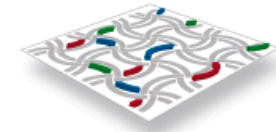


POST-BREXIT EUROPE:  
WHY MILAN & LOMBARDY  
AFTER LONDON

[www.lexia.it](http://www.lexia.it)

# AGENDA



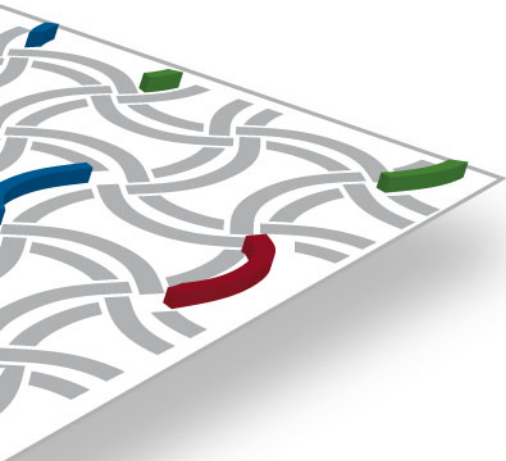
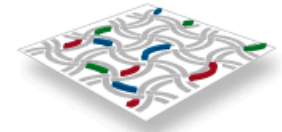
**1. WELCOME TO  
MILAN, LOMBARDY**

**2. 10 REASONS TO  
CHOOSE MILAN,  
LOMBARDY**

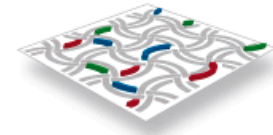
**3. KEY SECTORS**

**4. TIPS TO FOREIGN  
INVESTORS**

**5. HOW CAN LEXIA  
AVVOCATI HELP YOU**



**WELCOME TO MILAN, LOMBARDY**



# WELCOME TO MILAN, LOMBARDY: THE RIGHT PLACE TO INVEST



Milan is the capital of **Lombardy**, Italy's **wealthiest region** and one of Europe's strongest economies. The city will be the **second largest post-Brexit economy** amongst European cities, the largest among non-capital cities



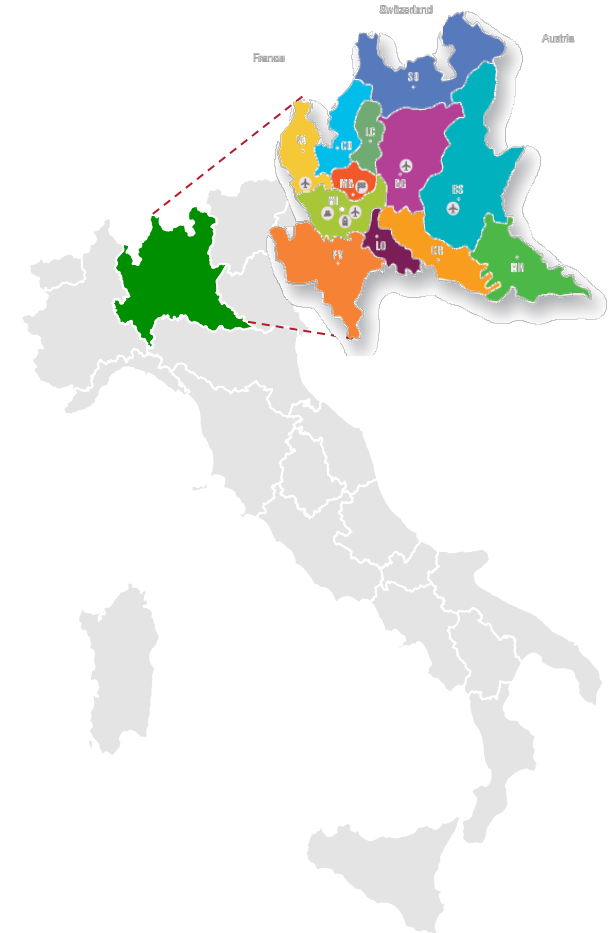
Opting for Milan is to choose one of the most **attractive and international** cities in the world. Home to more than **100 consulates** and foreign commercial offices, Milan is second only to New York . Out of the global **top ten multinational companies**, seven have offices in Milan



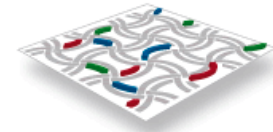
Milan is an **excellent business environment**: listed within the **top ten cities** for investment projects in Western Europe, it is the **bridge** that connects the **north** with the **south** of the continent and represents a **strategic hub for EMEA** markets



Milan is a major **European financial centre**: home to more than **170 banks**, the city is a gateway for international capital markets. It hosts the **Italian Stock Exchange**, closely linked with the London Stock Exchange



# MILAN, LOMBARDY: FACTS AND FIGURES



22%

Lombardy generates **22%** of Italy's **GDP**, higher than Austria, Denmark, Finland, Ireland and Portugal

€49.921

Milan generates **9%** of Italy's **GDP**. GDP per capita amounts to **€49.921**, twice the national and EU average

251.542

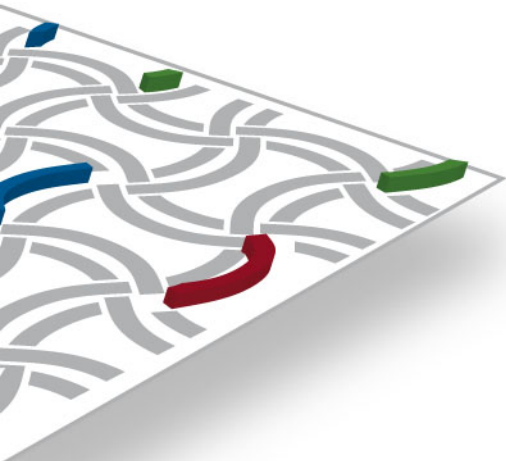
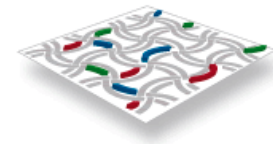
Milan is a very diversified pool of talents: **251.542** students are currently enrolled in **Lombardy universities**

>3.000

Milan is an attractive city: home to more than **3.000 multinational companies** with more than **€175 billion of turnover**

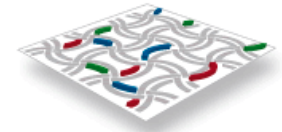
>800

Milan is a cluster of innovation: with over **800 startups**, the city is a European hub for disruptive companies



# **10 GOOD REASONS TO CHOOSE MILAN, LOMBARDY**

# 10 GOOD REASONS TO CHOOSE MILAN, LOMBARDY



**THE ITALIAN CONTEXT**



**BUSINESS  
ENVIRONMENT**



**INTERNATIONAL  
APPEAL**



**EMEA MARKETS**



**A GLOBAL  
DESTINATION**



**HUMAN CAPITAL**



**INNOVATION**



**REAL ESTATE**

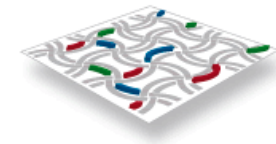


**QUALITY OF LIFE**



**POLICY MEASURES**

# 1. THE ITALIAN CONTEX



## A PRODUCTIVE ECONOMY

with a total GDP of **\$1.821.597**, Italy is the **third economy** in the Eurozone, the eight in the world. Italian consumers' net wealth is **eight times bigger** than their disposable income (higher than USA and Germany)

## STRUCTURAL REFORMS

With the aim to boost **competitiveness** and produce economic growth, Italy started an ambitious plan of **structural reforms**:

- JOBS ACT
- Reform of the Civil Justice System
- Reform of the public administration
- Industria 4.0

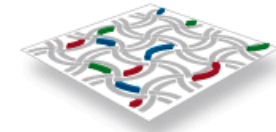
## FISCAL INCENTIVES

The Italian tax system is changing to better support companies and investors:

- A **reduced corporate tax** (From 27.5% to 24%)
- New **flat tax** on capital gains on investment in foreign countries (€100.000 for 15 years)
- “**Decreto Pagano**”



# 2. BUSINESS ENVIRONMENT



## Global reach

The Milan metropolitan area accounts for nearly **1/3 of all foreign invested firms** in Italy.



## A growing global capital

Milan is the Italian financial centre: home of the Italian Stock Exchange, it hosts **198 banks and 7 of top 10 global multinational companies**



## A business mentality

Lombardy has more than **800.000 companies**, one for every 100 inhabitants. 1 in 8 inhabitants is an entrepreneur



## Policy measures: AttrACT

Agreements in which the **Municipality and Lombardy Region** engage to implement **concrete actions** to **facilitate investments** on the territory



## Business hub

Milan is the European city with **the highest density of multinational companies**: home to 3.000 multinational companies, 274.000 employees and a turnover of € 175 billion



## A dynamic environment

Starting a new business is easy and simple: it takes **6 working days**, faster than in the UK and Germany

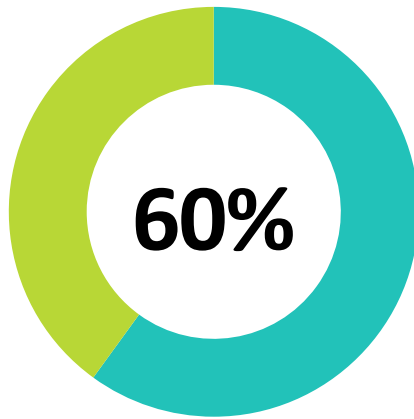
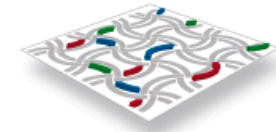


## Open to foreign companies

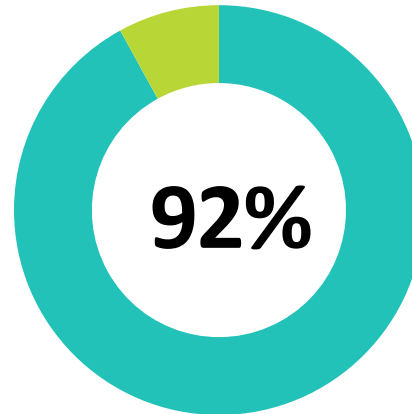
Lombardy hosts **6.398 foreign companies**, giving work to more than 575.000 employees and generating a turnover of € 257 billion. Milan is home also to the **second greatest exhibition space** in Europe



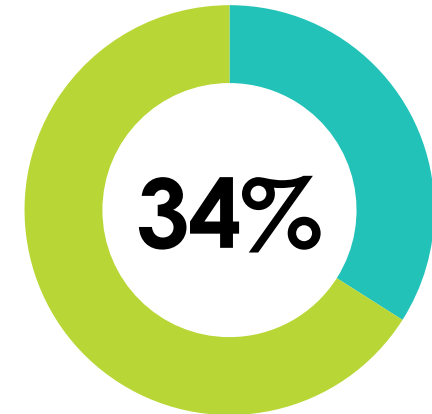
# 3. INTERNATIONAL APPEAL



Lombardy attracts more than **60% of all the Foreign Direct Investments** coming to Italy



Out of **100 top multinationals** that have invested in Italy, **92** are housed in Lombardy



Milan is home to more than **3,000 multinationals**, 34% of the total at national level

# 4. ACCESSIBILITY TO EMEA MARKETS

## STRATEGIC POSITION

Lombardy is a gateway to a potential market of **500 million** consumers within the **EU** and **270 million** in **North Africa and the Middle East**, an area representing the **15% of global GDP**



## INFRASTRUCTURE

- 900 km of national roads
- 11,000 km of provincial roads
- 58.000 km of municipal roads
- 573 km of highways
- 4 international airports
- 1680 km of railway network

## A KEY LOGISTIC NODE

Milan is a key **logistic node** within Lombardy, Italy's main logistic centre with **1.476 companies active in the sector**

## THE ITALIAN WAREHOUSE

- Lombardy hosts **145.720 warehouses**, 20% of the Italian stock
- **Half** of all goods flying to and from Italy pass through Milan airports



# 5. A GLOBAL DESTINATION

## A GROWING DESTINATION

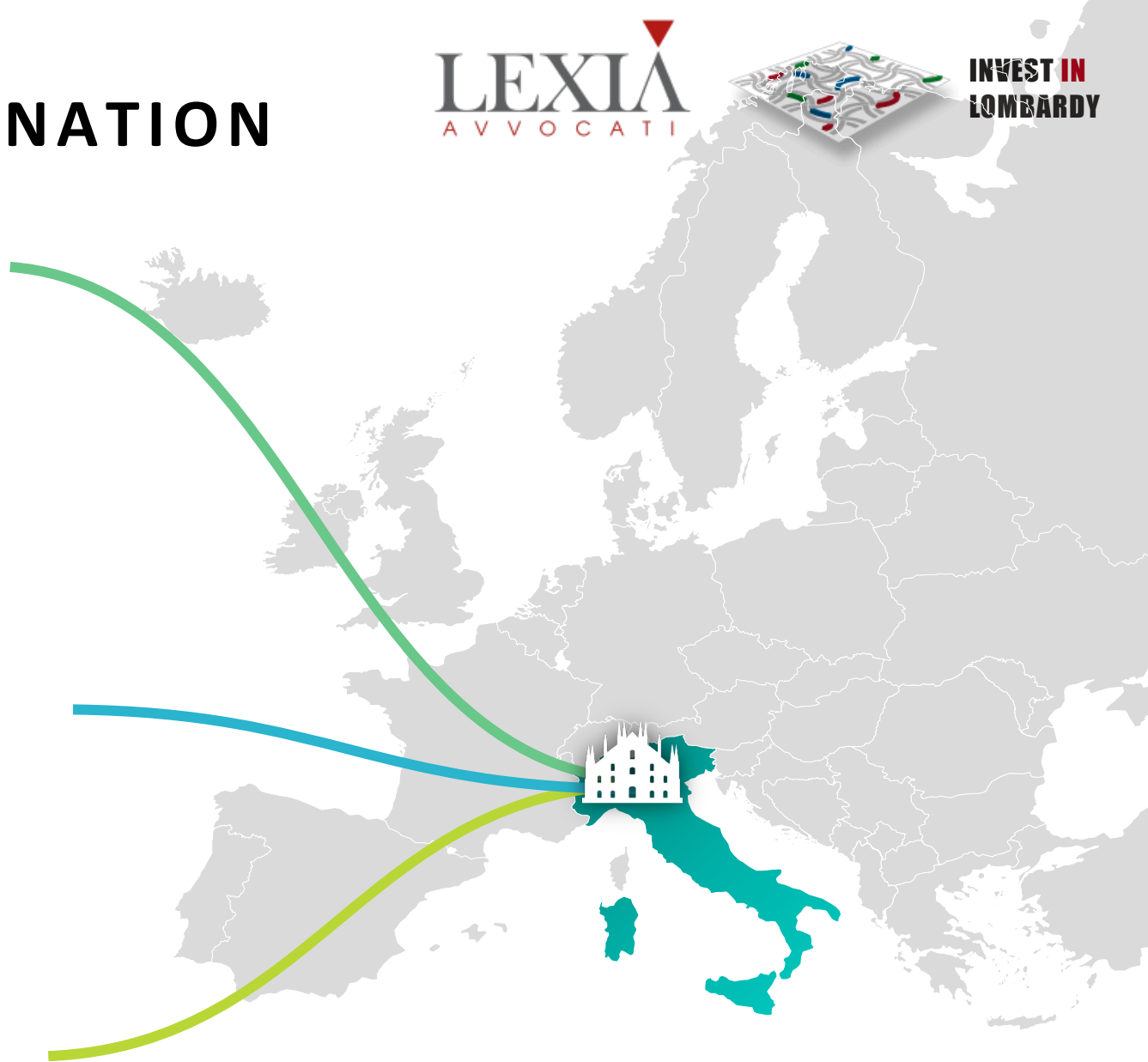
- **21.700.000** overnight stays in Lombardy in 2016
- **54%** of international tourists
- **46%** of national tourists
- **€ 4.1 billion** of business in 2016

## MILAN: A GLOBAL SUCCESS

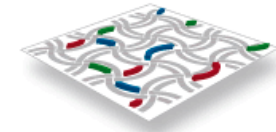
- **7,6 million** tourist arrivals in Milan in 2016, **+48%** since 2008, **+100%** since 2000
- **1<sup>st</sup>** touristic destination in Italy in 2016
- **6<sup>th</sup>** touristic destination in Europe in 2016
- **14<sup>th</sup>** touristic destination in the world in 2016
- Milan is the **second European Best Destination** after Oporto (BDE Ranking 2017)

## GREAT TOURISM FACILITIES

- **3.279 accommodation** facilities in Lombardy, of which **1.000 in Milan**
- Lombardy is a land of amazing **villages** and **lakes**: they account respectively for over **48%** and **41%** of total touristic demand
- **130 protected areas** make Lombardy one of the **greenest regions in Italy**



# 6. HUMAN CAPITAL



12

**12**  
**UNIVERSITIES**  
within the  
Lombardy Region,  
8 within Milan  
with more than  
250.000 students  
enrolled

10%

**10%**  
**POPULATION**  
Milan  
universities  
represent 10%  
of Italian  
university  
population

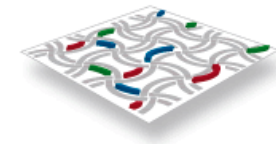
17%

**17%**  
**INTERNATIONALS**  
Almost 1 in 5  
international  
students in Italy are  
enrolled in Milan  
universities

500

**500**  
**RESEARCH CENTRES**  
Lombardy accounts  
for 500 research and  
development centres,  
10 sciences and  
technology clusters.

# 7. INNOVATION – A SMART CITY



## SMART CITY TECHNOLOGIES

One of the most cabled cities in Europe, Milan is in the **TOP 3 EY Smart City Index 2016C**

## INNOVATIVE STARTUPS

Milan is the Italian capital for **innovative startups**: **926**, 15% of the country's total. Since 2007, Lombardy has seen the growth of **12.000 knowledge-intensive start-ups**

## COMPETITIVE ADVANTAGE

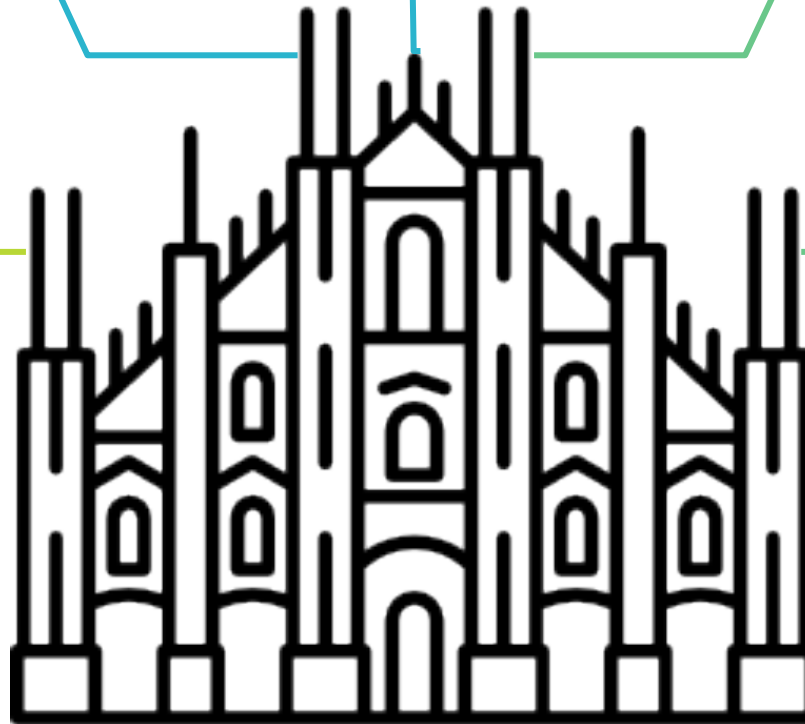
Milan is the **best Italian City for the ICT clusters** in terms of infrastructure, labour availability and quality

## CONNECTIVITY

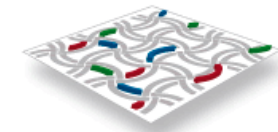
Milan has been one of the first European **testbeds for 5G connectivity**

## POLICY MEASURES

The city of Milan has launched a new **“Plan for Digital Transformation”** set to transform Milan in a European Capital for Smart City and IoT technologies



# 8. REAL ESTATE



## SPECTACULAR SUPPLY

The **office supply in Milan** accounts for 3.4 million square meters, increased in 2015 by 15,8%



## A COMPETITIVE ADVANTAGE

With a **Rental Price of prime office properties of €500 sqm/year**, Milan is more competitive than London, Paris, Geneva and Dublin



## A TOP GLOBAL DESTINATIONS

In 2015, Milan was **the 4° Real Estate Market** in Europe. 80% of investments originated from investors outside Europe



## AN ACTIVE MARKET

The market of real estate investments in Milan is very dynamic: in **2016** transactions accounted for **€ 1.596 billion**

# 9. QUALITY OF LIFE

## MILAN: A TOP QUALITY OF LIFE

Milan is a **multicultural** and **vibrant city**: almost **20%** of its population **are foreigners**, with more than **150 countries** represented. Undisputed **world capital of fashion and design**, Milan is also a city of **food, music, culture and tourism**.



### CULTURE

**372 sites of interest**, 138 cultural spaces, 71 theaters and 85 museums, 9 UNESCO sites within the region, 13 Michelin-starred restaurants within the city



### MUSIC

**315.573 shows in 2016**, with almost 30 million attendees and business volume of €1 billion



### INTERNATIONAL EVENTS

Milan hosts every year 25 international exhibitions such as **Salone del Mobile** and **Milano Fashion week** for a total of 15.000 exhibitors and more than a million of visitors.

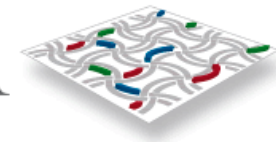


### FASHION

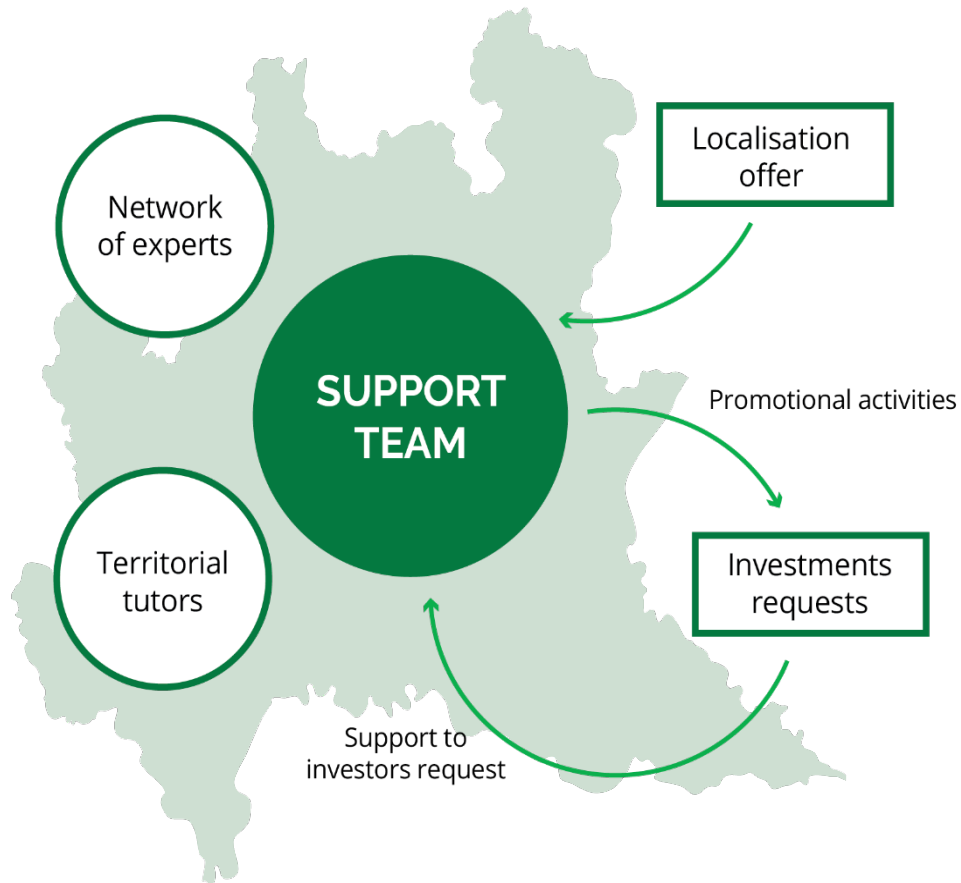
Milan is the **international capital of fashion**, the favorite destination for shopping lovers: **7.392.538 tourist arrivals in 2015**



# 10. POLICY MEASURES: AttrACT



Agreements in which the **Municipality** and **Lombardy Region** engage to implement **concrete actions** to facilitate the investments on the territory



## TOOLS



SIMPLIFICATION OF THE RELATIONSHIPS WITH THE PUBLIC ADMINISTRATION



DEVELOPMENT OF A TERRITORIAL OFFER AND INVESTMENT OPPORTUNITIES



CREATION OF A STRUCTURED NETWORK OF TERRITORIAL STAKEHOLDERS



SUPPORT TO ITALIAN AND FOREIGN INVESTORS

## GOALS



MAPPING OF INVESTMENT SITES OPPORTUNITIES



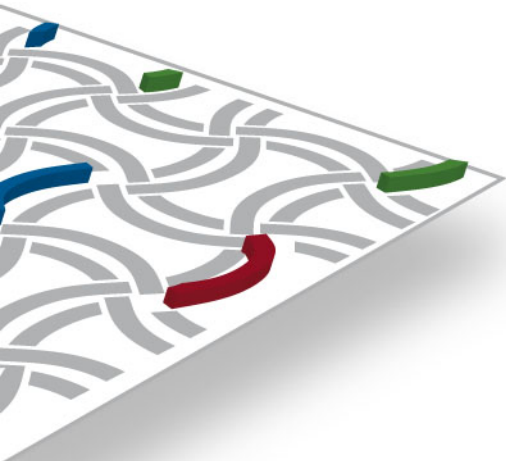
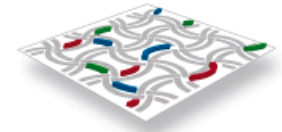
SHOWCASE OF IDENTIFIED OPPORTUNITIES



PROMOTION ROADSHOWS

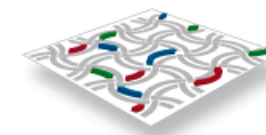


ASSISTANCE TO INVESTORS



## **KEY SECTORS**

# KEY SECTORS



## ICT & MEDIA

**1.200** companies active within the industry

A **global capital of multimedia** and publishing services



## CREATIVE INDUSTRY

**13.000** companies , **84.000** professionals

Lombardy hosts the most important **International Furniture Fair** in the world and one of the top **3 Fashion week** event



## FINANCE & CONSULTANCY

Milan is home to more than **10.000** financial services companies

The city gives jobs to more than **100.000** professionals



## CHEMICALS & PHARMA

Lombardy is the **2<sup>nd</sup>** region in Europe for number of employees

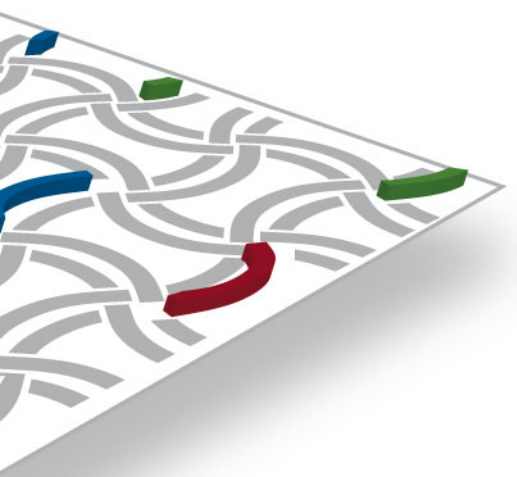
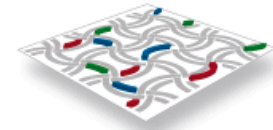
**Milan** is a serious candidate to host the **next EMA headquarters** (European Medicines Agency) in the Brexit scenario



## RESEARCH & DEVELOPMENT

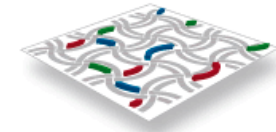
Milan ranks **2<sup>nd</sup>** in Europe for **number of companies supporting innovation**

**22%** of R&D expenditures are generated in **Lombardy**



# **INSIGHTS INTO LOMBARDY'S BUSINESS ENVIRONMENT**

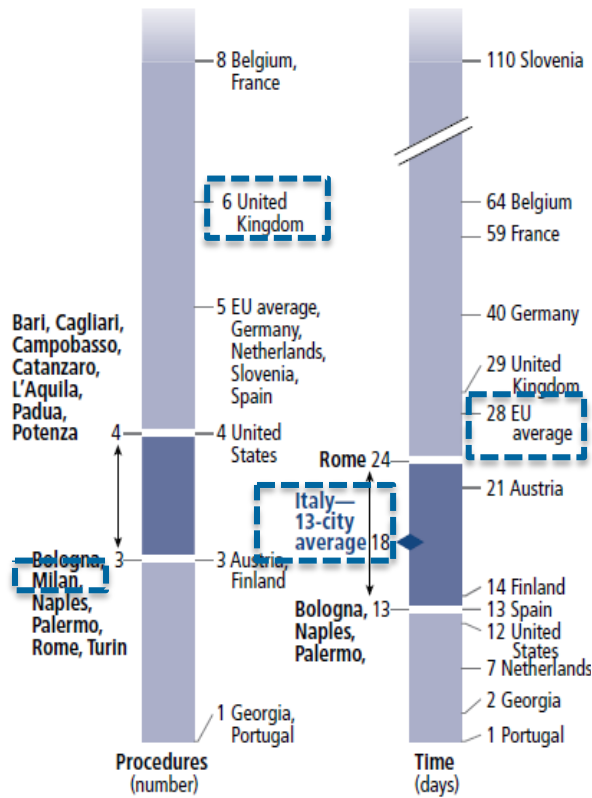
# TIMING & PROCEDURES



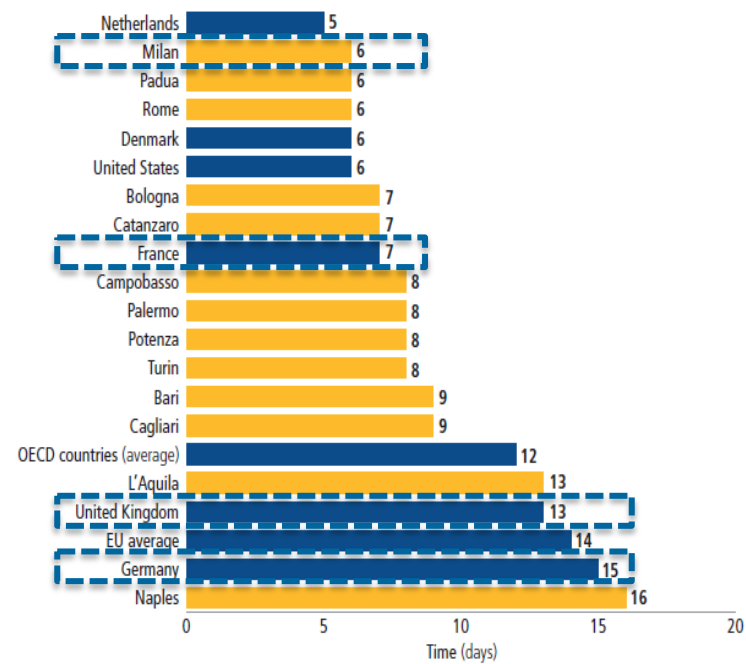
Registering property in **Milan** is faster and **less expensive** than in many EU economies

**Business Costs in Milan are lower than in Paris, Frankfurt, Berlin and London** (according to KPMG, Competitive Alternatives)

Starting a business in Milan is faster than in **UK or Germany**

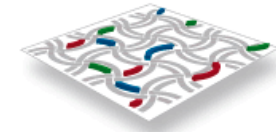


Source: Doing Business database.



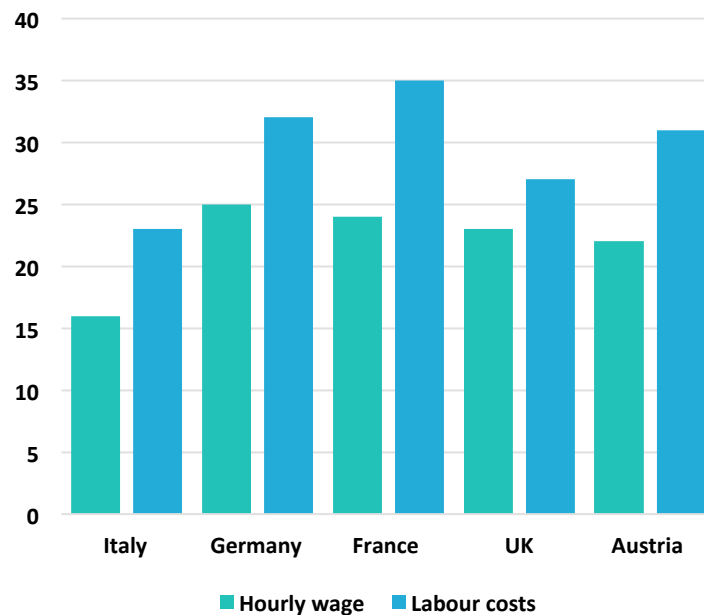
Source: Doing Business database.

# LABOUR MARKET DATA

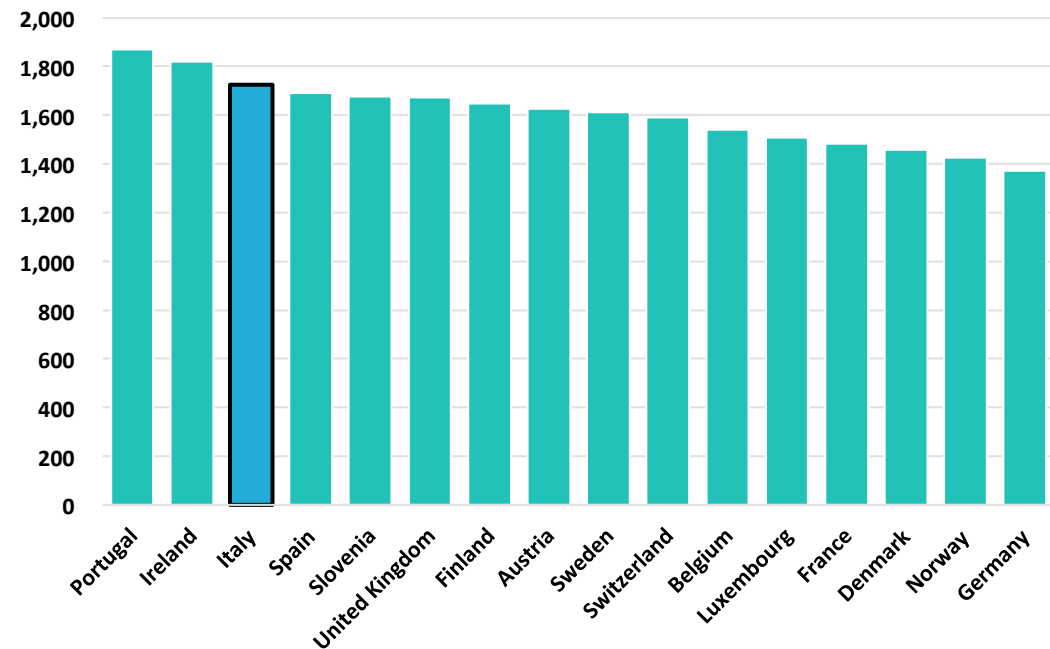


- According to **OECD** data, **Italy** has **lower labour costs** comparing to France, Germany, Austria and UK.
- In comparison with other countries (Austria, France, UK, Germany) Italian workers have **higher average annual hours** worked.

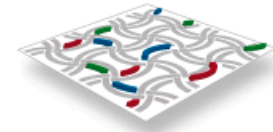
Comparing ISTAT and OECD data (2016)



Comparing hours worked per worker (2016)

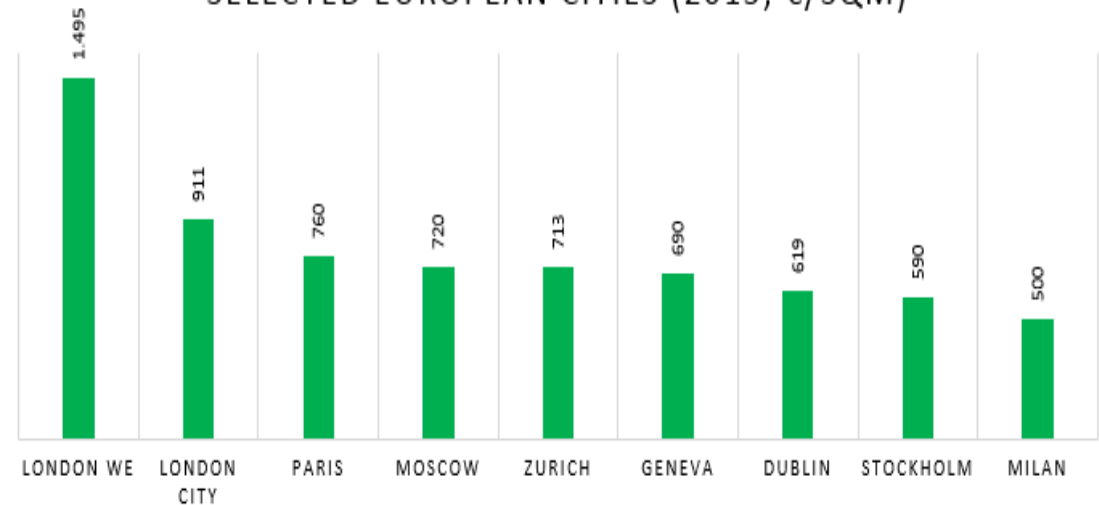


# OFFICES RENTAL DATA

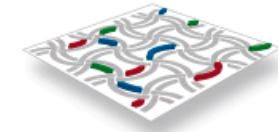


- ❑ Lombardy is the top Italian region for **office stock** with over **140.000 units**
- ❑ 22% of the National office stock is in **Lombardy**
- ❑ At the end of **2015**, rental prices of prime office properties were at **€490** per square meter. A very competitive price compared to European competitors.
- ❑ In 2015 office stock in Milan reached over **12,58 million sqm** of total space
- ❑ **Vacancy** is showing a downward trend compared to the previous year: in 2015 is at **13,4%**
- ❑ Take-up in 2015 was 320,000 sqm, **16% above the 276,000 sqm/year** average of the last 5 years

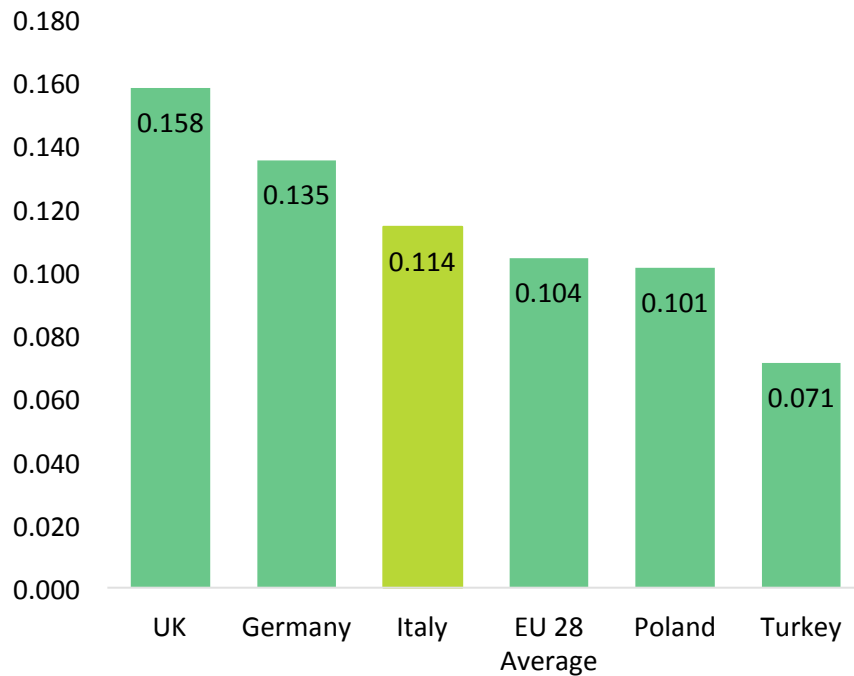
RENTAL PRICES OF PRIME OFFICE PROPERTIES IN  
SELECTED EUROPEAN CITIES (2015, €/SQM)



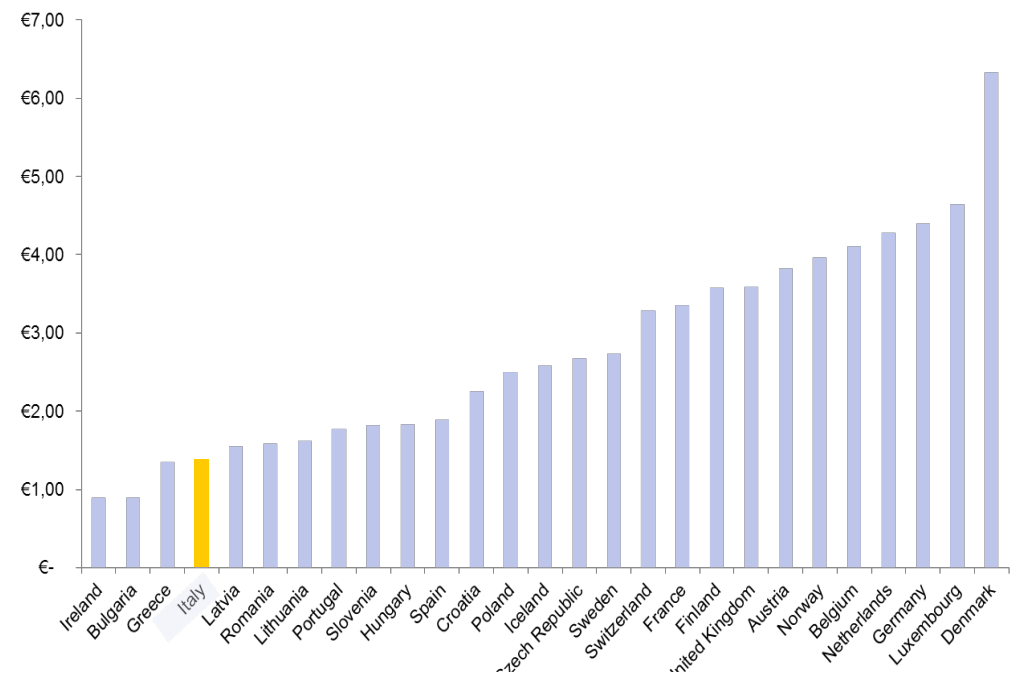
# WATER AND ENERGY COSTS



## Electricity Costs in Europe at Band IF\* (EUR per KWh in 2015, all taxes and levies incl.)



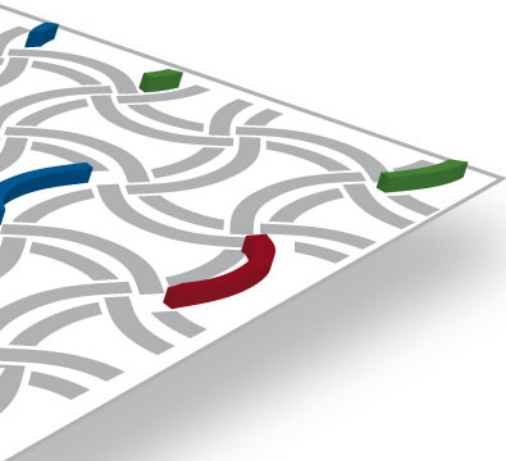
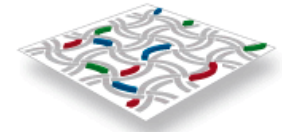
## Industrial Water Costs in Europe (EUR per m<sup>3</sup> in 2015, all taxes and levies incl.)



Electricity costs are **lower** than other highly industrial european countries such as **UK** and **Germany**

Within the most industrialised economies in Europe, Italy has by far **the most competitive water costs**





# TIPS FOR INVESTORS

# THE 2017 BUDGET LAW: OPPORTUNITIES FOR INDIVIDUALS



## New Italian resident

Individuals who transfer their fiscal residence to Italy may be qualified for the new “substitute-tax” regime, on all sources of income located abroad.

The **annual substitute tax amounts to Euro 100.000.**

Possibility to extend the regime to each family members who transfer their residence to Italy. In this case, annual substitute tax to Euro 25.000.



## Golden Visa

Under specific conditions a non-UE citizen may obtain a **temporary visa** (2 + 3 years) to stay in Italy



## «Highly skilled people» regime

A **tax rate reduction** for individuals (employment or self-employment) who transfer their residence in Italy upon condition are met

# THE 2017 BUDGET LAW: OPPORTUNITIES FOR COMPANIES (2/2)

## • TAX CREDIT ON R&D

A tax credit to all enterprises is available for R&D expenses. The main activities eligible for the R&D tax credit are:

- basic research;
- applied research;
- experimental development;
- manufacturing and testing of products, processes and service.

The **tax credit is equal to 50%** of the qualifying expenses incurred as from 1/1/2017 over the yearly average of such qualifying R&D expenditures that the enterprise has incurred in the 3 fiscal years preceding the fiscal year as at 31 December 2014

## • PATENT BOX

Opportunity to choose a facilitated fiscal regime: **exemption from overall income of 50% of profits** coming from direct / indirect use of specific intellectual property  
(DM MEF-MISE 30 July 2015)



# THE 2017 BUDGET LAW: OPPORTUNITIES FOR COMPANIES (1/2)

- **SUPER-DEPRECIATION:**

A temporary accelerated depreciation regime has been Introduced, providing a **40% extradeduction** - for depreciation purposes – of the acquisition costs of new tangible assets purchased. Therefore, the company would realize a **net saving of 9,6%** on the investment made. The provision applies to new assets purchased by 31/12/2017 or 30/6/2018, provided that the orders have been signed by 31/12/2017



- **HYPER-DEPRECIATION:**

An even more generous accelerated depreciation regime for new high-tech tangible and intangible assets, functional to the digital transformation of Italian enterprises.

For these assets, the acquisition cost is **increased by 150%** for depreciation purposes. In case of purchases exceeding Euro 500.000, in order to benefit from this favourable regime, companies are required to obtain a certification from an expert to declare that the assets fall within the ones listed in Law 232/2016

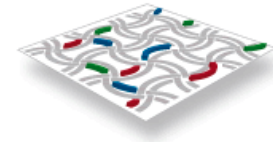


- **« NUOVA SABATINI »**

This measure, provided to all companies interested in upgrading industrial plants, buying new machinery and equipment, investing in hardware, software and digital technologies, consists in a **Financial Contribution** (at a **2.75% rate for 5 years**) to cover the interest payable on bank loans, ranging between Euro 20,000 and Euro 2,000,000.



# THE OPPORTUNITIES FOR INNOVATIVE STARTUPS



Easier to cover systematic losses



Easier compensation of VAT credit



Incentives to investment



Easier access to bank loan

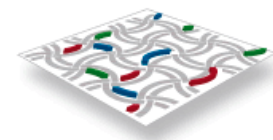


No regulations on dummy companies



Fail-fast

# THE OPPORTUNITIES FOR INNOVATIVE SMEs



Free access to #ItalyFrontiers



Flexible corporate management



Easier to cover systematic losses



Exemptions on dummy companies



Incentives to work for equity schemes



Incentives to investment



Equity crowdfunding



Easier access to bank loans



ITA Service Card

# A MODERN, COMPETITIVE AND NON-DISCRIMINATORY LABOUR MARKET

In the last decade, Italy has implemented a number of substantial reforms of labour market aimed at the creation of a modern, competitive and non-discretionary environment



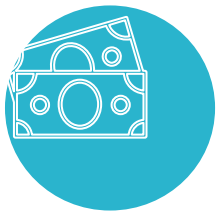
## Limited Reinstatement

Since 2015 reinstatement has been limited to cases of discrimination proven by the concerned employees. The due indemnity is not discretionary for the judge



## Court litigation

the court litigation has dramatically fallen (approx. 70% reduction of court cases concerning dismissals and end of fixed term)



## Indemnity

With the new reform, should the dismissal be declared unfair, the employee is entitled to an indemnity amounting to 2 months' salary per each year of seniority



## Length of Court litigation

the length of first degree employment Court litigation: 1-1.2 years on average at Italian level; 7 months at the Court of Milan;



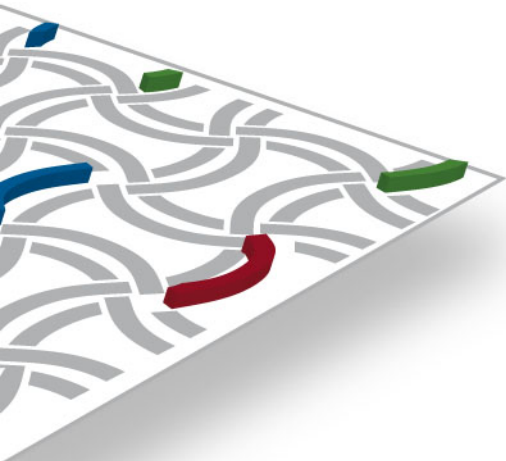
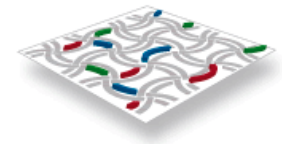
## Out of court settlement

The new law on dismissal encourages the parties to find a prompt and amicable out of court settlement. Example: should the employee accept an offer of 1 month per year of seniority, up to a maximum of 12 months, a substantial tax exemption applies



## New powers for the employer

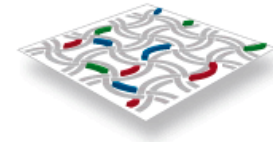
since 2015, the employer has a wide power to freely decide the duties to which the employee must be assigned to during the employment relationship



**HOW WE CAN LEXIA AVVOCATI HELP YOU?**



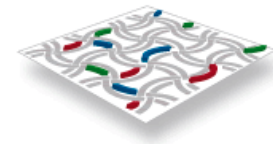
# HOW CAN LEXIA AVVOCATI HELP YOU?



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LOMBARDY**

- **LEXIA Avvocati** ([www.lexia.it](http://www.lexia.it)) is an independent law firm with offices in Milan, Rome and Palermo, comprising 5 partners and 40 lawyers.
- **LEXIA Avvocati** is the official legal partner of the “Invest in Lombardy”, the government agency for the attraction of foreign direct investments.
- We **support foreign investors** along the entire **process of settlement** and **expansion** of the **investment**, by giving **quick** and **useful responses to their needs**
- We have strong international focus and we provide highly qualified tailored services “Inbound” and “Outbound”, through a dedicated team of lawyers which have all acquired extensive experience in the International arena. **LEXIA’** team is able to assist clients in English, French, Spanish, German, Hungarian and Macedonian.

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- **Corporate**

- Company incorporation

- Establishment of branches and representative offices

- Innovative start up companies

- General corporate advisory

- **Transactional**

- M&A and Private equity

- Venture Capital

- Joint Ventures

- Project financing

- Setting Private Public Partnership projects

- **Finance**

- Funds

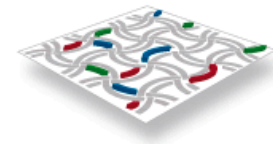
- Investment services

- Capital markets

- Regulation of listed companies

- Private banking

# OUR PRACTICE AREAS



## ▪ Immigration

Corporate immigration

Investors' VISA Program (Golden VISA)

Italia start-up VISA program

## ▪ Tax

Corporate tax advisory

International tax planning

Tax litigation

Italy' rewarding scheme program

Italy resident non-domiciled program

Customs

## ▪ Commercial

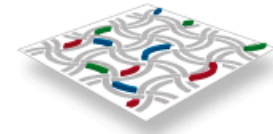
Franchising contracts

Know-how and Trade mark licensing contracts

Research and development contracts

Agency and distribution agreements

# OUR PRACTICE AREAS



- **Regulatory matters**

Greenfield and brownfield foreign direct investments in Italy

EU funding and other national or international funds

Legal opinions on EU and national regulatory framework applying to energy renewable sources, energy efficiency, electricity, oil& gas, climate change and environment; financial services and collective; investment undertakings; spatial and urban planning and real estate; retail and consumers.

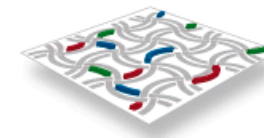
- **Litigation and Arbitration**

Civil and commercial litigation

Domestic and international arbitration

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