

Innovative startups and investors: new measures for the Italian industry.

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Innovative startups will benefit from a much-needed government boost after going back to normality following the coronavirus lockdown. Thanks to the recent "Decreto rilancio" (*Relaunch Decree*), Italy's government finally addressed the needs of the Italian most innovative enterprises, which were left out of previous stimulus packages earlier this year.

All public funds destined for innovative startups were refinanced. Two hundred million euros were allocated to the Italian Venture Capital Fund, as a part of the National Innovation Fund, and its powers to intervene in the market were also broadened. Not just individual companies will be able to access this fund. According to Cassa Depositi e Prestiti, startups incubators and accelerators are also going to be at the centre of Italy's effort to support the sector: thanks to the Smart Money program, startups will have a ten million grant to use to secure their services. The Tech Transfer Fund, worth half a billion euros, was created to promote innovation and reward highly innovative SMEs and startups by helping private and public investors interested in their R&D efforts. Finally, a share of the SMEs Guarantee Fund, worth another two hundred million, is now reserved for startups.

Special tax breaks are also now available to startups and those who invest in them. Before the new decree, one could get a 30% cut on taxes up to one million. Today smaller investments will be more attractive as they will be able to benefit from a 50% tax deduction up to 300,000 euros.

Foreign investors will have to face substantially lower barriers to entry if they intend to invest in innovative Italian startups and especially if they intend to request an investor visa to travel freely to Italy and in the EU. The Investor Visa for Italy program used to ask for an investment in an Italian startup of at least 500,000 euros, but this amount is now halved. The government also halved the amount needed to qualify for the visa if investing in a non-startup company accordingly.

As it stands, to invest in an innovative Italian startup will probably be not only profitable but also easier and more secure. Foreign investors in particular should pay close attention to these investment opportunities as they will be able to benefit from dedicated tax breaks should they also transfer their tax residence in Italy.