

## MILANO FINTECH ECOSYSTEM

**Italy:** Italian FinTech ecosystem is a **fast growing rising market** with high potential and represents an opportunity for investors who want to take the best opportunities first. **Covid-19** has positively impacted Italian FinTech sector by accelerating the country's **process of digitization** and remote services by favoring Fintech services such as digital payments and alternative lending.

**Milano:** with over **€390bln of per-capita GDP** (21% of national GDP and 30% higher than the EU average) Lombardy is the leading Italian Region. Being Italy's economic and financial capital, Milano is home to the **major financial institutions**, to **4,700 MNCs** for a total workforce of **501,000 employees** and a turnover of **€236bln**, to over **40 startup incubators and accelerators** and **60 coworking spaces**.

### Italian FinTech Ecosystem

- **345 new companies in 8 years** (+28% per year)
- Growing adoption of FinTech services (+51% in 2019)
- **14mln** Italians benefit from FinTech or InsurTech service in 2019 (25% of the population between 18 and 74)
- **+60% annual growth of Investments** in the Italian FinTech ecosystem between 2016-2019
- **58,5K-73,3K new jobs** created by Fintech disruptions in the next 4 years
- **€261mln** invested in FinTech startups in 2019

### Why Milano

- Home to **45%** of Italian FinTech companies
- Home to **10,000 financial companies**, **70,000 financial services employees** and to the **Italian Stock Exchange** (457 listed companies and over €688bln of market cap.)
- **Top three EU city for fast growing startups** and home to over **2,000 start up companies**
- Leader in Smart Payment, Insurtech, Capital Markets and Trading, Money Management and Lending
- Ranked **15th** in the **Global FinTech Index** out of 50 EU cities

### Innovation Hub

Thanks to its **great variety of incubators, accelerators and innovation hubs**, Milan is the perfect environment for startups and early technology adoption.

- **Milan Fintech District:** It attracts the most relevant national and international stakeholders and collaborates with public and financial institutions, investors, international innovation hubs and universities to facilitate **open innovation** projects within Italian FinTech community. It hosts **158 FinTech players**.
- **PoliHub:** the innovation district and startup accelerator of Politecnico University, awarded as the **3rd university incubator in the world**, support highly innovative startups and well-established high-tech firm to facilitates the exchange of experiences and knowledge and entrepreneurial networking.
- **Plug&Play:** the biggest innovation platform and startups' accelerator in the world opened its first Italian hub in Milan. It runs accelerator programs connecting the world's best startups with the most innovative corporations investing in over **250 startups a year** and have connections to **300 of the world's best VCs**.

### Talent Base

- **8%** of Italy's workforce
- **11** universities, 4 specifically dedicated to STEM and Economics and top-ranked in Europe
- **200,000** students each year (10% of which are international)
- **29,000** graduates in STEM and Economy-related disciplines in 2019
- **22%** of Italian patents

### A Strategic Position

- Key access to EMEA markets and to **800M European consumers**
- **2 international airports:** over 3000 flights to 185 destinations every week
- **Excellent urban and sub-urban public transport** network and **sharing mobility** services
- **High speed train** from the main railway stations
- **Advanced logistic hubs**
- First city in Italy for **quality of life**

## FISCAL INCENTIVES

### Smart&Start Italia

Projects must include expenses and eligible costs between €100,000 and €1.5 and have a duration not exceeding 24 months after the contract sign. The aid finances the creation and growth of innovative startups, established for no more than 60 months, that have a strong technological dimension, operate in the digital economy, enhance research results (spin-offs from research).

Interest-free loan up to 80% of the total investment (10 years repayment schedule). Up to 90% if the startup is composed exclusively by women or young people under the age of 35, or if it includes at least one Italian PhD who is working abroad and wants to return in Italy.

### Innovative Startups

Italian startups under 5 years old with revenues of less than €5m receive an exemption from certain taxes and access to flexible employee contracts. 30% tax relief for investors in innovative startups (cap at €1m for individuals, €1.8 for companies).

### Innovation Manager Voucher

Contribution to help SMEs purchasing consulting services for the development of High-tech and digital transformation. It covers 50% of the costs for small companies up to €40k and 30% for medium companies up to €25k.

### Patent Box

Fiscal deductibility on IRPEF (personal income tax) or IRES (tax on company revenues). Partial tax deduction of 50% for incomes arising from direct use or licensing of qualified intangible assets: property rights, industrial patents, trademarks, designs and models, as well as processes, formulas and information relating to experiences acquired in legally protected industrial, commercial or scientific fields.

### Patents+

The incentive supports micro, small and medium-sized enterprises (SMEs) for the purchase of specialized services related to patents. Eligible expenses related to: industrialization and engineering (feasibility study, planning, prototypes, etc.), organization and development, technological transfer (proof of concept, due diligence, NDA, etc.). Grant of max 140K up to 80% of the eligible costs.

### New Residents

Employees, self-employed, researchers and professors who move to Italy and have not been resident in Italy in the prior 2 years can benefit of a special tax regime with a tax exemption equal to 70% of their incomes for 5 years (extendible under certain circumstances).

### Employment

Firms that employ workers under the age of 35 are granted a reduction in the labor taxes for the first three years of their employment, up to a maximum of 3,000 euros per year. The age limit will be reduced to 30 years starting from 2021.

### Investor Visa

Non-EU and extra-Schengen citizens who choose to invest in strategic assets for Italy's economy and society are eligible for a renewable 2-years residence permit to reside in the Country.

## WHAT WE DO

We support foreign investors along the entire process of settlement and expansion of the investment, giving quick and useful responses to their needs.

- **Building the business case** for investment
- Making the **numbers add up**
- Making the **investment process** as smooth as possible
- Helping the **investment to succeed**

With the support of our partners we provide **free of charge services**:

- Business research and analysis
- Tax, legal and accounting services,
- Site scouting and selection, real estate services
- HR and temporary management
- PA facilitation