International Monthly Roundup

February 2024

News

Francesco new Chairman of the Supervisory Board of Unilever Italy Holdings

Francesco Rubino | Partner

Corporate Criminal Liability

Francesco was appointed as Chairman of the Supervisory Board of **Unilever Italy Holdings**, the parent company of the domestic activities of the **British multinational consumer goods giant**, owner of over **400 brands worldwide** including Algida, Dove and Calvé.

In Italy, the Group recorded a turnover of over **1.5 billion euros**.

He currently holds **several positions** as Chairman and Member of Supervisory Boards of **national and multinational companies and groups** in the IT and software house, facility management, fashion, chemicals, construction, luxury, food and retail sectors.

➔ Read more

News

Massimiliano concludes Judicial Appointment in 'Battistolli Servizi Integrati'

Massimiliano Poppi | Partner
Restructuring and Business Crisis

The judicial control of '**Battistolli Servizi Integrati**' (BSI), has been concluded. It was ordered at the end of last October by the Court of Milan, where **Massimiliano Poppi was appointed as Judicial Administrator**.

According to the assignment, Massimiliano monitored **compliance with the rules and conditions of workers**, taking the most appropriate measures for the specific case. The intervention of the Public Prosecutor's Office focuses in particular on workers' salary levels.

As a result of the work of the Procedure and Massimiliano, several **other companies** of the Battistolli Group, although not subject to judicial control, also **complied with BSI** by recognising similar salary increases for trustees.

➔ Read more

News

Giuseppe new Vice-President of the 'Young Entrepreneurs Group - Confcommercio Lombardia'

Giuseppe De Carlo | Managing Counsel
Infrastructures and Transport

Giuseppe has been appointed Vice-President of the 'Young Entrepreneurs Group - Confcommercio Lombardia', which aims to strengthen the **role of young entrepreneurs in Lombardy**, the first region in Italy in terms of GDP and the second richest region in Europe.

Established in 1974, 'Confcommercio Lombardia' is the leading **representative organization for service sector companies in Lombardy**.

It serves as the regional voice for businesses involved in trade, tourism, services, transport, logistics, as well as for professional activities and self-employees.

➔ Read more

MR

Articles

Insights from our professionals on relevant topics

→ **Click here** to view all our articles

Articles

Tax Advisory

«New Taxpayer's Statute: 'strengthened motivation' of tax act»

by Andrea Petracca

➔ **Read more**

International Taxation

«Backdating and tax consolidation for cross-border mergers»

by Andrea Petracca, Chiara Vetulli

➔ **Read more**

Italian Tax Reform

«Italian Tax Reform: first step for 2024 approved»

by Roberta De Pirro

➔ **Read more**

Articles

Wealth Management

«The institution of a trust is tax neutral»

by Andrea Petracca, Chiara Vetulli

➔ **Read more**

Corporate M&A

«Prohibition of financial assistance and nullity of related acts»

by Roberta Incorvaia, Filippo Grigolon

➔ **Read more**

Corporate Criminal Liability

«AGCOM guidelines for influencers: insights and action items»

by Damiana Tortonese

➔ **Read more**

Articles

TMT & Data Protection

«Generative AI: the Measures of the Cyberspace Administration of China»

by Carlo Impalà, Jun Jie Yang

➔ **Read more**

Labour Law & Industrial Relations

«Mandatory recording of working hours in Italy and Europe»

by Emanuela Lorusso

➔ **Read more**


MR
HR Tip
A quick look at relevant human resource issues from our Labour Department
To view our previous Labour Monthly Roundups click here

MR

HR Tip | February '24

#2 INPS Insolvency Fund

The Insolvency Fund is a program managed by the Italian Social Security Agency (INPS) that **aims to protect employees of employers experiencing financial difficulties**. The Fund provides employees with the mandatory severance pay and remuneration owed for the last three months of work on behalf of their employer.

To qualify for the program, the **employees must prove that their employer is insolvent**, which depends on whether the latter may be subject to insolvency procedures under the law. The program has specific requirements that must be met in order for it to be implemented for eligible employees.

Recently, the **INPS issued Circular Letter** No. 70/2023, which updated the regulations governing the Fund in accordance with the new Italian insolvency code that went into effect in July 2022.

The circular letter provides a **summary of the specific provisions** under which the Insolvency Fund can be implemented based on the **different scenarios that may arise during a financial crisis**, as well as the correct procedures to be followed in each of these scenarios.

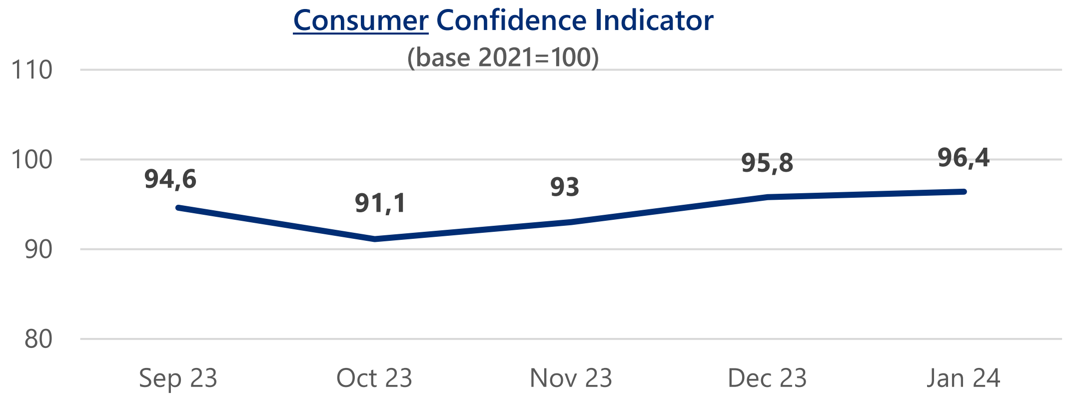
→ Click here to read the previous HR Tips

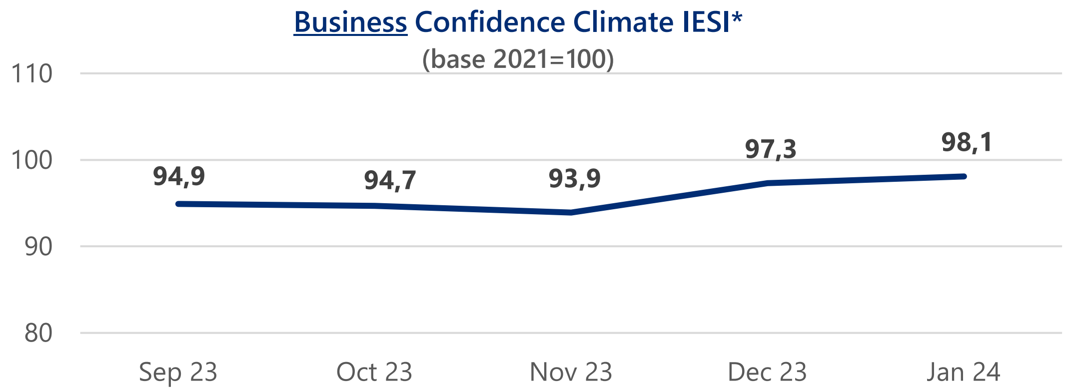
Italy Update

Main Italian economic indicators
and the most relevant news of the last period

A view of the Trevi Fountain in Rome

Confidence Indicators



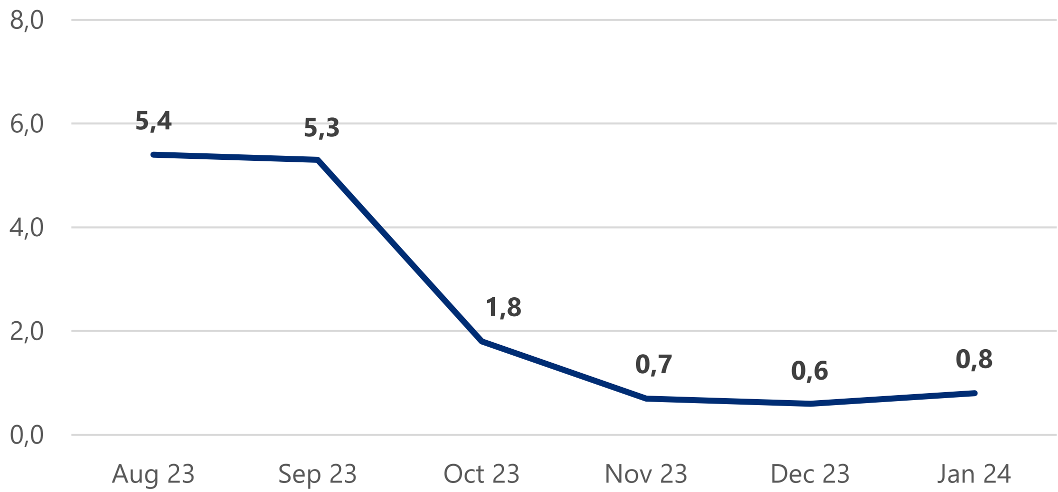


* Istat Economic Sentiment Indicator and Business Confidence Climates (Manufacturing, Construction, Market services, Retail trade)

Source: Istat (National Institute of Statistics) → Starting from January 2024, Istat disseminates the business and the confidence indices with the new base year 2021=100.

Consumer Price Index

National Consumer Price Index (NIC)
(month on same month
a year ago % changes – base 2015=100)



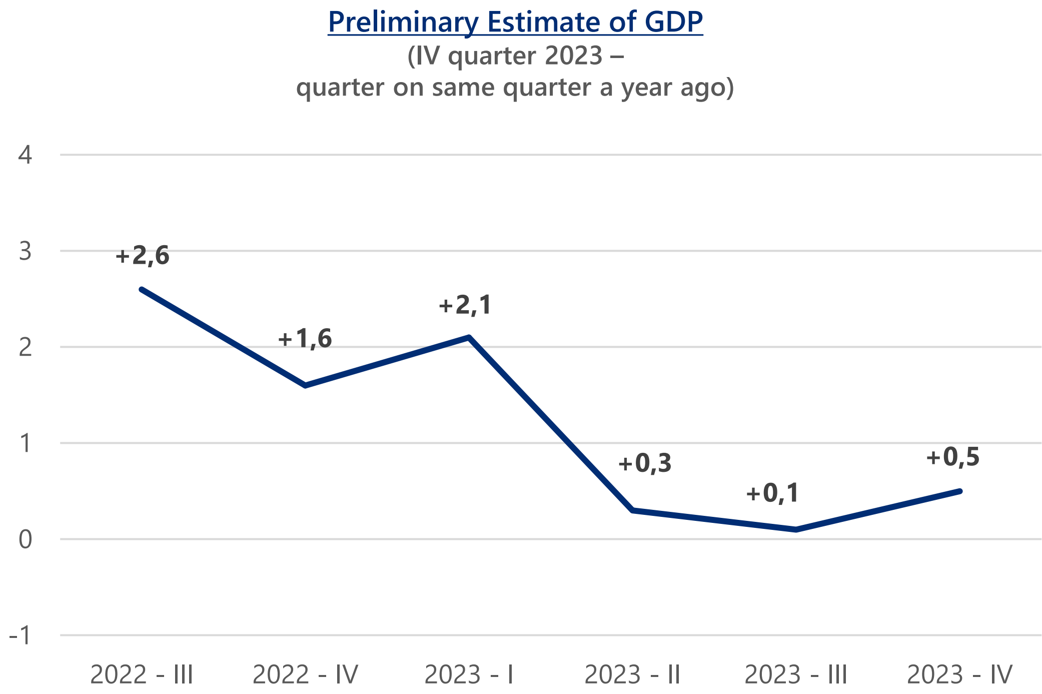
In January 2024 the Italian consumer price index for the whole nation (NIC) increased by 0.8% with respect to January 2023 (from +0.6% in the previous month).

The increase of the growth on annual basis of All-item index was mainly due to the prices of Services related to transport, of those of Unprocessed food and of Regulated energy products.

On the contrary, the prices of Services related to housing and of Durable goods slowed down.

Source: Istat (National Institute of Statistics)

2023 GDP – IV quarter



In the fourth quarter of 2023 the Italian Gross Domestic Product (GDP) increased by 0.5% over the same quarter of previous year.

According to Bank of Italy's previsions, the Italian GDP will increase by 0.6% in 2024 (compared to an estimated 0.7% in 2023) and by 1.1% in each of the following two years.

Source: Istat (National Institute of Statistics) and Bank of Italy

Italian tax reform: first step for 2024 approved

One of the objectives pursued by the Italian tax reform is to promote the nation's growth by reducing the tax load and simplifying the individuals' taxation system, while safeguarding the state budget, which already bears a heavy burden of public debt.

For **2024**, the **1st phase of the reform** entails a reduction of the IRPEF (personal income tax) **rates from 4 to 3**:

- 23% for incomes up to €28k;
- 35% for incomes over €28k and up to €50k;
- 43% for incomes over €50k.

According to Government statements, the new '3-rate system' is expected to result in **savings of €260 per year for low and medium taxpayers**.

To finance this tax reduction, the Government has **reduced tax deductions for middle and high incomes** and has **eliminated certain old and inefficient incentives for companies.**

Looking ahead to the **2nd phase of the reform**, for **2025** and beyond, the focus will shift towards providing some **tax benefits for middle and upper incomes** (over €50k).

Moreover, to **encourage the permanent hiring of new staff**, a **deduction of 120%** of the cost of personnel hired on an indefinite basis has been approved, which companies, professionals and the self-employed can benefit from already for this year.

Industrial production: a continuous decline in 2023

2023 ended with a 2.5% reduction in industrial production compared to the previous year – the first annual decline since the pandemic year. The trend was negative for almost all months of 2023.

Industrial production data for **December** showed an increase of 1.1% compared to the previous month, but this **growth did not change the recent trend**.

Indeed, last year was characterized by **declines in almost all quarters.**

In the average of the fourth quarter, there was a 0.5% drop in the level of production compared to the previous three months.

Only the **third quarter** recorded a **very slight recovery**.

Negative signals come both from domestic demand, which is weak in terms of consumption of goods, and international demand.

However, Italy managed to stem this fall by still maintaining **positive sales figures** for the first 11 months of the year.

Among the main industrial groupings, **only capital goods showed growth** overall in 2023 compared to the previous year.

Source: 'Il Sole 24 Ore' and Istat (National Institute of Statistics)

Lombardy's 2023 GDP surpasses top EU regions

Lombardy's GDP rises by 5.5% in 2023 compared to pre-Covid, exceeding top European regions. In 2024 it is expected to grow by 0.6% as the EU average.

Throughout 2023, pervasive geopolitical tensions exerted a profound impact, inducing a global downturn that inevitably affected our country.

Despite this, **Lombardy**, Italy's wealthiest region, demonstrated **remarkable resilience**, **outperforming top European regions**.

At the end of 2023, Lombardy's economy showed an **impressive growth**, with its GDP soaring by **+5.5%** compared to the pre-pandemic period.

This growth rate far **outstripped that of other notable European regions**; Catalonia at +1.1%, Bayern at +0.4%, and Baden-Württemberg still lingering below -1.0% in 2023 compared to 2019.

Furthermore, despite the prevailing global economic downturn, affecting Europe and particularly Germany, the **outlook for Lombardy in 2024 remains optimistic**.

Indeed, while the downward trend from 2023 is expected to persist into the following year, Lombardy's GDP is projected to experience a **growth of +0.6%** as the EU average.

Source: Assolombarda (the association of companies operating in Milan, Lodi, Pavia, Monza and Brianza - Lombardy)

For further information

Davide Attilio Rossetti | Partner

Head of Tax Advisory

Davide.Rossetti@MorriRossetti.it

Click **here** to read the previous newsletters

Follow us on our social networks and subscribe to our newsletters to stay up-to-date

Morri Rossetti

Piazza Eleonora Duse, 2 | 20122 Milano (IT) | T +39 02 76 07 971
info@MorriRossetti.it | MorriRossetti.it