



# The Italian Labour and Payroll Landscape

Here what you will find in the next pages:

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**Before you look at the labour services: some preliminary basic information**

What you need before begin to be an Employer in Italy

## The Landscape of the Italian Employer

# Summary

## What you need to start

If you have never had any employee in Italy, you may need our general start-up services

Before hiring people in Italy, the applicant-employer has to:

- ☒ Define and set up the Italian employer body
- ☒ Assist your applicant employees with the immigration and working issues
- ☒ Register your Company's Italian body at the relevant employment offices
- ☒ Manage **Tax** and Accounting, comply with **Health and Safety** at work duties, **relocate** your people
- ☒ And more...

Look at the following pages for further details...

# Help!

## **We can assist you**

**Our firm and our specialized partners may assist you through the whole process**

Our firm's departments and our specialized partners may assist you with any side of your project:

- Corporate
- Immigration
- Labour
- Payroll
- Health and Safety at work
- Tax
- Energy
- International relocation
- Staff leasing
- ...

We are an [official partner of the Government Agency](#) for the attraction of foreign direct investments.

## Step # 1: you need an *employer*

Before hiring employees you need to identify the body which will be the employer

Depending on the business the Company is planning to run, it has to choose among one of the following body settings (**let's call it «NewCo»**):

- **Subsidiary**: it is a legal person under Italian law which might be 100% incorporated by the foreign mother Company. It will be able to operate at any respect as any other Italian employer
- **Branch**: it is NOT a legal person but it is acknowledged as a permanent establishment (as per OSCE definition) of the foreign Company in Italy. It is subject to tax and can operate as well as a subsidiary
- **RepOffice**: it is acknowledged as an office of the foreign Company. It can be a cost-center but it has serious limitation. In fact it is allowed only to operate market research or provide information to potential clients. It cannot perform any manufacturing or trading activity
- ...

All the above solutions have pros and cons and have to be evaluated under a corporate, tax and administrative perspective.

Under a labour perspective, we will receive your decision and we will call our applicant-employer as «NewCo».

## Step # 2: you need an *employee*

Check whether the candidate is eligible to employment in Italy

### EU AND EEA NATIONALS

- EU (European Union), EEA (European Economic Area) and Swiss nationals can be employed in Italy without any authorization by the Italian authorities.
- Should an EU national choose to work in Italy for a period in excess of 3 months, he/she should apply for a permit.

### NON EU AND EEA NATIONALS

- Extra-EU workers may be allowed to work in Italy through a specific process and the according with the limitations set forth year by year by the Italian Government. At the end they may get a VISA or similar permits.

## Step # 3: registering the «NewCo» as an employer and hiring people

Once corporate and immigration issues are over, it is time to move forward to the labour and payroll activities:

- **Employer on-boarding:** the NewCo must apply at the relevant Italian employment bodies to be acknowledged as an employer;
- **Employment contracts:** a written employment contract is warmly advisable and, sometime, necessary. You need to decide about the application of a national collective bargaining agreements («CBAs»): this point takes a while and we will come back to this matter in the next pages;
- **Employee's on-boarding:** any new employment must be previously to the Employment Office ([see later](#));
- **Payroll accounting:** after the employee's on-boarding is over, the ordinary payroll accounting can begin (producing pay-slips, paying social security contributions, etc.)



## **Step # 4: Health and Safety at Work compliance is crucial**

We warmly recommend to take care of H&S. This may happen (immediately) after the first employee starts working.

- Italian laws set forth many and relevant requirements concerning health and safety at work (mainly through the Law no. 81 of April 9<sup>th</sup>, 2008).
- Failure to comply can result in serious liability of the employer towards workers and may lead to the application of severe penalties and to the preclusion of contractual arrangements (such as fixed-term employment contracts) and incentives sometimes provided by law.
- The Company may take care of the Health and Safety Compliance by itself or through specialized companies.

### Step # 4: not only labour

#### Any company must comply with several rules

Please be aware that, once the Company has been established, several rules regulate the its life. Below few among the many ones:

- **TAX:** you should also appoint an accounting and tax advisor. The appointment of a qualified accounting and tax advisor is highly recommended because under Italian law it is mandatory to comply with relevant filings required by the Italian Revenue Agency and the Companies' Registrar regardless of whether the branch has actually started its business activity
- **BANKING:** a Company's bank account should be opened to manage all the payments
- **HeS:** health and safety at work is an important issue to be managed
- other compliance may depend on the specific activity of the Company

## **Employers in Italy have some (mandatory) «fellows» to deal with: the public and private bodies involved in the employment management**

Below a short list of the main ones.

### **INPS**

It is the Italian national social security body. It receives the social security contributions and many mandatory communications.

### **INAIL**

It is the Italian national labour insurance body. It runs the mandatory health insurance for employees and receive the related payments. It also oversees the «Libro unico del Lavoro» (the employees' book which any employer must keep) and requires several communications.

### **CENTRO IMPIEGO (or «CPI»)**

It is the regional employment office. It requires to receive several communications.

### **INL/ITL**

They are the national (INL) and local (ITL) Labour inspectorate. They are in charge of the surveillance and control over the employment compliance.

### **Agenzia delle Entrate (or «Italian Revenue Agency»)**

It is the Italian national Revue Agency and it requires to receive all the withholding taxes and several communications, including the «F24» ([see after](#))

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## Understanding employment in Italy

# The employment contracts

## «CBAs»

### Collective Bargaining Agreements in Italy (or «CBAs»)

The application (or not) of a «CBA» to the Italian employment contracts requires few minutes of your attention

- Employment contracts in Italy are widely covered by national collective bargaining agreements (or «CBAs»). **Over 75%** of the Italian employments **apply a CBA** and often **employees require it as a part of their agreement** ([source: ISTAT](#)).
- CBAs are general agreement signed by the Italian trade unions' associations of employees and employers. Where applied, they rule several issues of the employment contract.
- The application of a CBA to an employment contract is **not mandatory unless** the Company is registered to an employers' trade union association.
- Please note that, in lack of a MAIN CBA (i.e. chosen among the most important ones), the Company may face **serious limitations** in order to benefit from public help, **incentives** and tax reductions, where available (e.g. to hire young or unemployed people, etc.); to **deal with** the Italian Government, Public Offices or public contractors; to apply **flexible** contracts or clauses you might need (e.g. for the part-timers); etc.

**Our advise is to apply CBAs**

# Employees' Classifications

## Employees are classified per categories and levels

### CATEGORIES

The laws provides for four categories of employees:

- Dirigenti (i.e. Executives)
- Quadri (or «Middle managers»)
- Impiegati (i.e. White collars)
- Operai (i.e. Blue collars)

### LEVELS

Professional levels are provided for by the collective bargaining agreements. Levels classify employees on the basis of their professional area: For example:

- Level 1 may include the team leader
- Level 4 may include the receptionist
- Level 7 may include the cleaner

Sometimes the numbering is inverted with the higher number for the top level employees.

### WHAT THEY WORK FOR

Categories are still relevant for social security laws; relevant special rules are provided for executives and middle managers. The difference among white and blue collars is currently less important.

Levels are relevant to rule several employment issues: e.g. the minimum wage; the length of the probationary period; the length of holidays; etc.

# Working time

## Employees' working time is limited

Laws and CBAs define the «normal» working time

### In the WEEK

Laws establish that the normal working time for most employees is **40 hours per week**. Special rules are established for particular jobs or sectors (e.g.: 38 hours/week, 48 hours/week, etc.)

### In the DAY

The normal working time during the day is 8 hours for full-time workers. The distribution of the hours depends on the contract and on the need of the company. In any case, the employee is entitled to a continuous rest of 11 hours per day and to a pause for the lunch.

### Weekly REST

Employees are also entitled to a weekly rest, usually on Sunday. Most of working weeks are organized over 5 days per week but it depends on the needs of the company.



# Paid leaves

## **Employees are entitled to benefit from paid leaves**

**Paid leaves are granted to Italian employees every year and in several situations.**

### **HOLIDAYS**

Employees are entitled to a period of paid holidays per year. Holidays cannot be shorter than 4 weeks per year. CBAs usually increase holidays of few days.

### **PAID PERMITS**

Paid permits are also provided by CBAs. They allow the employee to benefit of hours-off (32 or more per year, depending on the CBA).

### **MATERNITY LEAVE**

Pregnant women are entitled to (at least) five months of maternity leave starting from two months before the birth (starting can be delayed by the mother up to the birth).

In most cases, a wide part of the cost of the leave is charged to the INPS. Mothers are also entitled to additional six months leave after the birth which may be used along the childhood of the baby. A part of this cost might be borne again by INPS.

**More...**

# Italian bank holidays

**In Italy there are «red days» where most of people have holidays**

**There are national and (some) local holidays**

During the bank holidays, employees are entitled to suspend their work (except for special situations) and get the salary as well.

If employees work during holidays, they are normally entitled to receive an additional daily salary, depending on the cases and on the CBA, where applied.

Below **a list of the main holidays:**

<b>January 1</b>	New year's day	<b>November 1</b>	All Saints
<b>January 6</b>	Epiphany	<b>December 8</b>	Immaculate Conception
-	Easter and day after Easter	<b>December 25</b>	Christmas day
<b>April 25</b>	Freedom day	<b>December 26</b>	Holy Steven
<b>May 1</b>	Workers' day	<b>June 29</b>	(Rome) Holy Peter and Paul
<b>June 2</b>	Republic's day	<b>December 7</b>	(Milan) Holy Ambrose
<b>August 15</b>	mid-August		Other...

## Understanding employment in Italy

# Other employment contracts

# Open-ended or Fixed-term?

## **Italian law allow both open-ended and fixed-term employment contracts**

**Both have pros and cons. The Company has to evaluate its best choice**

### **OPEN-ENDED EMPLOYMENT CONTRACTS**

The open-ended contract is considered by the Italian law as the «normal» contract: any other variation is an exception subject to restrictions.

Open-ended contracts may be terminate in every moment by both parties but:

- employees are always free to leave with notice (resignation)
- employers may withdraw only with qualified reasons: serious misconduct (just cause) or individual or collective reorganization/redundancy (lay-off)

### **FIXED-TERM EMPLOYMENT CONTRACTS**

Fixed-term contracts are allowed by law up to 12 months length. It is also possible to extend the contract up to 24 months, but qualified reasons are required (and not advisable: they are very hard to be matched).

- Fixed-term has an additional cost: + 1,40% social security contributions
- When the term expires, the contract ends. No reason is required.
- The original term might be extended, if both parties agree, up to global 12 months. Four extensions are available (e.g.: original term: 3 months; #1 extension, + 2 months; #2 extension, + 4 months; etc.)
- During the contract the employer cannot withdraw until the term expires (except for serious misconduct). The employee cannot resign as well but no legal penalty is provided for (but it can be added to the contract).

## Job on call

### «Job on call» is a flexible employment for limited activities

#### Call the employee when you need. And pay accordingly

The «Job on call» is a regular employment contract with a special arrangement of working times.

The specialty of the contract is the following: the company asks the employee to **work only when necessary** (and pays for this only). The employee is free to accept or refuse the call.

A special covenant can oblige the employee to accept in a certain range of period (e.g.: every Monday morning 8.00/12.00) but in this case the Company must pay an indemnity for any hour of availability without call to work.

The indemnity is equal to the 20% of the ordinary minimum hourly wage. It is subject to the costs of employment as well as any ordinary salary.

The contract is restricted to a limited area of application: for example, only employees aging in certain range (below 25 or over 55 years old) are allowed to be employed; or for certain duties; etc. We will check the requirements before starting the drafting of the contract.

A communication must be delivered to the Employment office before any call (or forecasted group of calls, e.g.: the employee will be called every Monday of February).

We can take care of the full compliance on your behalf.

## Voucher contracts

«Voucher» is a special employment for limited activities (and low cost)

A flexible job with Euro 12,41 (company cost) per hour

The «Voucher» contract allows a free arrangement of the **working time** within yearly limits.

The **total cost** for the company is equal to **Euro 12,41 per hour** (including: **Euro 9,00 for the Employee** + Euro 2,97 INPS + Euro 0,33 INAIL + 0,12 for administrative fees). The hourly wage can be increased but this will proportionally increase the costs.

For any working days the wage cannot be lower than Euro 36,00 (plus costs).

The main limits are Euro 2.500,00 net and 280 hours per year for the same employee; Euro 5.000,00 per year for any Company, if split among more employees.

Only company who employ **up to five open-ended employees** are allowed to vouchers.

Both the Employer and the Employee have to be registered in a special section of INPS. The Company must have a «**virtual pocket**» at the INPS to pay the wages. Actually, every month the Company must: Communicate in advance to INPS how many hours, what day and when the duties will be performed during the next month: the timing and extent of this are agreed by the company and the employee; Fund the virtual pocket money with the amounts required by the forecasted working hours (we advise to deliver funds on time because it takes a while to be credited: about 10 working days but delays may depend on the office). In lack of enough funds the work is not allowed

We can take care of the full compliance on your behalf.

## Understanding employment in Italy

# The salary

## When talking about salaries always distinguish among the main figures

### «The yearly salary» is not one but three

#### GROSS

The gross salary is always the starting point. It is the only figure that the parties may manage. It is the wage set forth in the employment contract.

CBAs fix a **minimum gross wage** for each professional level (e.g. the cleaner is a level 7, with a minimum wage of Euro 1,000.00 gross per month; the office leader is a level 1, with Euro 2,000.00 minimum; etc.).

#### COST

Employers are charged with several costs usually calculated per head or on the basis of the gross salary (e.g. part of social security contribution, part of some benefits, severance pay, etc.). These cost are on top of the gross salary. Therefore, where you have agreed a gross wage of 1,000.00 your out of pocket might be 1,350.00.

#### NET

The employee must also pay income taxes, part of the social security contributions, etc. The employer usually is «sostituto di imposta»: which means that the Company shall withhold such amount from the monthly gross salary and pay them to the Revenue Agency and to other bodies. The net amount is the money in the pocket of the employee. In our example, for Euro 1,000.00 gross the employee might get Euro 700.00 net.



# Employees' salary(s)

## **The amount of the «salary» may be different in different frameworks**

**«The yearly salary» is calculated with different criteria depending on the purposes of the calculation: each one has its own method**

When referring to an employee's «salary» it may seem obvious it should be clear what we are referring to. Unfortunately, this is not always the case. In fact, Italian laws and CBAs provide for several definition of salary depending on the purpose for which it is calculated.

Therefore, by way of example, the indemnity in lieu of a notice period is calculated taking into account the average of the last three years commissions, performance-based bonuses and other compensation awarded on a continuous basis.

On another hand, the TFR (the mandatory severance payment, see slides later) is calculated including all amounts paid and the value of fringe benefits, granted not on an occasional basis; unless differently ruled by the applied CBA.

Another notion of salary is the «global de facto remuneration», which should include any and all compensations paid to an employee continuously during the relevant period of time. This is, for example, the basis to determine the indemnity due to employees in cases of unfair dismissal.

When drafting employment contracts and remuneration policies or negotiating settlement agreements, the above must be kept into account.

## 13<sup>th</sup> + 14<sup>th</sup> Installments

### **Additional monthly salary's installments**

The 13<sup>th</sup> pay is mandatory. The 14<sup>th</sup> depends on the sector and CBA

The additional monthly payment often make confusing non-Italian employers.  
They have no other particular justification that the Italian trade unions' tradition.

Finally they are not a matter. Employers only have to consider the yearly gross salary and cost. Additional payment are just a way to split it.

Reducing the salary payments to 12 yearly installments is often not permitted and - in general - not advisable as it creates administrative problems and risks of claims.

# Additional wage

## Employees are entitled to additional wage depending on working time

### Overtime

Working hours exceeding the normal duration (e.g.: more than 40 hours per week) require the employer to pay an additional wage. Usually the hourly wage is increased (e.g.: +10%).

### Holidays work

Working time during the weekly day of rest (e.g.: Sunday) or during holidays (e.g.: Christmas day) entitle the employee to an additional wage with an increased hourly ratio (e.g.: +30%).

### Night work

As well as for holidays work, additional and increased wages are due.

### Additional wage

The amount and the increase of the additional wages (e.g.: +10%, +30%, etc.) depends on the individual contract or on CBA.

# Additional wage

## **Employees are entitled to additional wage depending on special situations**

The particular conditions of the job may entitle the employee to additional wages. Below some examples:

### **Cash liability**

Some CBA grants a specific monthly indemnity for employees who manage the cash and who are responsible for the daily final amount (e.g.: Euro 100,00 gross per month)

### **Mining or mountain indemnity**

Some CBA grants an additional wage for the time spent at high altitude; or in depth in mines; etc.

**And more...**

# «TFR»

## **TFR is the mandatory severance payment**

About one monthly installment per year is accrued by the Company and it is paid only at the end of the employment contract.

### **ACCRUING**

All employees in Italy are entitled to the TFR but only at the end of the employment contract. Therefore, during the contract, TFR is just a debit which the Company must register in the yearly balance sheet. In some situations, the installments of TFR must be deposited to public or private funds.

### **PAYMENT**

The employee may ask for a part of his/her TFR during the employment only if some requirements are met (e.g. to buy the house, health needs, etc.).

Otherwise he/she will be entitled to get the money only at the termination of the employment. The payment is due in any case of termination, even for just cause.

### **AMOUNT**

The law rules the calculation of the yearly installments and of the interests to be paid. It is about 7.41% per year of the gross salary. Several detailed rules are also provided for.

## **Benefits are non-money payments to employees**

**Benefits have often special tax rules. Where not, they increase the company cost as salary.**

The tax rules of benefit often change, depending on the yearly fiscal politics of the Italian Government. In many cases, they have a very interesting and cost-effective application because they may grant the employee a relevant advantage with a lower cost for the Company than salary. Below few examples:

### **COMPANY CAR**

It can be assigned for job purposes only (then it is *not* a benefit) or for personal use too. In the latter case it is a *benefit* and its tax-value is calculated on a forfait basis, according with figures set forth yearly by the relevant Government Agency.

This benefit is very efficient because the taxable amount is much lower than the actual value for the user.

### **LUNCH TICKETS**

They are tax exempt up to Euro 4.00 (for paper tickets) or to Euro 8.00 (for e-tickets). Tax exempt means that cost=gross=net: the company cost is what the employee gets in his/her pockets.

### **MANY OTHER**

There are many other benefits which might be used. We are available to analyze them if you like.

# Salary Payment

## **Payments cannot be delivered cash**

**Salary must be paid cashless from Italy as well as from abroad**

### **PAYMENT OF SALARIES**

Employees's monthly salary or severance pays and other wage or reimbursement cannot be done in cash. Only tracked payments are permitted: bank transfers, bank cheques, etc. Payments to employees may be sent even from abroad. It is not required an Italian bank account for this.

**Anti-laundering issues must be evaluated.**

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## Understanding employment in Italy

# The due payments

## Employers must act as withholders

Except for very special situations, employers are withholders on behalf of the employment Fellows

Employers in Italy are generally obliged to act as withholders for income taxes, social security contributions and other payments charged to the employee.

The withholder (called «**sostituto di imposta**») retains the due amounts from the employee's salary and pays them to the relevant bodies which are entitled to receive them (the Revenue Agency, the INPS, etc.).

Only in **exceptional cases**, the employer is not a mandatory withholder for income taxes. In such situation it pays to the employee a gross salary and the employee will provide himself to pay the due taxes. This matter **needs a specific tax assessment** which cannot be carried out within the labour and payroll engagement.

**In any case**, the employer is always a withholder for social security contributions and other amounts.

All withholdings amounts are **paid through F24 forms**.

# F24 Payments

**The payments to the Revenue Agency must follow the F24 process**

**F24 can be processed only by licensed banks**

Payment of the amounts charged to the employer (and of the withholdings amounts from employees' salaries: income taxes, social security contributions, etc.) must be delivered to the Italian Revenue Agency and to the other relevant bodies through the mandatory **F24 form**.

Please note that the F24 form can be **only processed by the banks** which have been licensed by the Inland Revenue Agency ([the list is available here](#)).

# «F24»

## The mandatory dialog form with the Italian Revenue Agency

It is the monthly report concerning the amounts due by employers and employees

### HOW IT LOOKS

You may find an example of an **F24 form** in our [Sample folder \(available here\)](#).

### WHEN

The F24 must be delivered to the Revenue Agency **every months** by the employer or by its payroll accountant.

### WHAT

The F24 form registers the amounts due by the employer and by the employee to the several bodies entitled to them: INPS, INAIL, etc.

**No else way** than F24 is permitted to report the due amounts.

### WHERE

The F24 can be directly debited to a designated bank account. Please note that **only the banks authorized** by the Revenue Agency can process the F24 form ([the list is available here](#)).

### HOW

**Delivering and debiting the F24** can be done only through the online tools provided for by the Revenue Agency. The operators must have specific skills.

**Understanding employment in Italy**

## **Administrative compliance**

## Mandatory communications

### Employers must communicate events to the Employment Office

Many events must be communicated *before* or *immediately after* they happen. We will do it for you but we need to be informed

Many activities concerning employment in Italy must be preceded or accompanied by formal requirements, such as a **written communication to the employee or to the relevant public bodies**.

For example: hiring a new employee, changing working hours of part-timers, changing a fixed-term contract, dismissing, changing the employer's business name, transferring a branch of the employer, etc., must be preceded or accompanied by such formal requirements.

In all these cases, **the violation** of the mentioned requirements leads to the application of fines or more serious sanctions against the employer. In particular, the beginning of an employment activity without having informed the competent office prior to its starting is considered illegal undeclared work.

**It is therefore important that you inform us** of any new employment relationship and any changes to existing relationships *before* they are implemented.

## «LUL» - Pay slips

### Attendances and salaries must be recorded in the pay slips («LUL»)

Payroll accounting is (among the rest) keeping the **Employees' Book**, so called «LUL»

Any employer is required to maintain an **Employees' Book - LUL** where salary, tax deductions and social security payments, working hours and more must be recorded.

The **pay slips** which are delivered to employees are just an extract from this Book. Nowadays the book is virtual and can be held by the payroll accountant.

The Book is an **official document**. Each page of the Book receives a unique number which is stamped by the Payroll accountant as a qualified professional operating in connection with the Employment Office.

## Pay-slips calendar may «synchronous» or «asynchronous»

Employers have two options for processing pay slips: registering the variable data (attendance, absence, overtime, etc.) of each month in the corresponding pay-slip (e.g.: the pay-slip of September reports the data of September) or in the following one (e.g.: the pay-slip of September reports the data of August).

We refer to the former as to the «Synchronous calendar» and to the latter as to the «Asynchronous calendar»:

<b><i>Synchronous calendar</i></b>	<b><i>Asynchronous calendar</i></b>
The Company shall provide us with the variable data of the month before by the 3 <sup>rd</sup> day of each month; the salary shall be paid by the 10 <sup>th</sup> day of the month after.	The Company shall provide us with the variable data by the 12 <sup>th</sup> day of each month; the salary shall be paid by the 27 <sup>th</sup> day of the same month (on the basis of a standard behaviour for the hiring month; on the basis of the data related to the previous month in the ordinary process).
<p>E.g.:</p> <ul style="list-style-type: none"> <li>• The September pay slip shall be drawn up by October 6;</li> <li>• The salary of September shall be paid by October 10.</li> <li>• The variable data concerning September shall be registered in the payslip related to the salary of September.</li> </ul>	<p>E.g.:</p> <ul style="list-style-type: none"> <li>• The September pay slip shall be drawn up by September 25;</li> <li>• The salary of September shall be paid by September 27.</li> <li>• The variable data thereby registered are related to August.</li> </ul>



**Employers must produce and manage many documents.**

**You will meet them but we will prepare them for you.**

### «MODELLO 770»

It is an yearly declaration concerning the taxes withheld in the previous year that the employer must deliver to the Agenzia delle Entrate.

### CERTIFICAZIONE UNICA (also called «CU»)

It is a declaration the employer must deliver to the Revenue Agency and to the employee every year, concerning the taxes withheld the previous year.

### TFR FORMS

These are mandatory declarations concerning the possibility of the employee to manage the destination of his/her TFR: **the employer must inform the employee** about his/her options of managing the TFR; **the employee should inform the employer** about his/her choice. In case of silence, after the deadline expires, the default choice will be adopted.

## «PEC» e-mail

### **PEC e-mail has the same legal value as the registered letter!**

**Do not forget watching your Company's PEC e-mail. Because you have it, even if you don't know or don't care**

Italy has an advanced regulation of electronic documents and communications. Most companies are obliged to get, keep and use their own e-signature («**firma digitale**») and registered e-mail («**PEC**»). E-signature and PEC have legal effect in Italy as well as the traditional paper documents and letters and they are often **the only communications accepted by the Public Offices**.

The **Firma Digitale** is a tool (generally a smartcard or similar) which allows to legally sign electronic documents, **like a PDF**. The e-doc signed has the same legal value as the hand-signed paper document.

**The PEC** is a special e-mail which provides the sender with a receipt with legal proof of sending and delivery; therefore, these communications work like traditional registered letters. The PEC address of any company is also **registered at the Companies' Registrar («Registro delle Imprese»)** and is **publicly known to all**. Therefore, both the government agencies and any other subject can legally write to the Company using only its PEC address.

Therefore, it is very important for the Company to monitor daily any e-mail address and any PEC registered with the Italian Companies Register and/or communicated to the bodies involved in the process of managing the employment relationship.

## **The paper invoice in Italy is over: Companies must manage e-invoicing**

**Most of Italian operators must deliver and receive only e-invoices. Paper (or PDF) invoices are no more relevant**

Starting from January 2019, the traditional paper invoicing has no longer legal course. The same is for their electronic copy, as PDF or WORD ones.

The e-invoice, in fact, is not just a paperless document but it is a standard XML format regulated by law which must be built and delivered according with the mandatory requirements set forth by the Italian law.

Under **an operating perspective**, Companies must take into account that:

- Their own invoices must be issued and delivered according with the aforementioned XML standards (your tax accountant may help);
- The invoices received by suppliers will be delivered **ONLY** via the standard channels (usually managed by your tax accountant) or to the Company's official PEC, registered at the Companies' Registrar.

Therefore, **you must be aware** of the channel you have chosen, **keep it monitored** and **communicate** it to all your suppliers (including LEXIA and our partners).

## Contacts



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Thanks for your interest.



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