT TERMS, CREDIT INSURANCE

The driving force of Italian economy:

137,000 companies with 10-250 employees,

2 to 50 M€ revenue and mainly located in

center-north ...



... result: CREDIT ASPHYXIATION!

- Difficult access to bank loans
- Long payment terms (90 days = normal, 120/180 days = not uncommon)

### 3. SECURITIES, RESERVATION OF TITLE, GUARANTEES

- Reservation of title (*Riserva di proprietà*)
- Pledge without possession (*Pegno non possessorio*): new law of 2016
- Bank guarantee (*Garanzia bancaria*)

# 4. JUDICIAL COLLECTION PROCEDURES AND STRATEGIES



## Injunction (*Decreto ingiuntivo*)

- Written proof
- Order to pay in 40 days
- If not opposed becomes enforceable
- Immediately enforceable with a debt recognition or promise to pay

## European Order of payment (*Decreto ingiuntivo europeo*)

Regulation (EC) 1896/2006

## Some suggestions:

- Importance of written proof
- Remainders by simple email/letter are useless in court: send registered letters or registered email (PEC)
- Try to obtain credit recognitions signed by the debtor
- Consider the use of jurisdiction clauses in the agreements (Italy? European Member State? Arbitration?)



## 5. RECOGNITION/ENFORCEMENT OF FOREIGN JUDGMENTS

- Judgment issued in a EU Member State:  
Regulation (EU) 1215/2012
  - no recognition procedure in Italy
- Judgment issued outside the EU
  - recognition procedure needed

## 6. ENFORCEMENT

The procedure depends on the assets to be seized:

- Real estate (approx. 3 to 6 years, high costs)
- Movables (approx. 12-15 months, sale price can be lower than value)
- Third party foreclosure: (6 to 8 months, to be preferred when possible)

## 7. INSOLVENCY PROCEDURES

- *Fallimento* (Insolvency/Judicial liquidation)
  - All powers to a liquidator (Curatore)
  - Claims to be made to the Court
  - Creditors are paid in the order established by the law
- *Concordato preventivo* (pre-bankruptcy settlement with the creditors)
  - Plan proposed by the debtor and approved by the creditors
  - An administrator (Commissario Giudiziale) supervises the implementation

# Warnings

when dealing with a company which risks to become insolvent:

- Check in the Commercial Register the powers of your partner
- Risk of revocation
- Claims to be declared in the procedure (check if your credit has a privilege)



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# Thank you for your attention!

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