

GIANNI, ORIGONI, GRIPPO & PARTNERS

Doing Business in Italy

*India Calling 2009
India-EU Business Partnership Summit
Brussels, October 2, 2009*



About Us



- Gianni, Origoni, Grippo & Partners is an award-winning global law firm providing expert legal advice on all areas of Commercial Law
- Our team of more than 300 lawyers comprises Italy's leading corporate and M&A practice
- Besides Italy, we have offices in London, New York and Brussels
- Our dedicated India desk has years of experience in working with Indian companies in Italy

Introduction



- Italy has a unique geographical advantage: it is a gateway to the Mediterranean providing easy access to the Northern European countries too
- The strength and potential of the Italian economy is reflected in the fact that Italy is a G7 member
- Automotive, pharmaceutical, textiles and food processing are some of the sectors where Italy excels
- The economies of Italy and India have great similarities: they are both based largely on family-owned SMEs

Starting a Business



- There are almost no limitations to FDI in Italy
- Various legal structure are available to start a business: representative office, branch, local subsidiaries, partnership, joint ventures
- In most cases, no prior authorization /prior approval is needed and there are few incorporation formalities
- Grants and incentives are available from both the EU and the Italian Government (at State and Regional levels)

Acquiring a Company



- A foreign investor is entitled to purchase assets and/or shares of an existing Italian company
- Foreign investors are generally allowed to invest in public companies
- EU and Italian antitrust authorities have the right to review mergers and acquisitions over certain financial thresholds

Employing Workers



- The Italian Labour System is currently undergoing a process of change and has seen great improvements in flexibility
- Italy compares favourably with other European countries in terms of rigidity of employment and labour costs
- Labour rules are more relaxed for companies employing less than 15 employees
- A foreign resident in Italy is only subject to personal income taxes on the Italian-sourced income, under the Double Taxation Treaty between India and Italy

Investors' Rights



- Italian courts have always been diligent in enforcing foreign investors' rights and the new Code of Industrial Property provides for a strong and effective enforcement of IP rights
- Foreign investors are generally entitled to purchase properties in Italy and have easy access to credit
- The Double Taxation Avoidance Agreement between Italy and India mitigates double tax liability and various tax exemptions are available under Italian laws

Conclusions



- Italy has made it easier for foreign investors to enter the market
- There are significant opportunities and synergies for both Italian companies in India and Indian companies in Italy
- Cultural affinities and similarities between Indians and Italians makes Italy a very attractive destinations not only for leisure but also for business, as demonstrated by the presence of many Indian companies in Italy