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# **The National Reform Programme: Competitiveness Indicators**

Bank of Italy's conference on "Doing Business in 2013: the Reform Path"

November 14, 2012

MINISTERO DELL'ECONOMIA E DELLE FINANZE

# Italy's Doing Business 2013

Topic Rankings	<b>DB 2013 Rank</b>	DB 2012 Rank	Change in Rank
Starting a Business	<b>84</b>	76	<b>-8</b>
Dealing with Construction Permits	<b>103</b>	100	<b>-3</b>
Getting Electricity	<b>107</b>	109	<b>+2</b>
Registering Property	<b>39</b>	47	<b>+8</b>
Getting Credit	<b>104</b>	97	<b>-7</b>
Protecting Investors	<b>49</b>	46	<b>-3</b>
Paying Taxes	<b>131</b>	133	<b>+2</b>
Trading Across Borders	<b>55</b>	59	<b>+4</b>
Enforcing Contracts	<b>160</b>	160	<b>=</b>
Resolving Insolvency	<b>31</b>	32	<b>+1</b>
Overall ranking	<b>73</b>	75	<b>-2</b>



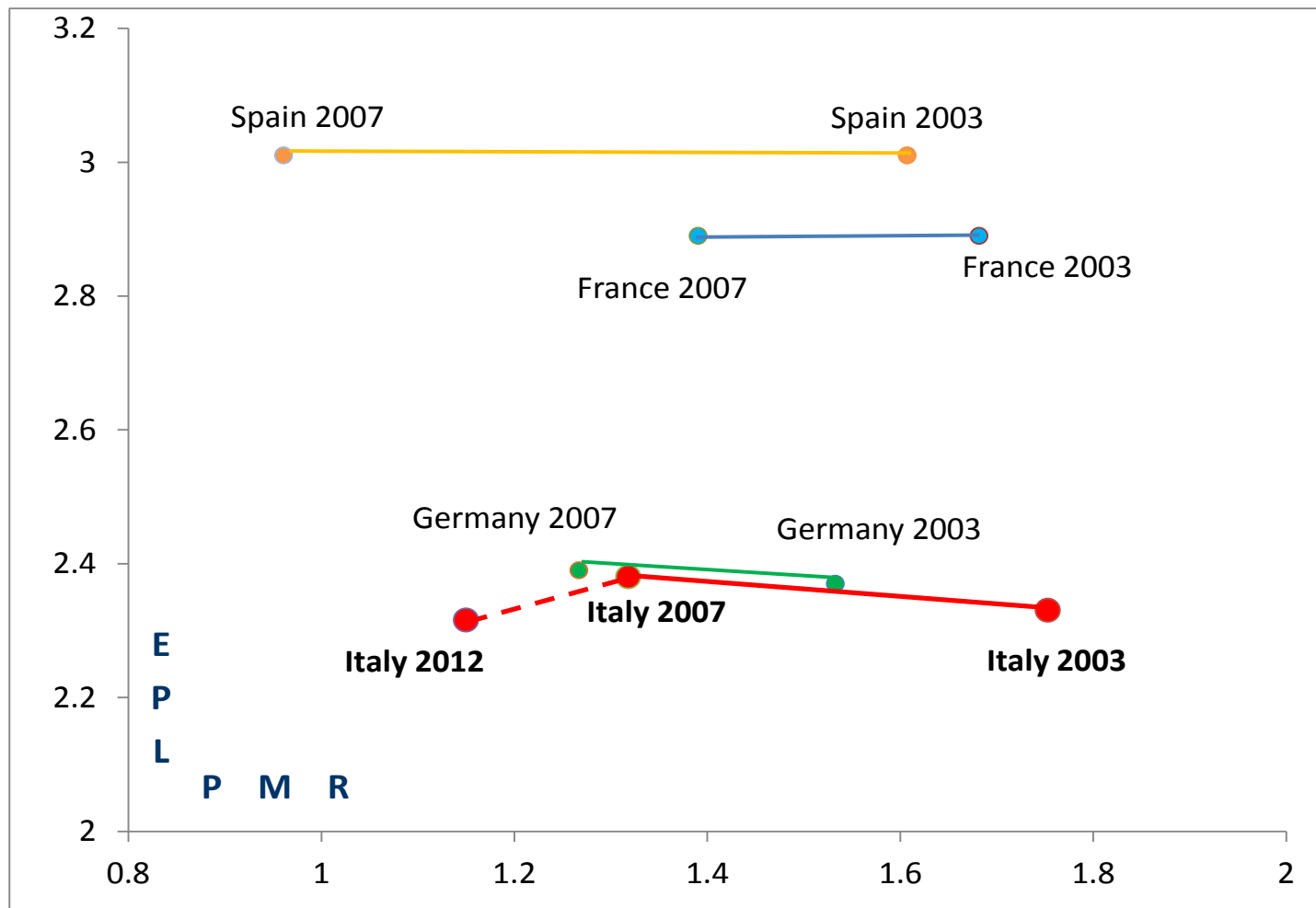
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# Product and Labour market progresses

## OECD indicators

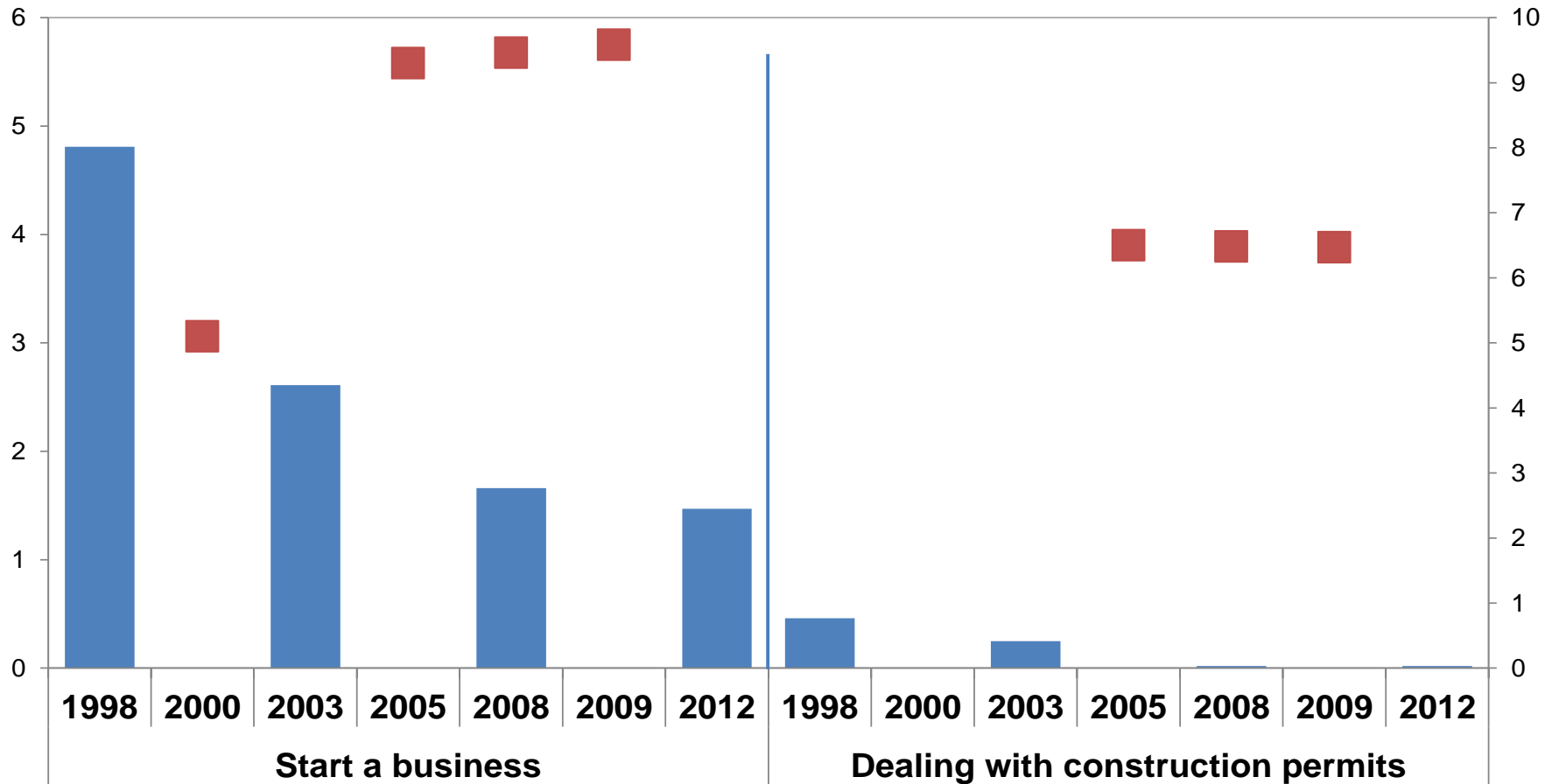


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# Doing Business (WB) Product Market Regulation (OECD)

I T A L Y



■ IT - PMR (0 best - 6 worst) ■ IT - Doing Business - Fraser normalisation (RHS) (0 worst - 10 best)



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# Undertaken reforms and effect on Doing Business

- **Starting a business:** Simplified framework for limited liability companies. Speed up procedures for pre-registration (in particular notarization) and simplification of the post-registration requirements (e.g. social security registration) for start-ups.
- **Dealing with construction permits:** Reinforcement of one-stop-shops for administrative requirements regarding residential construction. Silent-rejection clause will be eliminated for building permits subject to constraints, and PA will have to reply within 45 days.



# Undertaken reforms and effect on Doing Business

- **Getting credit:** State guarantee on banks' liabilities. 'Central Guarantee Fund' refinanced for €400mn per year over the next three years. Venture Capital Funds for starting a business or developing a product. New financial instruments for firms without credit rating to enable them to access financial markets. Simplified approval procedures for strategic infrastructure projects. Bank advances in exchange for credits owed vs. PA.
- **Protecting Investors:** Courts specialised in company law ('*Tribunale delle imprese*'). Trials can last no more than 6 years in total. Reform of civil justice (implications also for the **Enforcing Contracts** sub-indicator).



# Undertaken reforms and effect on Doing Business

- **Paying taxes:** 'Aid for Economic Growth' (ACE) tax framework. Favourable tax treatment on innovative start ups and on project bond yields related to the financing of public works. Compensation for credits owed vs. PA in the form of an equivalent reduction in their payables registered on the tax roll. It is currently before Parliament the so-called 'tax tutoring' in order to guarantee assistance and easier procedures for taxpayers.
- **Resolving insolvency:** '*Concordato preventivo*' to mediate between the creditors and the firm.



## Final Considerations

- Additional reforms enhancing business environment not captured by the Doing Business indicator:
- Payment of '**passive VAT**' can be postponed to the moment of invoice collection for firms having a turnover up to €2 million.
- From January 2013, payments between businesses and PA and among businesses must take place within 30 days (60 days only in exceptional cases).
- Reform of Title V of the Constitution
- Liberalisation of local public transport
- '*Desk Italia*' for FDI

