



Incentives overview for foreign investors

(Small and medium investments)



Small and medium investments

What.

The aid supports the creation and growth of innovative startups all over Italy.

Projects must include expenses and eligible costs between **€ 100K** and **€ 1.5 MIL**.

Projects must have a duration not exceeding **24 months, starting after** the contract signing.

Who.

Smart&Start Italy funds the creation and growth of **innovative startups** that:

- have a strong technological dimension;
- operate in the digital economy;
- enhance search results (spin-offs from research).

Small-sized startups established **for no more than 60 months**.

Startups not resident on the Italian territory must demonstrate the possession of the following requirements:

- registration in the special section of the Business Register
- availability of an Italian operating office.

Subsidies.

Interest-free loan **up to 70%** of the total investment. The percentage of funding **may rise to 80%** if the startup is composed exclusively by women or young people under the age of 35, or if it includes at least one Italian PhD who is working abroad and intends to return to Italy.

A non-repayable grant **amounting to 20% of the loan**, only for startups based in Basilicata, Calabria, Campania, Puglia, Sardinia, Sicily and in the “Seismic Crater” area of Aquila.

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Eligible expenses.

Investment costs:

- system, machinery and technological or scientific technical equipment (factory-fresh);
- hardware and software;
- patents, licenses and trademarks;
- certifications, know-how, unpatented technical knowledge;
- design, development, customization and testing of computer architectural solutions and of production technological systems, technological specialist consultancy functional to the project.

Running costs:

- employees and collaborators wages;
- licenses and rights for industrial property;
- software licenses;
- incubation and acceleration services;
- lease payments, rental costs and amortization fees of systems, machineries and technological equipment not already financed as above;
- interest on external financing.

What.

Investment programs not to be implemented in **all the national territory**, not exceeding **€ 1.5 MLN of eligible expenses**.

Program duration not less **than 3 years** from project completion.

Who.

Micro and Small Companies established in Italy by no more than 12 months (including cooperatives), composed, for more than half of members and shares, by people aged between 18 and 35 years old or by women.

Constituting companies, formed only by natural persons, formally providing for their constitution no later than 45 days from the notification of the admission decision.

Subsidies.

Benefits are granted in the form of a **subsidized loan** with a zero interest rate paid in max. three tranches.

Loan maximum length is **8 years**.

The amount of the subsidized loan **must not exceed 75%** of the eligible expenditure. At least 25% of own resources.

Eligible expenses.

- The following costs are eligible within the limits defined:
- land (max 10%)
- building purchase / renovation (max 40% or 70% for tourism activities);
- machinery, plant and equipment, computer programs and services for ICT (max 20%);
- patents / licenses / trademarks (max 20%);
- company members and employees specialized training (max 5%);
- specialist consulting (max 5%);

Eligible activities.

- production of goods;
- provision of services to business and individuals;
- trade in goods and services;
- tourism and social innovation services.

What.

The incentive supports investments for **purchasing** or **leasing new** machinery, equipment, plants, capital goods for productive use and hardware, as well as digital software and technologies.

Investments **must meet the following requirements**:

- functional autonomy, as the financing of components or parts of machinery that do not meet this requirement is **not permitted**;
- correlation to the productive activity carried out by the enterprise.

Expenses related to land and buildings, regenerated goods, as well as to "fixed assets in progress and advanced payments" are **not eligible**.

Who.

Only micro, small and medium-sized enterprises (SMEs) are eligible.

All production sectors are allowed, including agriculture and fishing, with the exception of the following ones:

- financial and insurance activities
- export-related activities.

How.

The aid consists of a loan issued by banks and financial intermediaries as well as a contribution on the interest rate by the Ministry of Economic Development. The investment can be fully covered by bank financing (or leasing).

The loan can be assisted by the "Guarantee Fund for Small and Medium-sized Enterprises" up to 80% of the amount. It must:

- have a duration not exceeding **5 years**;
- have an amount between **€ 20,000 and € 2 MLN**;
- be fully used to cover eligible investments.