



COVID-19 'Cure Italy' Decree

Tax & Legal Alert 20 March 2020



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This Tax & Legal Alert summarizes the main tax and legal measures introduced by Law Decree no. 18/2020, which was issued and published in Official Gazette no. 70 on 17 March 2020 and came into force on the same day (the 'Decree').

The Decree will have to be converted into law within 60 days of publication. During the conversion process it cannot be excluded that some changes may be made to the text.

This Tax & Legal Alert contains the following sections:

- 1. Tax payment and compliance deadlines**
- 2. Tax incentives**
- 3. Tax assessment, tax collection and tax litigation**
- 4. Measures to support employment**
- 5. Measures to support businesses**
- 6. Shareholder meetings**
- 7. Civil and criminal proceedings**

1. Tax payment and compliance deadlines

Suspensions applicable to all taxpayers (Article 60)

Suspension until 20 March 2020 of tax payments and payments to public administrations – including social security contributions – due on 16 March 2020.

Suspensions applicable to taxpayers operating in those industries heavily impacted by the COVID outbreak: sports associations, sports clubs, operators of sports facilities, gyms, swimming pools, fitness centers and similar, operators in the tourism and hotel industry, travel agents, tour operators, event organisers, providers of vehicle hire and passenger transport, cultural entities (museums, nature reserves etc.), betting offices, non-profit organizations etc., expressly listed in the Decree (Article 61)

- Suspension of payments of withholding tax on wages and similar, falling due between 2 March and 30 April 2020.
- Suspension of payments of social security contributions, of mandatory insurance premiums and of related obligations, falling due between 2 March and 30 April 2020.
- Suspension of VAT payments due for March 2020.

Suspended payments can be made either in a lump sum by 31 May 2020 (1 June 2020, as 31 May falls on a Sunday) or in up to five equal instalments, with the first instalment due by 31 May 2020.

Sports associations, sports clubs, operators of sports facilities, gyms, swimming pools, fitness centers and similar may apply the suspensions until 31 May 2020 and make the payments and fulfil related obligations, using the same methods, by 30 June 2020.

It is unclear whether this provision applies to all taxpayers operating in these industries, or just to those with their fiscal domicile, registered offices or operations center in Italy. A clarification on this point should hopefully come soon.

Suspension applicable to taxpayers whose fiscal domicile, registered office or operations center is in Italy (Article 62)

Suspension of all tax obligations (e.g. filing of the annual VAT return), other than payments of taxes (including withholding taxes), falling between 8 March 2020 and 31 May 2020. The deadline for these obligations is extended to 30 June 2020.

Based on the wording of the law, this suspension should not apply to taxpayers not established but only VAT-registered in Italy (through 'direct' registration or a fiscal representative).

Pending confirmation from the tax authorities, it seems reasonable to assume that obligations connected with the deadline for filing of the annual VAT return (postponed from 30 April 2020 to 30 June 2020) should also be postponed

to 30 June (e.g. deadline to recover input VAT for 2019, 90-day time limit for filing of the 'delayed' VAT return after the ordinary deadline).

Suspension applicable to businesses and professionals with a turnover of below EUR2 million (in the previous fiscal year) and fiscal domicile, registered office or operations center in Italy (Article 62)

Suspension of deadlines falling between 8 March 2020 and 31 March 2020 for:

- Payments of withholding taxes on wages and similar.
- VAT payments.
- Payments of social security contributions and mandatory insurance premiums.

Suspended payments can be made either in a lump sum by 31 May 2020 or in up to five equal instalments. The first instalment is due by 31 May 2020.

The suspension applies, regardless of any turnover threshold, to businesses and professionals whose fiscal domicile, registered office or operations center is in the Provinces of Bergamo, Cremona, Lodi or Piacenza.

Suspension applicable to taxpayers whose fiscal domicile, registered office or operations center is in one of the municipalities within the 'red zone' - see Attachment 1 to the Prime Ministerial Decree of 1 March 2020, i.e. Casalpusterlengo, Codogno, Vò Euganeo, etc. (Article 62)

Suspension of all payment and compliance deadlines (including those deriving from tax collection notices) falling between 21 February 2020 and 31 March 2020. Suspended payments and related obligations must be settled within the month following the suspension period.

Suspension of payment deadlines in the gaming sector (Article 69 of the Decree)

Suspension of payments of the one-off tax ('PREU – Prelievo Erariale Unico' tax) on gaming machines, slot machines and video lottery terminals, and of the concession fee due by 30 April 2020. These payments will be due by 29 May 2020. The due amounts are payable in equal monthly instalments (inclusive of daily interest at the legal rate), the first one being due by 29 May 2020, the next ones by the end of each following month, and the last one by 18 December 2020.

Suspension of deadlines for the payment of withholding taxes by taxpayers with a turnover of less than EUR400,000

This measure applies to taxpayers that have (i) a fiscal domicile, registered office or operations in Italy, and (ii) a turnover of less than EUR400,000 in the fiscal year preceding that in which the Decree came into effect. The revenue or equivalent income received by such taxpayers between 17 March 2020 and 31 March 2020 will not be subject to withholding tax if they had no employee or employee-equivalent costs/expenses in the previous month.

The taxes not levied by the withholding agents can be paid directly by the taxpayer in one lump sum by 31 May 2020 or in a maximum of five equal monthly instalments, starting from May 2020, without penalties or interest for late payment.

Suspension of the payment deadline for items assigned to tax authority collection agents for collection (Article 68)

From 8 March 2020 to 31 May 2020 all payment deadlines related to payment notices ('*cartelle di pagamento*') issued by collection agents and by the social security authorities, as well as tax assessment notices ('*avvisi di accertamento*') issued by the tax authorities, have been suspended.

Similarly, all notices of payment issued by the customs authorities and local authorities have been suspended.

These payments will have to be made in full, without the application of penalties or interest for late payment, in a lump sum within one month of the end of the suspension period. It is not possible to claim a refund for amounts already paid.

2. Tax incentives

Employee bonus (Article 63)

A bonus of EUR100 is granted to employees with an income of below EUR40,000 in the previous year.

The bonus is proportional to the number of days worked at their place of work in March 2020.

This bonus is not taxed and will be paid directly by the employer, either with their salary for April or within the deadline for year-end adjustments.

Withholding agents can recover the bonus by offsetting it in Form F24.

Tax credit for sanitation of work premises (Article 64)

As an incentive to sanitize work premises, a tax credit is granted to taxpayers who run a business or practise a trade or profession.

The tax credit is equal to 50 percent of the sanitation expenses incurred in FY 2020 and cannot exceed EUR20,000. For 2020 the government has set a total budget of EUR50 million for this tax credit.

An implementation decree, to be issued within 30 days, will provide further details, also in light of the available budget.

Tax credit for shops (Article 65)

A tax credit equal to 60 percent of the rent/lease paid for March 2020 for shops and other similar premises is granted to business taxpayers.

The building must fall within cadastral category C/1, i.e. shops and similar buildings. The tax credit is not available for taxpayers working in the industries listed in Annexes 1 and 2 of the Prime Ministerial Decree of 11 March 2020 (retailers and personal services).

The tax credit can only be used by offsetting it in Form F24.

Donations (Article 66)

Donations made in cash or in kind by individuals and non-profit entities during 2020 to the state, regions, local public authorities, other public institutions or legally recognized non-profit organizations to finance investments or expenses aimed at coping with the COVID-19 emergency benefit from a 30 percent tax deduction. The deduction cannot exceed EUR30,000.

If a donation is made by a taxpayer earning business income, it is fully tax deductible. For IRAP purposes donations are tax deductible in the fiscal year in which they are actually paid.

Provisions regarding corporate cash needs - Assignment of receivables (Article 55)

If trading and financial receivables are assigned for a consideration by 31 December 2020 and the related debtors have defaulted (i.e. payment is over 90 days late), it is possible to convert the following deferred tax assets (DTAs) into a tax credit:

- A. tax loss carryforwards available at the date of assignment;
- B. the portion of deductible notional interest expenses (ACE) that exceeds total net taxable income.

This rule is not applicable if the assignment of receivables is between group companies.

The maximum amount (i.e. sum of items A and B) that can be converted into a tax credit cannot exceed 20% of the nominal value of the assigned receivables, which in turn are capped at EUR2 billion per group per year.

DTAs can be converted into a tax credit even if not booked in the financial statements. Their conversion will take place on the effective date of the assignment of the receivables. From this effective date, the assignor can no longer use item A or item B to offset taxable income.

In addition to these rules, other specific pre-existing rules on DTA treatment have to be applied.

As already mentioned, these new rules do not apply to assignments of receivables between group companies. Moreover, the seller of the debt cannot be a company that is in insolvency.

3. Tax assessment, tax collection and tax litigation

Temporary suspension of certain Revenue Agency deadlines and postponement of the ordinary statute of limitations (Article 67)

From 8 March to 31 May 2020 there will be a suspension of the deadlines by which the Revenue Agency has to:

- finalize tax audits, issue and serve notices of assessment, request payments and pursue litigation;
- respond to applications for tax rulings (ordinary rulings, fast-track rulings under the cooperative compliance regime, and substantial investment rulings);

- confirm admission to the cooperative compliance regime (even as part of the procedure to be followed when disclosing an unreported permanent establishment)
- respond to applications for international rulings (such as APAs), unilateral corresponding adjustments (Transfer Pricing), and Patent Box relief.

Applications can be filed with the Revenue Agency during the suspension period but the time limit for the Revenue Agency's reply starts running from 1 June 2020.

During the suspension period, applications for tax rulings must be submitted electronically (non-resident taxpayers can use this email: div.contr.interpello@agenziaentrate.it).

Two-year extension of the statute of limitations (Article 67)

The ordinary statute of limitations is extended to 31 December of the second year following that in which the end of the above suspension period falls (e.g. for calendar-year taxpayers and FY 2015, the ordinary deadline of 31 December 2020 is extended by two years, to 31 December 2022).

Extension of the payment deadlines for payment notices and assessment notices served by the Italian Revenue Agency (Article 68)

The Decree has extended payment deadlines expiring between 8 March and 31 May 2020 and relating to: (i) payment notices served by collection agents; (ii) assessment notices served by the Italian Revenue Agency (*Agenzia delle Entrate*); payment notices served by the National Social Security Institute (INPS).

The suspension measure covers all types of revenue: both tax (taxes and duties) and non-tax revenue (e. g. social security contributions). After the suspension period, payments must be made in a single instalment by 30 June 2020, without any penalties and interest.

The possibility of obtaining a refund of payments made before the decree came into force is excluded.

The above provisions also apply to:

- notices of assessment issued by the Customs Agency (*Agenzia delle Dogane*) in order to collect customs duties and related VAT;
- payment orders issued by local and regional authorities;
- enforceable notices of assessment relating to local and regional taxes.

Taxpayers now have until 31 May 2020 to pay instalments falling due between 28 February and 31 March under tax amnesty procedures.

According to some academics, this postponement could also apply to letters querying irregularities (*avvisi bonari*) received by taxpayers. Pending official clarification from the authorities, a literal interpretation of the new rules does not seem to allow such extensive application.

New rules governing time limits in tax litigation (Article 83)

Between 9 March and 15 April 2020:

- the deadlines to bring appeals before the first-level tax court and to reach compromises with the Revenue Agency's legal team about disputes whose value in controversy is less than EUR50,000 have been suspended;
- tax litigation hearings have been postponed (except in certain cases where postponement could cause serious damage, e.g. hearings about the suspension of provisional tax collection);
- court deadlines (such as those for submissions of documents) have been suspended.

However, the Decree does not specify whether the above suspension applies also to pre-hearing compromise procedures (*accertamento con adesione*) already underway.

From 16 April 2020 to 30 June 2020, to prevent close contact between people and the spreading of the virus, tax courts are required to adopt certain organizational restrictions.

4. Measures to support employment

Extension of social safety nets (ordinary and exceptional cases) (Articles 19, 20, 21 and 22)

Ordinary Redundancy Scheme (CIGO) for 'COVID-19'

The Decree has widened access to the Ordinary Redundancy Scheme (CIGO) and enables employers who suspend or reduce their activity due to the COVID-19 outbreak to request an ordinary wage subsidy, citing the 'COVID-19 emergency'. The 'COVID-19 emergency' CIGO subsidy can be taken for a maximum period of nine weeks, between 23 February 2020 and August 2020. The union consultation phase and, if required, the talks between the company and trade union representative, remains obligatory in order to access CIGO.

Access to the 'COVID-19 emergency' CIGO should be requested by the end of the fourth month following that in which activities are reduced or suspended and is not subject to the ordinary verification process (the reason for the request would normally be checked).

Periods of CIGO subsidies granted because of the 'COVID-19 emergency' are irrelevant for the purpose of the maximum duration of CIGO in resumed ordinary circumstances.

'COVID-19 emergency' CIGO subsidy is also extended to members of staff of employers that are enrolled in the Wage Supplement Scheme (FIS) and that employ, on average, more than five members of staff. Upon simple request by the employer, direct payment of the benefit is issued by INPS.

Access to the 'COVID-19 emergency' CIGO for a maximum period of nine weeks is also available to:

1. companies that, on 23 February 2020, had already adopted an Extraordinary Redundancy Scheme (CIGS);
2. companies enrolled in the Wage Supplement Scheme (*Fondo di integrazione stipendi - FIS*) which, on 23 February 2020, were already using social security nets (*contratti dai solidarietà*).

The 'COVID-19 emergency' CIGO suspends and replaces any wage subsidy already in place under existing social security nets.

Redundancy Scheme for Exceptional Cases ('CIG in deroga')

This scheme has been extended to all private-sector companies to which the protection provided by the current rules on the suspension or reduction of working activities does not apply. It is granted for the period of suspension and, in any case, for no longer than nine weeks.

For companies with more than five employees, an agreement between each region and the main trade unions will be needed, in order to stipulate the requirements and methods of access to this scheme.

Wage subsidies under this scheme are available from 23 February 2020 and are limited to workers who were employed on that date. The subsidies will be paid directly by the National Social Security Institute (INPS).

Reduction in working hours and leave (Articles 23, 24, 25 and 26)

For 2020 the Decree provides the possibility for private- and public-sector employees with children (including foster children) aged 12 or under to benefit from special parental leave, starting from 5 March 2020. This age limit does not apply to children with certified disabilities enrolled in schools or in day care centers.

Leave is granted to one parent, for a continuous or split period of not more than 15 days. It is subject to the condition that there is no parent in the family who is benefitting from a wage subsidy because of suspended employment or who is unemployed. The period of leave is covered by national contributions.

Leave can be taken by:

- employees in the private sector, who will receive an allowance equal to 50 percent of their remuneration;
- workers registered in the 'Gestione Separata' section of the National Social Security Institute (INPS), who will receive an allowance equal to 50 percent of 1/365 of their remuneration, calculated on the basis used to determine the maternity allowance;
- self-employed workers enrolled with the National Social Security Institute (INPS)⁽¹⁾, who will receive an allowance, for each indemnifiable day, equal to 50 percent of the conventional daily rate established by law, according to the type of self-employed work performed.

(1) Referred to in article 2(26) of Law no. 335/1995.

As an alternative to leave, there is the possibility of opting for the payment of a childcare allowance of up to EUR600. This option is available to the aforementioned workers as well as to self-employed workers not registered with INPS (the allowance increases to EUR1,000 for doctors, nurses, biomedical laboratory technicians, medical radiology technicians, health workers in the public, private and accredited health sectors, and emergency service personnel deployed in relation to the outbreak of COVID-19). The allowance can be used for childcare over a continuous or split period not exceeding 15 days.

Parents who are employed in the private sector and have children aged between 12 and 16 have the right to abstain from work over the period of suspension of educational services and activities in schools of all levels. In this case the parents will not receive any indemnity or accrue contributions. This category of workers cannot be dismissed and their posts must be guaranteed, on condition that there is no other parent in the family who benefits from a wage subsidy or employment suspension or who is unemployed.

Workers who assist a family member with a serious disability (as per Law no. 104/92) are granted an additional 12 days of leave. These additional days of leave must be taken in March and April 2020.

Days spent in quarantine by workers in the private sector are equated to days of paid sick leave and do not eat into the period of days in which a sick worker's job is protected.

Allowance for self-employed workers (Articles 27, 28, 29, 30, 31 and 38)

The Decree grants an allowance of EUR600 for March (which is not calculated as income) to the following individuals:

- self-employed workers with a VAT number registered on or before 23 February 2020, who are not pensioners and who are not enrolled in other compulsory social security systems;
- self-employed workers who had a 'coordinated and continuous collaboration' agreement in place on 23 February 2020, are registered in the 'Gestione Separata' section of the National Social Security Institute (INPS)⁽²⁾, are not pensioners and are not registered in other compulsory social security systems;
- self-employed workers who are registered in the 'Gestione Speciale' section of the General Compulsory Insurance Scheme (AGO), are not pensioners and are not registered in other compulsory social security systems;
- seasonal workers in the tourism and thermal spa sectors whose employment relationship was involuntarily terminated between 1 January 2019 and the date on which the Decree came into effect, who are not pensioners and who were not employed when the Decree took effect;

(2) See footnote 1.

- fixed-term agricultural workers who are not pensioners, on condition that they carried out at least 50 actual days of agricultural work in 2019;
- workers registered in the show-business workers' pension scheme, with at least 30 days of contributions paid in 2019 and an income of not more than EUR50,000, who are not pensioners and were not employed when the Decree took effect.

These allowances cannot be combined.

Extension of the time limits for NASpl and DIS-COLL unemployment claims (Article 33)

In order to simplify claims for unemployment benefits, the following measures have been introduced.

For involuntary termination of employment in 2020, the time limit for the submission of NASpl and DIS-COLL unemployment applications is extended from the ordinary 68 days to 128 days. With reference to unemployment benefit claims submitted after the ordinary deadline, the welfare benefits will be backdated to the 68th day after the date of termination of the employment relationship.

The deadline for submitting applications for the conversion of the NASpl benefit into an incentive to individuals to set up in business is extended by 60 days, as are the deadlines for fulfilling employee disclosure obligations.

Extension of deadlines related to social security and welfare benefits provided by INPS and INAIL and of the deadline for the payment by domestic employers of social security contributions and compulsory insurance premiums (Articles 34 and 37)

The Decree extends the deadlines related to social security, welfare and insurance benefits provided by INPS and INAIL from 23 February 2020 until 1 June 2020.

For domestic employers, the deadline for the payment of social security contributions and compulsory insurance premiums due between 23 February 2020 and 31 May 2020 has been postponed to 10 June 2020, without the application of penalties and interest.

Suspension of the time limit for appealing dismissals (Article 46)

For a period of 60 days after the date on which the Decree came into effect, redundancy procedures (pursuant to articles 4, 5 and 24 of Law no. 223/1991) cannot be started. Similarly, pending procedures which began after 23 February 2020 are suspended.

Until this time limit expires, an employer, regardless of the number of employees, cannot terminate workers' contracts for a justified business reason.

5. Measures to support businesses

Measures to keep liquidity flowing through the banking system (Articles 49, 56 and 57)

For a period of nine months after the entry into force of the Decree, the Italian state, through the Central Guarantee Fund for SMEs (*Fondo Centrale di Garanzia*) will guarantee, free of charge, loans of up to EUR5 million per enterprise, used to make investments and restructure debts, in compliance with the conditions and limits set by the Decree.

Furthermore, the COVID-19 epidemic has been formally recognized as an exceptional event and a serious disruption to the economy (as defined in article 107 of the Treaty on the Functioning of the European Union). Therefore, micro, small and medium-sized enterprises – as defined in Commission Regulation 2003/361/EC of 6 May 2003 – can benefit from certain forms of financial protection, provided that, on the date of publication of the Decree, their debts were not classified as impaired.

The main measures can be basically summed up as follows.

- Certain types of financing cannot be revoked but can be extended.
- Repayments of loans can be extended or suspended.
- The Central Guarantee Fund will partially guarantee certain types of financing.

Other measures also support the liquidity of enterprises that have suffered a fall in turnover due to the COVID-19 emergency, that operate in sectors identified by ministerial decree, and that do not have access to the Central Guarantee Fund. For example, funding provided by Cassa Depositi e Prestiti S.p.A. to banks and other authorized lenders, also in the form of guarantees, can now be backed by a state guarantee, covering up to 80% of the risk assumed by Cassa Depositi e Prestiti S.p.A.

Measures to promote Italian export and the internationalisation of the economy (Article 72)

An 'Integrated Promotion Fund' has been created at the Ministry of Foreign Affairs and International Cooperation, which will give an extra boost to the promotion of exports and to the internationalization of the national economic system in the sectors affected by the health emergency, through the ICE (the Italian Trade and Investment Agency) and Invitalia.

In addition, there will be intensified efforts to promote Italy and co-financed activities targeting foreign markets, through the signing of specific agreements.

When exporters seek to penetrate a new foreign market, up to 50% of the related costs will be paid by the state under a non-repayable co-financing arrangement, within the limits imposed by EU regulations on small state aid.

The above forms of intervention will be followed by additional measures to contain the immediate negative impact of the health emergency.

Rules on delayed performance or non-performance of contracts caused by implementation of the COVID-19 measures. Pre-payments in public procurement contracts (Article 91)

In future disputes, the courts must always evaluate whether compliance with COVID-19 measures has resulted in a defendant being late in performing or actually unable to perform a contract. In such cases the courts must evaluate whether normal liability under articles 1218 and 1223 of the Italian Civil Code can be excluded.

With regard to public procurement contracts and advances paid to contractors under article 35(18) of Legislative Decree no. 50 of 18 April 2016, the Decree clarifies that such advances will also be allowed when the public administration requires works/services to be delivered urgently in compliance with article 32(8) of that same Legislative Decree. In this way, the liquidity of enterprises will be protected even if they have to speed up delivery. This is perfectly in line with the underlying purpose of the above article 35(18) governing advance payments.

Road transport and public passenger transport (Article 92)

Time limits for payment of charges for the transport of goods and persons by sea are suspended until 31 July 2020.

The payment deadlines for customs duties falling due between 17 March and 30 April 2020 are postponed for a further 30 days, without any additional interest.

Suspension of payments in the sports sector (Article 95)

Until 31 May 2020, professional and amateur sports associations and sports clubs throughout Italy may postpone payments for sports facilities that they use under leases or concessions granted by national or local authorities. The suspended payments must be paid in a lump sum by 30 June 2020, without any penalties or interest. Alternatively, they can be paid in up to five monthly equal instalments starting from June 2020.

6. Shareholder meetings

The Decree also sets out rules on how to conduct shareholder meetings.

Article 106 (Rules regarding shareholder meetings) introduces the possibility of:

- i. postponing the approval of financial statements within 180 days, by allowing an extension of 60 days;
- ii. holding shareholder meetings that everyone can attend through video/audio conferencing systems, without the need for the chair, minute-taker (i.e. secretary) and (if called upon to minute the meeting) notary to be in attendance at the same venue;
- iii. voting electronically or by correspondence.

The intention is to discourage gatherings during the health crisis, while making it easy to hold meetings to approve financial statements.

Therefore, joint-stock companies (*società per azioni*), limited partnerships (*società in accomandita per azioni*), limited liability companies (*società a responsabilità limitata*), cooperative societies (*società cooperative*) and mutual benefit societies (*società mutue assicuratrici*) are being allowed, even by deviating from the clauses in their articles of association that govern meetings (whether ordinary or special ones), to (i) vote electronically or by correspondence; (ii) attend meetings through video/audio conferencing systems.

Meetings may be held, even entirely, through conferencing systems that ensure that all the attendees can be identified, can participate fully and can exercise their legal right to vote as enshrined in the Italian Civil Code. There is no longer the need for the chair, minute-taker or notary (as the case may be) to be in the same place.

Moreover, limited liability companies may – even by deviating from article 2479 (fourth paragraph) of the Italian Civil Code and their articles of association – allow votes to be cast by written consent or through the written consultation process.

There are also new exceptions to the rules for listed companies, which may appoint the representative indicated in article 135-*undecies* of Legislative Decree no. 58 of 24 February 1998 to attend the meetings (whether ordinary or special ones), even if their articles stipulate otherwise. Listed companies may also specify in the notice of the meeting that it may be held in the presence of the representative only, who may be delegated to represent not only shareholders but also other proxy holders (sub-delegation) These new rules also apply to companies whose securities are admitted to trading on a multi-lateral trading facility and companies that have a large number of publicly traded shares.

For people's banks (*banche popolari*), credit coop banks (*banche di credito cooperativo*), cooperative societies and mutual benefit societies, article 106(6) introduces the possibility of appointing the representative indicated in article 135-*undecies* of Legislative Decree no. 58 of 24 February 1998.

These new exceptions to the rules will apply to meetings called and held by 31 July 2020 or, if later, the date on which the state of emergency caused by the COVID 19 epidemic officially ends.

7. Laws on civil and criminal justice (Articles 83 and 103[6])

The measures imposed by Decree no. 11/2020 until 22 March 2020 (postponement of hearings and the suspension of procedural deadlines) **have been extended by the Decree until 15 April 2020**. The Decree has also clarified certain aspects of Decree no. 11/2020, which were open to interpretation. These clarifications include the following.

Suspension of time limits and postponement of hearings

- *Hearings*: all hearings in civil and criminal proceedings which are currently pending in any courts are automatically postponed until after 15 April 2020.
- *Time limits*: all time limits in civil and criminal proceedings have been suspended.

Therefore, all procedural time limits have been suspended for this period, including the time limits for preliminary investigations, for the issue of all court decisions (and subsequently the grounds of the decision), for filing claims initiating court cases and enforcement proceedings, and for appeals against judgments.

It has also been specified that:

- if a time limit starts to run during the suspension period, the start date is postponed to the end of that period;
- If a time limit is counted backwards and falls wholly or partly within the suspension period, the hearing or step from which the days are counted back is postponed, so that the time limit is respected.

These measures **do not apply**:

- *in the civil sector*, to particularly urgent matters (family cases, minors, basic rights, etc.) or those indicated as urgent by the court;
- *in the criminal sector*, to, among other things, proceedings to validate an arrest or detention, or urgent applications by the accused.

Statute of limitations. Time limit for the exercise of rights (implications for the 'Pinto Law')

The Decree confirms the suspension of the dates from which the statute of limitations and time limit for the exercise of rights begin to run.

For the purposes of compensation provided under the so-called 'Pinto Law' for unreasonably long trials, the present suspension period is excluded from the calculation of the duration of proceedings.

Mediation and assisted negotiation procedures

The suspension of deadlines also applies to (i) assisted negotiation procedures pursuant to Legislative Decree no. 132/14, (ii) mediation procedures pursuant to Legislative Decree no. 28/10, (iii) out-of-court dispute-resolution proceedings, if they have been initiated by 9 March 2020 and are a pre-condition of any subsequent court cases.

Suspension of evictions

The enforcement of all eviction orders is suspended until 30 June 2020, even for non-residential property.

Period of gradual return to normal business

The period in which judicial offices may issue organisational measures to prevent people gathering and coming into close contact on their premises has been extended from 16 April 2020 to 30 June 2020.

The measures include: limiting opening hours to the public, making appointments to visit the offices compulsory, holding hearings behind closed doors, holding civil hearings via video conference or an online exchange of documents, postponing hearings beyond 30 June 2020.

Further provisions

Until 30 June 2020 it is mandatory to:

- lodge documents initiating proceedings and related submissions online;
- pay court fees and the advances indicated in Law Decree no. 115/2002 online;
- give notifications and serve documents on line, also in criminal proceedings;
- ensure all conversations with prisoners take place via phone or at a safe distance.

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