



# DOING BUSINESS IN ITALY 2013

## Smarter Regulations for Small and Medium-Size Enterprises

COMPARING BUSINESS REGULATIONS FOR DOMESTIC FIRMS  
IN 13 CITIES AND 7 PORTS WITH 185 ECONOMIES

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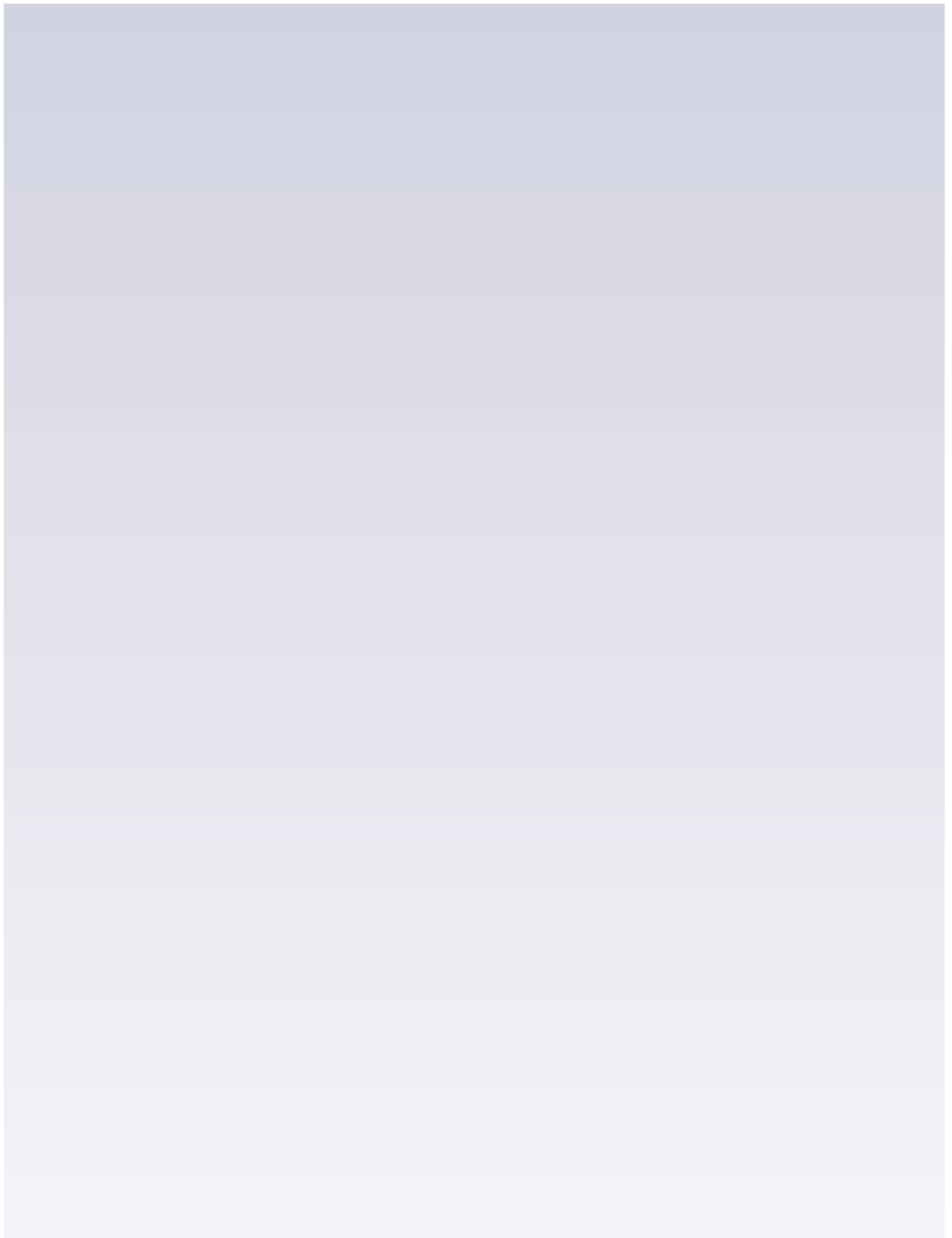
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*Doing Business in Italy 2013* is a new subnational report of the *Doing Business* series. It measures business regulations and their enforcement across 4 indicators in 13 Italian cities: Bari (Apulia), Bologna (Emilia-Romagna), Cagliari (Sardinia), Campobasso (Molise), Catanzaro (Calabria), L'Aquila (Abruzzo), Milan (Lombardy), Naples (Campania), Padua (Veneto), Palermo (Sicily), Potenza (Basilicata), Rome (Latium), and Turin (Piedmont) and the indicator trading across borders in 7 ports: Cagliari (Sardinia), Catania (Sicily), Genoa (Liguria), Gioia Tauro (Calabria), Naples (Campania), Taranto (Apulia), Trieste (Friuli-Venezia Giulia). The cities were selected by the Department for Planning and Coordination of Economic Policy (DIPE) of the Presidency of the Council of Ministers of the Italian Republic. The cities can be compared against each other, and with 185 economies worldwide.

Comparisons with other economies are based on the indicators in *Doing Business 2013: Smarter Regulations for Small and Medium-Size Enterprises*, the tenth in a series of annual reports published by the World Bank and the International Finance Corporation. The indicators in *Doing Business in Italy 2013* are also comparable with over 350 cities from

more than 50 economies benchmarked in other subnational *Doing Business* studies. All data and reports are available at [www.doingbusiness.org/subnational](http://www.doingbusiness.org/subnational).

*Doing Business* investigates the regulations that enhance business activity and those that constrain it. Regulations affecting 5 stages of the life of a business are measured at the subnational level in Italy: starting a business, dealing with construction permits, registering property, trading across borders and enforcing contracts. These indicators were selected because they cover areas of local jurisdiction or practice. The indicators are used to analyze economic outcomes and identify what reforms have worked, where and why. The data in *Doing Business in Italy 2013* are current as of June 1<sup>st</sup>, 2012.

This project is the result of collaboration of the Government of the Italian Republic's Department for Planning and Coordination of Economic Policy of the Presidency of the Council of Ministers (DIPE) with the Global Indicators and Analysis Department of the World Bank Group.

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# Executive summary

In the 1950s and 60s, Italy successfully made the transition from a rural economy with a large agricultural sector, to one where industry and manufacturing are the engines of growth.<sup>1</sup> However, over the past two decades, Italy's growth rate lagged behind other EU countries, such as Germany and France. The current global crisis originated abroad, but longstanding structural weaknesses have exacerbated its effects inside Italy and triggered the worst recession in decades. Since 2008, Italy's economy has shrunk by more than 5%. Today, unemployment is at 10.7% and youth unemployment has hit a record 34.5%.<sup>2</sup> And despite the government's prudent fiscal policy, Italy's public debt-to-GDP ratio is among the highest of the OECD high-income economies, while its private debt levels remain relatively moderate.<sup>3</sup> The International Monetary Fund (IMF) expects the Italian economy to contract by another 2.3% in 2012 and by 0.7% in 2013—with growth returning, albeit only moderately, in 2014.<sup>4</sup>

Italy's ranking on the World Economic Forum (WEF)'s "competitiveness index" is 21st out of the 27 EU member states.<sup>5</sup> Italy's main strengths are well-developed enterprise clusters, a broad presence in the value chain, corporate activity spread among many firms and high firm-level innovation. However, the WEF report recognizes that Italy's potential is not fully realized due to weak competition, burdensome government regulations and red-tape. Without reforms to address these structural gaps and obstacles to competitiveness, Italy's growth is likely to remain sluggish over the medium term.

Since 2011, Italy's government has taken far-reaching measures to restore confidence, stabilize the fiscal situation and remedy structural weaknesses. Under the auspices of the "Europe 2020 Strategy for Intelligent, Sustainable and Inclusive Growth," Italy's "Stability Program" and "National Reform Program" focus on fiscal consolidation, on the one hand, and promoting growth, on the other.<sup>6</sup> The fiscal consolidation measures include adjusting taxation to increase taxes on consumption and property while reducing taxes on business activity and work. The debt reduction strategy is to rein in spending in the medium term.

However, the heart of Italy's problem was and is how to get back to more buoyant economic growth. At a time of crisis, this growth cannot come from an unsustainable expansion of public spending and there is also recognition of the limits of prolonged austerity. There is, in fact, greater acceptance among policymakers and the business community that growth has to come from boosting total-factor productivity. This means increasing efficiency, productivity and competitiveness by allowing more competition in the product and services markets, encouraging small and medium-size firms to invest more on innovation, further liberalizing the economy, reforming the labor market and creating a flexible and simple fiscal system that is transparent and efficient in its administration.

Four national action plans—"Save Italy" (*Salva Italia*<sup>7</sup>), "Grow Italy" (*Cresci Italia*<sup>8</sup>), "Simplify Italy" (*Semplifica Italia*<sup>9</sup>) and the "Cohesion Action Plan" (*Piano di Azione Coesione*<sup>10</sup>)—started to



tackle structural weaknesses, cut red tape, improve the business environment and unlock competitiveness.

The “Save Italy” decree, adopted at the end of 2011, aimed to ensure financial stability, growth and social justice. Among other things, it introduced regulations to free up the establishment and opening hours of commercial businesses and reduce restrictions on business activities. The powers of Italy’s Antitrust Authority were strengthened, extending the range of administrative acts it can scrutinize. A “companies’ court” (*Tribunale delle Imprese*) was set up with the aim of reducing the long delays for commercial dispute resolution. In addition, new bankruptcy procedures were put in place, similar to Chapter 11 in the United States, to protect entrepreneurs under strain and facilitate the continuation of their business activities.

The “Grow Italy” and “Simplify Italy” decrees aimed to encourage private entrepreneurship; facilitate access to markets; create an environment more conducive to domestic and foreign investment; promote innovation, efficiency and transparency in Public Administration; and accelerate the adoption of information and communication technologies. Specific measures under the “Grow Italy” and “Simplify Italy” decrees include abolishing minimum fees for professional services and encouraging an increase in the number of notaries and pharmacies operating in the country. A detailed package of measures was introduced to reduce the administrative burden on citizens and businesses—including the speedier issuance of vital records—across Italy. The establishment of start-ups that incorporate as “simplified limited liability companies” is being encouraged, including a €1 minimum capital requirement for people under age 35. One-stop shops for “productive activities” (*SUAP*)<sup>11</sup> across the country make it easier for entrepreneurs to interact with their respective municipalities. For instance, these one-stop shops are increasingly enabling the

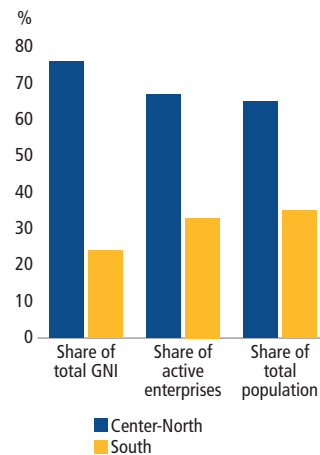
electronic submission of applications for business start-up and construction projects. Furthermore, a single interface for customs services was created, making it easier for businesses to manage customs documents.<sup>12</sup> A new tax framework for businesses<sup>13</sup> reduces the tax burden on capital investments to encourage economic growth. The decrees also allow for substitutive powers that come into effect in the event of non-action by an administration (silence-is-consent rules).

Finally, the “Cohesion Action Plan” is expected to lead to a more efficient absorption and management of EU funds, in particular in the south of Italy. Specifically, the plan aims to set the stage to resume public investment in infrastructure and improve the quality of services and education in the south. Any strategy to overcome economic lags and deep-rooted weaknesses that have accumulated over the years must pay particular attention to the untapped growth potential of Italy’s south (known as the *Mezzogiorno*). While Italy’s center-north is characterized by well-developed industrial, service and infrastructure networks, the south is marred by a partial and outdated infrastructure network and an old and inefficient industrial system. The south has traditionally contributed less to the national economy, as evidenced by a number of indicators.<sup>14</sup> GDP per capita in the north, for example, is €29,527—almost twice as high as in the south (€17,417).<sup>15</sup> The *Mezzogiorno* has 35% of the population, 33% of active firms and generates 24% of total gross national income (GNI). Meanwhile, the center-north is home to 65% of the population, 67% of firms and generates and 76% of GNI (figure 1.1).<sup>16</sup>

### WHAT DOES DOING BUSINESS IN ITALY 2013 MEASURE?

*Doing Business* tracks business regulations that affect small and medium-size domestic limited liability companies.<sup>17</sup> Rome represents Italy in the annual *Doing Business* publication, which compares 185 economies worldwide. But entrepreneurs in Italy face different local practices

FIGURE 1.1 Comparing the regions of the center-north to the south with respect to population, number of active firms and contribution to gross national income



Source: Atlante delle Competitività, Unioncamere Nazionale and Istituto Guglielmo Tagliacarne, 2010.

depending on where they establish their businesses. This study benchmarks 13 cities and 7 ports on 5 *Doing Business* topics. The summary results for starting a business, dealing with construction permits, registering property and enforcing contracts across the 13 cities are presented in table 1.1. The results for trading across borders in the 7 ports measured are presented in table 1.2.

Some observations should be made. First, no city does equally well in all areas. In fact, each Italian city ranks in the top third on at least 1 indicator<sup>18</sup> and in the bottom third on at least 1 other indicator. Bologna, for example, ranks first on dealing with construction permits and registering property but lags behind other cities on enforcing contracts. In Turin, enforcing contracts is easier than elsewhere, but starting a business and registering property are ranked below most other cities. Catanzaro is on top of the ranking for starting a business, but performs poorly when it comes to dealing with construction permits. These results can guide policy makers to areas where improvements are possible without major legislative changes. Cities can share experiences and learn from each other.

TABLE 1.1 *Doing Business in Italy 2013—where is it easier?*

City	Ease of starting a business	Ease of dealing with construction permits	Ease of registering property	Ease of enforcing contracts
Bari, <i>Apulia</i>	6	9	7	13
Bologna, <i>Emilia-Romagna</i>	4	1	1	11
Cagliari, <i>Sardinia</i>	11	2	6	5
Campobasso, <i>Molise</i>	13	8	3	5
Catanzaro, <i>Calabria</i>	1	10	5	7
L'Aquila, <i>Abruzzo</i>	9	3	9	8
Milan, <i>Lombardy</i>	8	3	7	10
Naples, <i>Campania</i>	12	11	3	2
Padua, <i>Veneto</i>	2	5	12	12
Palermo, <i>Sicily</i>	5	12	2	9
Potenza, <i>Basilicata</i>	3	13	11	3
Rome, <i>Latium</i>	7	6	13	4
Turin, <i>Piedmont</i>	10	7	9	1

Source: *Doing Business* database

Second, for dealing with construction permits, there is a negative and significant correlation with regional GDP.<sup>19</sup> Wealthier cities tend to have a more efficient construction permitting process. With regards to the other indicators, the correlation between income levels and rankings is not significant.<sup>20</sup>

Third, population size is not significantly correlated with rankings across the various indicators. In some cases, smaller cities perform better than their larger neighbors. For example, it is easiest to start a business in Catanzaro and more difficult in Naples. Such results could be partially attributed to smaller application volumes in Catanzaro, compared to its larger, more populous neighbor. On the other hand, large cities benefit from economies of scale and they may have more resources at their disposal to invest in administrative modernization than their smaller neighbors.

With regards to trading across borders, the 7 ports covered in this analysis fall into 2 distinct categories. First are the gateway ports, which typically handle large cargo volumes and service long international supply chains. Gateway ports also provide trade-related services—such as distribution centers, warehouses and

insurance—and finance. Second are the transshipment and regional ports, which mainly focus on transshipment activities—whereby containers are shipped and reloaded onto a different vessel at a hub port—and on regional trade. Regional ports play a key role in supplying area markets and connecting local entrepreneurs to national markets. For regional ports, the share of imported and exported containers compared to the total number of containers handled is significantly lower than in gateway ports. Among the gateway ports, Genoa tops the ranking, thanks to the relatively fast port and terminal handling time for exports. Among the transshipment and regional ports, Catania is more efficient, mainly thanks to rapid port and terminal handling operations for imported goods (table 1.2).

### ITALY'S PERFORMANCE AND IMPROVEMENTS AS MEASURED BY DOING BUSINESS

Italy, represented by Rome, ranks 73 out of 185 economies on the ease of doing business, according to *Doing Business 2013: Smarter Regulations for Small and Medium-Size Enterprises*—behind many EU economies, which together average a ranking of 40 globally. Out of the 5 indicators covered in this report, Italy

TABLE 1.2 *Ease of trading across borders*

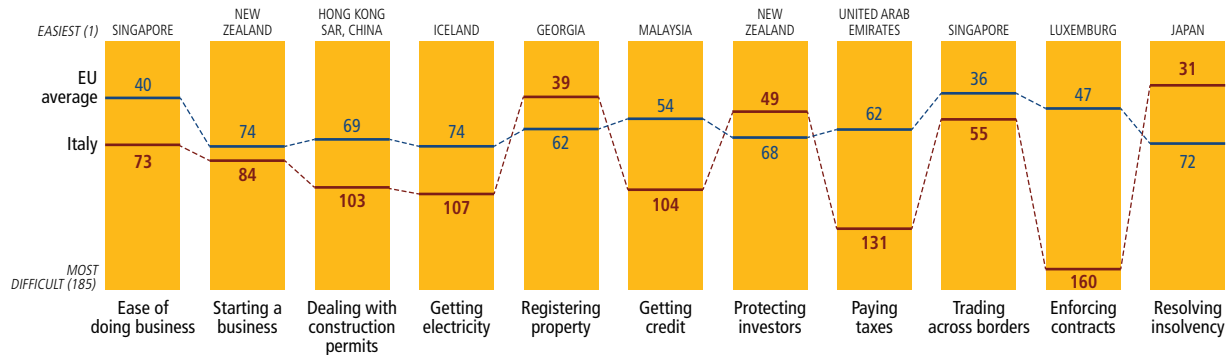
Gateway ports		Transshipment and regional ports	
Rank	City	Rank	City
1	Genoa, <i>Liguria</i>	1	Catania, <i>Sicily</i>
2	Trieste, <i>Friuli Venezia Giulia</i>	2	Taranto, <i>Apulia</i>
3	Naples, <i>Campania</i>	3	Gioia Tauro, <i>Calabria</i>
		4	Cagliari, <i>Sardinia</i>

Source: *Doing Business* database

outperforms the average EU economy on 1—registering property—where it is considered a good-practice economy worldwide (figure 1.2). Registering property takes only 3 procedures, 24 days and costs 4.5% of property value. Meanwhile, in the average EU economy, it takes 5 procedures, 28 days and 4.6% of property value.

The good news is that the regulatory environment for entrepreneurs in Italy is improving—and the pace of change is picking up. Relative rankings only tell part of the story. While the ease of doing business compares economies with one another, the distance to the frontier measure benchmarks economies to the frontier in regulatory practice, measuring the absolute distance to the best performance on each indicator. When compared across years, the distance to frontier measure shows how much the regulatory environment has changed since 2005 in absolute terms. The results also show that Italy is closing the gap to the economies with the most efficient practices on several indicators. The largest strides took place in starting a business, paying taxes and enforcing contracts (figure 1.3).

Since 2005 Italy has implemented a total of 14 institutional or regulatory reforms in all areas measured by *Doing Business*—except dealing with construction permits and trading across borders. Five years ago, the authorities started to simplify business start up through a single online filing system—which was improved further in subsequent years,

FIGURE 1.2 Italy's performance according to *Doing Business 2013: Smarter Regulations for Small and Medium-Size Enterprises*

Note: Italy and other economies are represented by their largest business city and their rankings are based on *Doing Business 2013: Smarter Regulations for Small and Medium-Size Enterprises*. Source: *Doing Business* database.

reducing requirements, time and cost. Effective 2008, the corporate income tax rate was reduced from 33% to 27.5% and the social security tax rate also dropped. Enforcing a contract became faster, after the civil procedure code was streamlined, timeframes shortened and hearings condensed.

## COMPARING REGULATIONS IN 13 CITIES AND 7 PORTS

### Starting a business

Since 2010, businesses across Italy must register through the single online filing system known as *ComUnica*,<sup>21</sup> managed by the chambers of commerce. Thanks to *ComUnica*, starting a business now requires just 6 procedures in all cities but 1.<sup>22</sup> In Milan, Padua or Rome, an entrepreneur can complete start-up requirements in just 6 days, while in Naples it takes 16 days. The time differences are due to how fast the agencies linked by *ComUnica* respond. For example, in Milan, Padua, Rome or Bologna, the company registrar of the chamber of commerce processes applications in 1 day, while in Naples or L'Aquila it takes 5 days, on average. The cost varies from 12.2% of income per capita in Bari to 16.8% in Milan. In addition to start-up costs, limited liability companies must deposit the equivalent of 9.7% of income per capita as paid-in minimum capital.<sup>24</sup> Catanzaro, the top ranked city in starting a business within Italy, combines low professional fees

with fast and efficient response times. Compared globally, it would rank 79 out of 185 economies on the ease of starting a business as measured by *Doing Business*.

### Dealing with construction permits

It is easier to comply with the formalities to build a warehouse and connect it to utilities in Bologna and Cagliari and more difficult in Potenza and Palermo. The number of requirements to build a warehouse and hook it up to utilities varies. In Cagliari, where the one-stop shop for "productive activities" issues the construction permit together with the preliminary clearances from the fire department, the health agency and others, it takes 11 steps. In Naples, where 3 different organizations are involved in the water and sewerage connections, it takes 15 steps. It takes about 5 months to complete the process in Milan, but more than 10 months in Catanzaro and Palermo. The main delay is obtaining the building permit (*permesso di costruzione*) from the municipality. In Catanzaro and Palermo, this step alone requires more than 6 months. The same process takes half that time in Naples, Campobasso, and Potenza—and only 30 days in Milan. There are also large variations in costs across cities. These stem mainly from local building permit fees (*contributo di costruzione*), which constitute 87% of the total cost.

### Registering Property

The requirements to initiate the property transfer are identical throughout the country. These include obtaining an energy certificate for the building (ACE), as well as using a notary to execute the deed of sale. The registration process itself varies depending on the city. In Bologna, Palermo, Milan, Naples, Rome and Turin, 1 single electronic transmission registers the building simultaneously with the Tax Agency (*Agenzia delle Entrate*) and the Land Agency (*Agenzia del Territorio*). In all other cities, the notary must first complete the online registration with the Tax Agency and then visit the property registry at the Land Agency to submit paper copies of the deed of sales (*atto di vendita*) and transfer note (*nota di trascrizione*).

Thanks to the advanced digitization of Italy's professional services and public agencies, registering property is also fast. Through the online platform *Notartel*, notaries can access the land registry, cadastre and company registrar databases online and carry out the necessary due diligence in a matter of minutes before they draft, execute and register the deed of sale. As a result, in Bologna, Naples, and Palermo, registering property takes just 13 days—faster than in Japan. On the other hand, registering property is expensive. Over 92% of the overall cost is composed of fees and duties set at the national level—most important of

which are the registration tax (3% of property value) and the cadastral tax (1% of property value). The remaining 8% are professional service fees—including notary charges and the fees for the energy certificate, *ACE*.

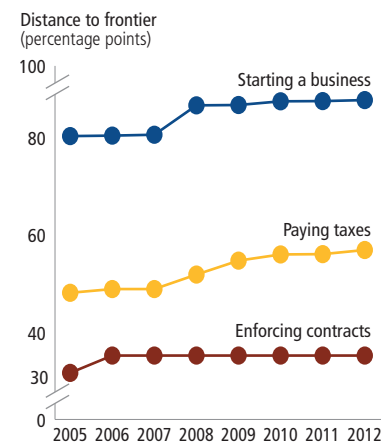
### Enforcing Contracts

Enforcing a contract takes the same number of steps in the 13 courts measured, but there are time and cost variations. Enforcing contracts is less difficult in Turin, where it takes 855 days and costs 22.3% of the claim value. It is most difficult in Bari, where it takes more than twice as long (2,022 days) and costs 34.1% of the claim value. While the high number of cases can explain long waits to some extent, variations among cities also show that courts can use tools to speed things up. Effective tools include case management systems, information technology and specializing judges by subject matter. The national government and local courts have launched a number of initiatives to speed up civil proceedings in recent years.

### Trading across Borders

Among the gateway ports, Genoa is the top performer. Through its port, a container can be exported in 18 days at a cost of \$940. Importing a container through the port of Genoa takes 17 days and costs \$935. Among the transshipment and regional ports, Catania is the most efficient: it takes 19 days and \$1,020 to export a container while importing a container takes 16 days and costs \$1,040. On average, Italian entrepreneurs need to submit 4 documents, spend 19 days and pay \$1,006 to export a standardized container of cargo. To import, Italian entrepreneurs need, on average, to submit 4 documents, wait 17 days and spend \$1,131. Italy fares well compared to the EU average on the number of documents required to trade but it performs worse on costs and time. On average, in the EU it takes 5 documents, 11 days and \$1,072 to import and 4 documents, 11 days and \$1,004 to export.

**FIGURE 1.3** Reforms improved various regulatory processes since 2005



Note: The distance to frontier measure shows how far on average Italy is from the best performance achieved by any economy on any *Doing Business* indicator since 2005. The measure is normalized to range between 0 and 100, with 100 representing the best performance (the frontier).  
Source: *Doing Business* database.

### LEARNING FROM EACH OTHER

As this study shows, local requirements or practices drive notable differences in procedures, time and cost across cities. On all indicators, there are good practices to be found in Italian cities and regions. Reform-minded local governments can use *Doing Business* indicators to motivate and sustain reform efforts. There is no need to reinvent the wheel: it is sufficient to start by introducing improvements already successfully implemented in other cities (table 1.3). Peer-to-peer learning events can facilitate knowledge sharing and provide opportunities for local authorities to bring their concerns to the attention of the national government and to push the reform agenda for the country as a whole.

A hypothetical city (“Italiana”) adopting existing good practices on starting a business, dealing with construction permits, registering property, and enforcing contracts, would rank 56 on the global *Doing Business* ranking. That is 17 positions ahead of Italy’s current ranking according to *Doing Business 2013*. In registering property, reducing the requirements to 3 procedures (as in Bologna, Milan, Naples, Palermo, Rome and Turin), the time to 13

days (as in Bologna, Naples and Palermo) and the cost to 4.3% of property value (as in Catanzaro) would allow “Italiana” to rank 26 globally—near Finland and ahead of Austria and the Netherlands. If the municipality of “Italiana” improved the efficiency of Cagliari’s one stop shop for “productive activities”, allowed for a fast-tracked substitute for the building permit as in Milan and lowered its fees as in Naples, it would take 11 steps over 151 days and cost 45.1% to obtain a construction permit. That would imply a jump of 70 positions in the global rank, moving Italy from 103 (as represented by Rome) to 33 (as represented by “Italiana”), same as Luxembourg and ahead of Finland and Spain. In contract enforcement, Turin has successfully reduced pending cases and sped up civil proceedings by establishing clear guidelines on case management and tracking judges’ performance. Other cities should follow suit. However, the adoption of Turin’s practices would still leave “Italiana” lagging behind other economies in contract enforcement. The same is true for the starting a business indicator. Looking beyond Italy’s borders to regional and even global good practices is another tool to identify more efficient practices. That could allow Italian authorities to formulate policies aimed at making additional improvements in these indicators for cities across Italy.

Benchmarking exercises like *Doing Business* motivate governments to improve business regulation. They uncover bottlenecks and identify where policymakers can look for good practices. Comparisons between cities in the same country can be even stronger drivers of reform because it is more difficult for local governments to justify why doing business in their city or region is more burdensome than in neighboring cities. Sharing a national legal framework facilitates the implementation of good local practices. National governments can also use *Doing Business* data to monitor how efficiently local branches of agencies implement national regulation.

TABLE 1.3 Good practices in Italian cities compared internationally

<i>Doing Business</i> indicator	Best practices within Italy		Italian best practices compared internationally (global rank)	Italy's performance in <i>Doing Business</i> 2013* (global rank)
Starting a business	Number of procedures to start a business	6 procedures (Bari, Bologna, Cagliari, Catanzaro, L'Aquila, Milan, Naples, Padua, Palermo, Potenza, Rome, Turin)	78	84
	Days to start a business	6 days (Milan, Padua, Rome)		
	Cost to start a business	12.2% of income per capita (Bari)		
	Minimum capital requirement	9.7% of income per capita (all cities)		
Dealing with construction permits	Number of procedures to comply with formalities to build a warehouse	11 procedures (Cagliari, Rome)	33	103
	Days to comply with formalities to build a warehouse	151 days (Milan)		
	Cost to comply with formalities to build a warehouse	45.1% of income per capita (Naples)		
Registering property	Number of procedures to register property	3 procedures (Bologna, Milan, Naples, Palermo, Rome, Turin)	26	39
	Days to register property	13 days (Bologna, Naples, Palermo)		
	Cost to register property	4.3% of property value (Catanzaro)		
Enforcing contracts	Number of procedures to enforce a contract	41 procedures (all cities)	123	160
	Days to enforce a contract	855 days (Turin)		
	Cost to enforce a contract	20.5% of claim value (Potenza)		
Ease of doing business (Hypothetical city of "Italiana")			56	73

\*Represented by Rome.

Source: *Doing Business* database

Consistent reformers have a long-term agenda and continuously push forward. They stay focused by setting specific goals and regularly monitor progress. The top-ranked economy globally on the ease of doing business, Singapore, introduces business reforms every year. Other policymakers—such as the Dutch Advisory Board on Administrative Burden and the UK Better Regulation Executive—routinely assess existing regulation and manage the flow of new regulation. In

the United Kingdom, a program running from 2005 to 2010 reduced the burden of regulatory compliance by a quarter, saving firms £3.5 billion (\$5.53 billion).<sup>24</sup> New initiatives are under way.<sup>25</sup>

Cumulative business reforms across a range of topics produce the best results. Cooperation across different government agencies, at both local and national levels, is necessary for wide-ranging reforms. Political will and vision coming

from a reform champion—whether the president, minister or mayor—is central to success. Moreover, consistent reformers are inclusive—involving all relevant stakeholders, including the private sector, and institutionalizing the reform effort.

Payoffs from business reforms can be large. Saving time and money are often the immediate benefits for firms. In Mexico, local one-stop shops cut the time to start a business from 58 to 13 days, on average. A recent study reports the payoffs: the number of new firm registrations rose by 5%, employment increased by 2.2%, and prices fell by nearly 1% because of the competition from new entrants.<sup>26</sup> In India, the progressive elimination of the License Raj—a system of central controls on entry and production—led to a 6% increase in new firm registrations. In addition, highly productive firms entering the market in India experienced larger increases in real output than less productive ones.<sup>27</sup>

Maintaining the momentum for reform will be important to help Italy address its stagnant productivity and entrenched structural weaknesses. Removing needlessly bureaucratic regulations and red tape reduces the cost for Italian firms to do business and thus enhances their competitiveness abroad. Improvements in the regulatory framework—as captured by the *Doing Business* indicators—can be a powerful tool to enhance efficiency, boost productivity and help establish a more solid foundation to restore economic growth. The economies that have managed to increase their footprint in the global marketplace are also countries that have made sustained efforts to create an environment that is more conducive for private sector development. More efficient and transparent rules have been an integral part of these efforts.



## NOTES

1. In 1861 nearly two-thirds of the total labor force worked in agriculture, while the remaining workers were equally distributed between industry and services. Although until World War I the exodus from agriculture was limited, the 1930s and World War II years witnessed a significant shift of the labor force towards the non-farm sectors, and by 1951 agriculture's share stood at 43 percent. Finally, by 1973 the services sector had become dominant (at 46 percent), and it has continued to increase in importance since then. Broadberry, Steven, Claire Giordano and Francesco Zollino, 12-15 October 2011. "A Sectoral Analysis of Italy's Development, 1861-2011." *Economic History Working Papers (Quaderni di Storia Economica)* 20, Bank of Italy, Rome.
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6. "National Reform Programme." Section III, *2012 Economic and Financial Document*. 18 April 2012. Available at [http://ec.europa.eu/europe2020/pdf/nd/nrp2012\\_italy\\_it.pdf](http://ec.europa.eu/europe2020/pdf/nd/nrp2012_italy_it.pdf).
7. *Decreto Legge* No. 201 of 4 December 2011, converted into Law No. 214/2012.
8. *Decreto Legge* No. 1 of 24 January 2012 and converted into Law No.27/2012.
9. *Decreto Legge* No. 5 of 9 February 2012, converted into Law No. 35/2012
10. The "Cohesion Action Plan" was developed jointly with the European Commission following the Area meeting on October 26, 2011.
11. *Sportello Unico della Attivita Produttiva, SUAP*.
12. To be completed by July 2014.
13. The new tax framework is called "Aid for Economic Growth" (ACE).
14. Cities of the center-north: Rome, Bologna, Milan, Padua and Turin. Cities in the south: Bari, Cagliari, Catanzaro, Campobasso, L'Aquila, Naples, Palermo and Potenza.
15. Social Cohesion Database, <http://dati.coesione-sociale.it/?lang=en>
16. "Atlante delle Competitività," Unioncamere Nazionale and Istituto Guglielmo Tagliacarne. 2010.
17. In addition to limited liability companies, there are several other forms of incorporation in Italy. Sole proprietors are also an important part of the business landscape.
18. Except Bari.
19. Given the limited number of observations, cross-section size correlations are computed using Spearman and Kendall nonparametric rank correlation coefficients. Kendall and Spearman non-parametric correlation coefficients between the time, procedures, rank to deal with construction permits and regional income per capita is negative and significant at the 5% level.
20. There are no significant correlations for sub-indicators or rankings for registering property, enforcing contracts and starting a business, except for time to start a business. For starting a business, there is a positive and significant correlation between the time to start a business and income levels. Lower times to start a business are associated with higher income per capita. The analysis is complete using Kendall and Spearman non-parametric correlation coefficients.
21. Short for *Comunicazione Unica*.
22. Campobasso is the only city where the entrepreneur must still personally submit a paper copy of the *Segnalazione Certificata di Inizio Attività* to the municipal one-stop shop for "productive activities" (SUAP).
23. *Doing Business* considers the most common type of limited liability company, which is the *società a responsabilità limitata* (SRL). In January 2012, the government introduced a new type of limited liability company with a symbolic minimum capital requirement of €1, the *società responsabilità limitata semplificata* (SRLS). The implementing regulations concerning the SRLS were not issued as of June 2012. In the meantime, the authorities were discussing the possibility of creating yet another legal form.
24. For more information, please visit: <http://www.bis.gov.uk>.
25. Other initiatives include: 1) Scrutinizing the entire stock of inherited regulations. The UK has more than 21,000 regulations and statutory instruments on the books, spanning virtually the entire spectrum of economic activity and imposing a huge cost on business. 2) The "one in, one out" system which requires government departments to assess the net cost to business of complying with any new regulation that is proposed (an "in"). These calculations are validated by the independent Regulatory Policy Committee. If a new regulation means a cost to business, a deregulatory measure (an "out") must be found that reduces the net cost by at least the same amount. 3) Review and sunset clauses for new regulations. This means that policy makers must review the relevance of new regulations after a maximum of 7 years and justify their continuation rather than simply leaving them on the statute books. *Source: World Bank. 2011. Doing Business 2012: Doing Business in a More Transparent World*. Washington, DC: The World Bank Group.
26. Bruhn, Miriam. 2008. "License to Sell: The Effect of Business Registration Reform on Entrepreneurial Activity in Mexico." *Policy Research Working Paper* 4538. Washington, D.C.: World Bank.
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# About *Doing Business* and *Doing Business in Italy 2013*

The private sector provides an estimated 90% of jobs in developing economies.<sup>1</sup> Where government policies support a dynamic business environment—with firms making investments, creating jobs and increasing productivity—all people have greater opportunities. A growing body of evidence suggests that policy makers seeking to strengthen the private sector need to pay attention not only to macroeconomic factors but also to the quality of laws, regulations and institutional arrangements that shape daily economic life.<sup>2</sup>

This year the tenth global *Doing Business* report was published. When the first report was produced, in 2003, there were few globally available and regularly updated indicators for monitoring such microeconomic issues as business regulations affecting local firms. Earlier efforts from the 1980s drew on perceptions data, but these expert or business surveys focused on broad aspects of the business environment and often captured the experiences of businesses. These surveys also lacked the specificity and cross-country comparability that *Doing Business* provides—by focusing on well-defined transactions, laws and institutions rather than generic, perceptions-based questions on the business environment.

*Doing Business* seeks to measure business regulations for domestic firms through an objective lens. The project looks primarily at small and medium-size companies in the largest business city. Based on standardized case studies, it presents quantitative indicators on the regulations that apply to firms at different stages

of their life cycle. The results for each economy can be compared with those for 184 other economies and over time.

Over the years the choice of indicators for *Doing Business* has been guided by a rich pool of data collected through the World Bank Enterprise Surveys. These data highlight the main obstacles to business activity as reported by entrepreneurs in well over 100 economies. Among the factors that the surveys have identified as important to businesses have been taxes (tax administration as well as tax rates) and electricity—inspiring the design of the paying taxes and getting electricity indicators. In addition, the design of the *Doing Business* indicators has drawn on theoretical insights gleaned from extensive research literature.<sup>3</sup> The *Doing Business* methodology makes it possible to update the indicators in a relatively inexpensive and replicable way.

The *Doing Business* methodology is also responsive to the needs of policy makers. Rules and regulations are under the direct control of policy makers—and policy makers intending to change the experience and behavior of businesses will often start by changing rules and regulations that affect them. *Doing Business* goes beyond identifying that a problem exists and points to specific regulations or regulatory procedures that may lend themselves to regulatory reform. And its quantitative measures of business regulation enable research on how specific regulations affect firm behavior and economic outcomes.

The first *Doing Business* report covered 5 topics and 133 economies. *Doing*

*Business in 2013* covers 11 topics and 185 economies. Ten topics are included in the aggregate ranking on the ease of doing business, and 9 in the distance to frontier measure.<sup>4</sup> The project has benefited from feedback from governments, academics, practitioners and reviewers.<sup>5</sup> The initial goal remains: to provide an objective basis for understanding and improving the regulatory environment for business.

### WHAT DOING BUSINESS IN ITALY 2013 COVERS

The foundation of *Doing Business* is the notion that economic activity, particularly private sector development, benefits from clear and coherent rules: Rules that set out and clarify property rights and facilitate the resolution of disputes. And rules that enhance the predictability of economic interactions and provide contractual partners with essential protections against arbitrariness and abuse. Where such rules are reasonably efficient in design, are transparent and accessible to those for whom they are intended and can be implemented at a reasonable cost, they are much more effective in shaping the incentives of economic agents in ways that promote growth and development. The quality of the rules also has a crucial bearing on how societies distribute the benefits and bear the costs of development strategies and policies. *Doing Business* is about smart business regulations, not necessarily fewer regulations (figure 2.1).

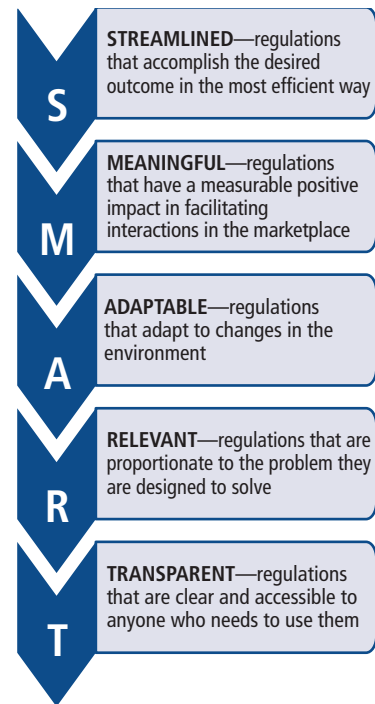
In constructing the indicators the *Doing Business* project uses 2 types of data. The first come from readings of laws and regulations in each economy. The *Doing Business* team, in collaboration with local expert respondents, reads the civil law to find the number of procedures necessary to resolve a commercial sale dispute before local courts. And it plumbs other legal instruments for other key pieces of data used in the indicators, several of which have a large legal dimension. Indeed, about three-quarters of the data used in *Doing Business* are of this factual type, reducing the need to have a larger

sample size of experts in order to improve accuracy. The local expert respondents play a vital role in corroborating the *Doing Business* team's understanding and interpretation of rules and laws.

Data of the second type serve as inputs into indicators on the complexity and cost of regulatory processes. These indicators measure the efficiency in achieving a regulatory goal, such as the number of procedures to obtain a building permit or the time taken to grant legal identity to a business. In this group of indicators cost estimates are recorded from official fee schedules where applicable. Time estimates often involve an element of judgment by respondents who routinely administer the relevant regulations or undertake the relevant transactions. These experts have several rounds of interaction with the *Doing Business* team, involving conference calls, written correspondence and visits by the team until there is convergence on the final answer. To construct the time indicators, a regulatory process such as starting a business is broken down into clearly defined steps and procedures (for more details, see the discussion on methodology in this chapter). Here *Doing Business* builds on Hernando de Soto's pioneering work in applying the time-and-motion approach in the 1980s to show the obstacles to setting up a garment factory on the outskirts of Lima.<sup>6</sup>

*Doing Business in Italy 2013* is a subnational *Doing Business* report (box 2.1) and as such captures several important dimensions of the regulatory environment as they apply to local firms in 13 cities and 7 ports in Italy. It provides quantitative measures of regulations for 5 indicators: starting a business, dealing with construction permits, registering property, trading across borders, and enforcing contracts (table 2.1).

FIGURE 2.1 What are SMART business regulations as defined by *Doing Business*?



Note: Developed by *Doing Business*, this definition of SMART business regulations guides its measurement of regulations.

### WHAT DOING BUSINESS IN ITALY 2013 DOES NOT COVER

The *Doing Business* data have key limitations that should be kept in mind by those who use them.

#### Limited in scope

The *Doing Business* indicators are limited in scope. In particular:

- *Doing Business in Italy 2013* does not measure all 11 indicators covered in the global *Doing Business* report. The report covers only those 5 areas of business regulation that are either the provenance of the local governments or where local differences exist—starting a business, dealing with construction permits, registering property, trading across borders and enforcing contracts (table 2.1).
- *Doing Business in Italy 2013* does not measure the full range of factors, policies and institutions that affect the quality of the business environment in an economy or



### BOX 2.1 COMPARING REGULATIONS AT THE LOCAL LEVEL: SUBNATIONAL DOING BUSINESS REPORTS

Subnational *Doing Business* reports expand the indicators beyond the largest business city in an economy. They capture local differences in regulations or in the implementation of national regulations across cities within an economy (as in Colombia) or region (as in South East Europe). Projects are undertaken at the request of central governments, which often contribute financing, as in Mexico. In some cases local governments also provide funding, as in the Russian Federation.

Subnational indicators provide governments with standard measures, based on laws and regulations, that allow objective comparisons both domestically and internationally. As a diagnostic tool, they identify bottlenecks as well as highlight good practices that are easily replicable in other cities sharing a similar legal framework.

Governments take ownership of a subnational project by participating in all steps of its design and implementation—choosing the cities to be benchmarked, the indicators that can capture local differences and the frequency of benchmarking. All levels of government are involved—national, regional and municipal.

Subnational projects create a space for discussing regulatory reform and provide opportunities for governments and agencies to learn from one another, through the report and through peer-to-peer learning workshops. Even after the report is launched, knowledge sharing continues. In Mexico 28 of 32 states hold regular exchanges.

Repeated benchmarking creates healthy competition between cities to improve their regulatory environment. The dissemination of the results reinforces this process and gives cities an opportunity to tell their stories. Fifteen economies have requested 2 or more rounds of benchmarking since 2005 (including Colombia, Indonesia and Nigeria), and many have expanded the geographic coverage to more cities (including Russia). In Mexico each successive round has captured an increase in the number of states improving their regulatory environment in each of the 4 indicator sets included—reaching 100% of states in 2011.

Since 2005 subnational reports have covered 335 cities in 54 economies, including Brazil, China, the Arab Republic of Egypt, India, Kenya, Morocco, Pakistan and the Philippines.<sup>1</sup>

This year studies were updated in Indonesia, Kenya, Mexico, Russia and the United Arab Emirates. Studies are ongoing in 23 cities and 4 ports in Colombia and 15 cities and 3 ports in Egypt. In addition, 3 regional reports were published:

- *Doing Business in OHADA*, comparing business regulations in the 16 member states of the Organization for the Harmonization of Business Law in Africa (Benin, Burkina Faso, Cameroon, the Central African Republic, Chad, the Comoros, the Republic of Congo, Côte d'Ivoire, Equatorial Guinea, Gabon, Guinea, Guinea-Bissau, Mali, Niger, Senegal and Togo).
- *Doing Business in the East African Community*, covering 5 economies (Burundi, Kenya, Rwanda, Tanzania and Uganda).
- *Doing Business in the Arab World*, covering 20 economies (Algeria, Bahrain, the Comoros, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Mauritania, Morocco, Oman, Qatar, Saudi Arabia, Sudan, the Syrian Arab Republic, Tunisia, the United Arab Emirates, West Bank and Gaza, and the Republic of Yemen).

1. Subnational reports are available on the *Doing Business* website at <http://www.doingbusiness.org/subnational>.

its national competitiveness. It does not, for example, capture aspects of security, the prevalence of bribery and corruption, market size, macroeconomic stability (including whether the government manages its public finances in a sustainable way), the state of the financial system or the level of training and skills of the labor force.

Even within the relatively small set of indicators included in *Doing Business*, the focus is deliberately narrow. For example, the indicator on starting a business does not cover all aspects of commercial legislation.

### Limited to standardized case scenarios

A key consideration for the *Doing Business* indicators is that they should ensure comparability of the data across a global set of economies. The indicators are therefore developed around standardized case scenarios with specific assumptions. *Doing Business* recognizes the limitations of the standardized case scenarios and assumptions. But while such assumptions come at the expense of generality, they also help ensure the comparability of data. For this reason it is common to see limiting assumptions of this kind in economic indicators. Inflation statistics, for example, are often based on prices of a set of consumer goods in a few urban areas, since collecting nationally representative price data at high frequencies may be prohibitively costly in many countries.

Some *Doing Business* topics include complex and highly differentiated areas. Here the standardized cases and assumptions are carefully considered and defined. For example, the standardized case scenario usually involves a limited liability company or its legal equivalent. The considerations in defining this assumption are twofold. First, private limited liability companies are, empirically, the most prevalent business form in many economies around the world. Second, this choice reflects the focus of *Doing Business* on expanding opportunities for entrepreneurship: investors are encouraged to venture into business when potential losses are limited to their capital participation.

The *Doing Business* indicators assume that entrepreneurs have knowledge of and comply with applicable regulations. In practice, entrepreneurs may not know what needs to be done or how to comply and may lose considerable time in trying to find out. Or they may deliberately avoid compliance altogether—by not registering for social security, for example. Where regulation is particularly onerous, levels of informality tend to be higher (figure 2.2).

TABLE 2.1 *Doing Business in Italy 2013*—benchmarking 5 areas of business regulation

Indicator	What it covers
Starting a business	Procedures, time, cost and minimum capital requirement
Dealing with construction permits	Procedures, time and cost
Registering property	Procedures, time and cost
Enforcing contracts	Procedures, time and cost to resolve a commercial dispute
Trading across borders	Documents, time and cost

Informality comes at a cost. Compared with their formal sector counterparts, firms in the informal sector typically grow more slowly, have poorer access to credit and employ fewer workers—and these workers remain outside the protections of labor law.<sup>7</sup> All this may be even more so for female-owned businesses, according to country-specific research.<sup>8</sup> Firms in the informal sector are also less likely to pay taxes.

*Doing Business* measures one set of factors that help explain the occurrence of informality and give policy makers insights into potential areas of reform. Gaining a fuller understanding of the broader business environment, and a broader perspective on policy challenges, requires combining insights from *Doing Business* with data from other sources, such as the World Bank Enterprise Surveys.<sup>9</sup>

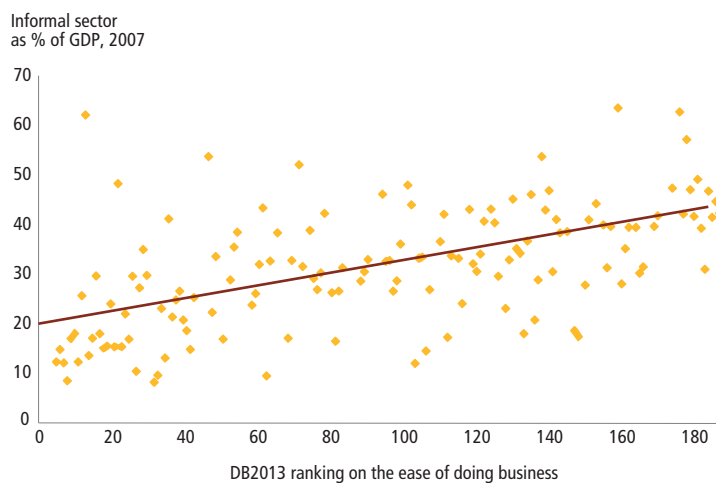
### WHY THIS FOCUS?

Why does *Doing Business* focus on the regulatory environment for small and medium-size enterprises? These enterprises are key drivers of competition, growth and job creation, particularly in developing economies. But in these economies up to 65% of economic activity takes place in the informal sector, often because of excessive bureaucracy and regulation—and in the informal sector firms lack access to the opportunities and protections that the law provides. Even firms operating in the formal sector might not have equal access to these opportunities and protections. Where regulation is burdensome and competition limited, success tends to depend on whom one knows. But where regulation is transparent, efficient and implemented in a simple way, it becomes easier for aspiring entrepreneurs to compete, innovate and grow.

Do the focus areas of *Doing Business* matter for development and poverty reduction? The World Bank study *Voices of the Poor* asked 60,000 poor people around the world how they thought they might escape poverty.<sup>10</sup> The answers were unequivocal: women and men alike pin their hopes, above all, on income from their own business or wages earned in employment. Enabling growth—and ensuring that all people, regardless of income level, can participate in its benefits—requires an environment where new entrants with drive and good ideas can get started in business and where good firms can invest and grow, thereby generating more jobs. In this sense *Doing Business* values good rules as a key to social inclusion.

In effect, *Doing Business* functions as a barometer of the regulatory environment for domestic businesses. To use a medical analogy, *Doing Business* is similar to a cholesterol test. A cholesterol test does not tell us everything about our health. But our cholesterol level is easier to measure than our overall health, and the test provides us with important information, warning us when we need to adjust our behavior. Similarly, *Doing Business* does not tell us everything we need to know about the regulatory environment for domestic businesses. But its indicators cover aspects that are more easily measured than the entire regulatory environment, and they provide important information about where change is needed. What type of change or regulatory reform is right, however, can vary substantially across economies.

To test whether *Doing Business* serves as a proxy for the broader business environment and for competitiveness, one approach is to look at correlations between the *Doing Business* rankings and other major economic benchmarks. The indicator set closest to *Doing Business* in what it measures is the set of indicators on product market regulation compiled by the Organisation for Economic Co-operation and Development (OECD). These are designed to help assess the

FIGURE 2.2 Higher levels of informality are associated with lower *Doing Business* rankings

Note: The correlation between the 2 variables is 0.57. Relationships are significant at the 5% level after controlling for income per capita. The data sample includes 143 economies.

Source: *Doing Business* database; Schneider, Buehn and Montenegro 2010.

extent to which the regulatory environment promotes or inhibits competition. They include measures of the extent of price controls, the licensing and permit system, the degree of simplification of rules and procedures, the administrative burdens and legal and regulatory barriers, the prevalence of discriminatory procedures and the degree of government control over business enterprises.<sup>11</sup> These indicators—for the 39 countries that are covered, several of them large emerging markets—are highly correlated with the *Doing Business* rankings (the correlation here is 0.53) (figure 2.3).

There is a high correlation (0.83) between the *Doing Business* rankings and the rankings on the World Economic Forum's Global Competitiveness Index, a much broader measure capturing such factors as macroeconomic stability, aspects of human capital, the soundness of public institutions and the sophistication of the business community (figure 2.4).<sup>12</sup> Self-reported experiences with business regulations, such as those captured by the Global Competitiveness Index, often vary much more within economies (across respondents in the same economy) than across economies.<sup>13</sup> A high correlation such as this one can therefore coexist with significant differences within economies.

**DOING BUSINESS IN ITALY 2013 AS A BENCHMARKING EXERCISE**

By capturing key dimensions of regulatory regimes, *Doing Business in Italy 2013* provides a rich opportunity for benchmarking. Such a benchmarking exercise is necessarily incomplete, just as the *Doing Business* data are limited in scope. It is useful when it aids judgment, but not when it supplants judgment.

*Doing Business in Italy 2013* provides 2 perspectives on the data it collects: it presents “absolute” indicators and rankings by topic for each of the 13 cities measured for 5 regulatory topics it addresses—starting a business, dealing with construction permits, registering

property, trading across borders, and enforcing contracts. The trading across borders indicator measures 7 ports—different from the 13 cities measured—but it provides 2 separate ranks: one for transshipment and regional ports and another for gateway ports. Judgment is required in interpreting these measures for any economy and in determining a sensible and politically feasible path for regulatory reform.

Reviewing the *Doing Business* rankings in isolation may reveal unexpected results. Some cities may rank unexpectedly high on some topics. And some cities that have had rapid growth or attracted a great deal of investment may rank lower than others that appear to be less dynamic.

For reform-minded local governments, how much the regulatory environment for local entrepreneurs improves in an absolute sense matters far more than their relative ranking. As cities develop, they may add to or improve on regulations that protect investor and property rights. Many also tend to streamline existing regulations and prune outdated ones. One finding of *Doing Business* is that dynamic and growing economies continually reform and update their business regulations and the implementation of those regulations,

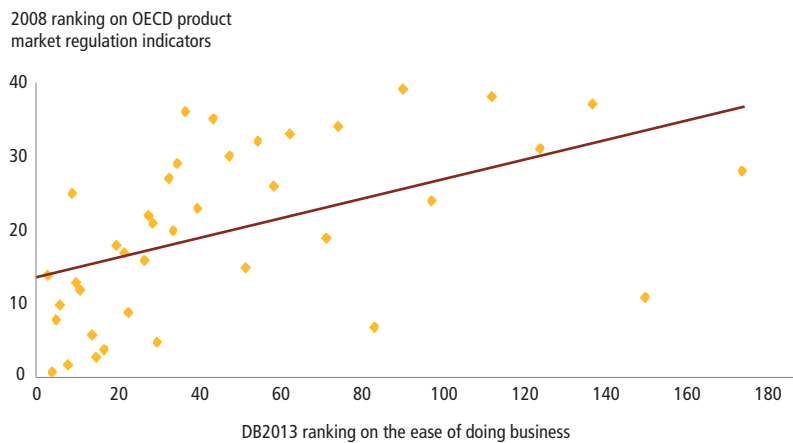
while many poor economies in the world still work with regulatory systems dating to the late 1800s.

**WHAT 10 YEARS OF DATA SHOW**

A growing body of empirical research shows that particular areas of business regulation, and particular regulatory reforms in those areas, are associated with vital social and economic outcomes—including firm creation, employment, formality, international trade, access to financial services and the survival of struggling but viable firms.<sup>14</sup> This research has been made possible by a decade of *Doing Business* data combined with other data sets. Some 1,245 research articles published in peer-reviewed academic journals, and about 4,071 working papers available through Google Scholar, refer to the *Doing Business* data.<sup>15</sup>

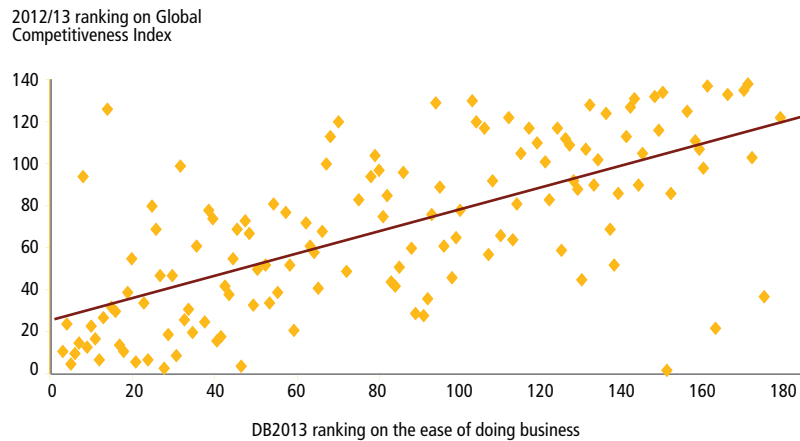
Determining the empirical impact of regulatory reforms is not easy. One possible approach is cross-country correlation analysis. But with this method it is difficult to isolate the effect of a particular regulatory reform because of all the other factors that may vary across economies and that may not have been taken into account in the analysis. How then do researchers determine whether social or

**FIGURE 2.3 A strong correlation between *Doing Business* rankings and OECD rankings on product market regulation**



Note: Relationships are significant at the 5% level after controlling for income per capita. Source: *Doing Business* database; OECD data.

FIGURE 2.4 A similarly strong correlation between *Doing Business* rankings and World Economic Forum rankings on global competitiveness



Note: Relationships are significant at the 5% level after controlling for income per capita.

Source: *Doing Business* database; WEF 2012.

economic outcomes would have been different without a specific regulatory reform? A growing number of studies have been able to investigate such questions by analyzing regulatory changes within a country over time or by using panel estimations. Others have focused on regulatory reforms relevant only for particular firms or industries within a country. The broader literature, using a range of different empirical strategies, has produced a number of interesting findings, including those described below.

*Smarter business regulation promotes economic growth.* Economies with better business regulation grow faster. One study found that for economies in the best quartile of business regulation as measured by *Doing Business*, the difference in business regulation with those in the worst quartile is associated with a 2.3 percentage point increase in annual growth rates.<sup>16</sup> Another found that regulatory reforms making it easier to do business in relatively low-income economies are associated with an increase in growth rates of 0.4 percentage point in the following year.<sup>17</sup>

*Simpler business registration promotes greater entrepreneurship and firm productivity.* Economies that have efficient

business registration also tend to have a higher entry rate by new firms and greater business density.<sup>18</sup> Faster business registration is associated with more businesses registering in industries with the strongest potential for growth, such as those experiencing expansionary global demand or technology shifts.<sup>19</sup> And easier start-up is associated with more investment in industries often sheltered from competition, including transport, utilities and communications.<sup>20</sup> Empirical evidence also suggests that more efficient business entry regulations improve firm productivity and macroeconomic performance.<sup>21</sup>

*Lower costs for business registration improve formal employment opportunities.* Because new firms are often set up by high-skilled workers, lowering entry costs often leads to higher take-up rates for education, more jobs for high-skilled workers and higher average productivity.<sup>22</sup> And by increasing formal registration, it can also boost legal certainty—because the newly formal firms are now covered by the legal system, benefiting themselves as well as their customers and suppliers.<sup>23</sup>

Country-specific studies confirm that simplifying entry regulations can promote

the establishment of new formal sector firms:

- In Colombia the introduction of one-stop shops for business registration in different cities across the country was followed by a 5.2% increase in new firm registrations.<sup>24</sup>
- In Mexico a study analyzing the effects of a program simplifying municipal licensing found that it led to a 5% increase in the number of registered businesses and a 2.2% increase in employment. Moreover, competition from new entrants lowered prices by 0.6% and the income of incumbent businesses by 3.2%.<sup>25</sup> A second study found that the program was more effective in municipalities with less corruption and cheaper additional registration procedures.<sup>26</sup> Yet another found that simpler licensing may result in both more wage workers and more formal enterprises, depending on the personal characteristics of informal business owners: those with characteristics similar to wage workers were more likely to become wage workers, while those with characteristics similar to entrepreneurs in the formal sector were more likely to become formal business owners.<sup>27</sup>
- In India a study found that the progressive elimination of the “license raj”—the system regulating entry and production in industry—led to a 6% increase in new firm registrations.<sup>28</sup> Another study found that simpler entry regulation and labor market flexibility were complementary: in Indian states with more flexible employment regulations informal firms decreased by 25% more, and real output grew by 18% more, than in states with less flexible regulations.<sup>29</sup> A third study found that the licensing reform resulted in an aggregate productivity increase of 22% among the firms affected.<sup>30</sup>
- In Portugal the introduction of a one-stop shop for businesses led to a 17% increase in new firm registrations. The reform favored mostly small-scale

entrepreneurs with low levels of education operating in low-tech sectors such as agriculture, construction and retail.<sup>31</sup>

*An effective regulatory environment improves trade performance.* Strengthening the institutional environment for trade—such as by increasing customs efficiency—can boost trade volumes.<sup>32</sup> In Sub-Saharan Africa an inefficient trade environment was found to be among the main factors in poor trade performance.<sup>33</sup> One study found that a 1-day reduction in inland travel times leads to a 7% increase in exports.<sup>34</sup> Another found that among the factors that improve trade performance are access to finance, the quality of infrastructure and the government's ability to formulate and implement sound policies and regulations that promote private sector development.<sup>35</sup> The same study showed that the more constrained economies are in their access to foreign markets, the more they can benefit from improvements in the investment climate. Yet another study found that improvements in transport efficiency and the business environment have a greater marginal effect on exports in lower-income economies than in high-income ones.<sup>36</sup> One study even suggests that behind-the-border measures to improve logistics performance and facilitate trade may have a larger effect on trade, especially on exports, than tariff reduction would.<sup>37</sup>

Other areas of regulation matter for trade performance. Economies with good contract enforcement tend to produce and export more customized products than those with poor contract enforcement.<sup>38</sup> Since production of high-quality output is a precondition for firms to become exporters, reforms that lower the cost of high-quality production increase the positive effect of trade reforms.<sup>39</sup> Moreover, reforms removing barriers to trade need to be accompanied by other reforms, such as those making labor markets more flexible, to increase productivity and growth.<sup>40</sup>

*Sound financial market infrastructure—including courts, creditor and insolvency laws, and credit and collateral registries—improves access to credit.* Businesses worldwide identify access to credit as one of the main obstacles they face.<sup>41</sup> Good credit information systems and strong collateral laws help overcome this obstacle. An analysis of reforms improving collateral law in 12 transition economies concludes that they had a positive effect on the volume of bank lending.<sup>42</sup> Greater information sharing through credit bureaus is associated with higher bank profitability and lower bank risk. And stronger creditor rights and the existence of public or private credit registries are associated with a higher ratio of private credit to GDP.<sup>43</sup>

Country-specific studies confirm that efficient debt recovery and exit processes are key in determining credit conditions and in ensuring that less productive firms are either restructured or exit the market:

- In India the establishment of specialized debt recovery tribunals had a range of positive effects, including speeding up the resolution of debt recovery claims, allowing lenders to seize more collateral on defaulting loans, increasing the probability of repayment by 28% and reducing interest rates on loans by 1–2 percentage points.<sup>44</sup>
- Brazil's extensive bankruptcy reform in 2005 was associated with a 22% reduction in the cost of debt and a 39% increase in the aggregate level of credit.<sup>45</sup>
- Introducing streamlined mechanisms for reorganization has been shown to reduce the number of liquidations because it encourages more viable firms to opt for reorganization. Indeed, it reduced the number of liquidations by 14% in Colombia and by 8.4% in Belgium.<sup>46</sup> One important feature of Colombia's new system is that it better distinguishes between viable and nonviable firms, making it more likely that financially distressed but fundamentally viable firms will survive.

- Improving investor protections, developing financial markets and promoting more active markets for corporate control reduce the persistence of family-controlled firms over time, expanding opportunity for firms with more diversified capital structures.<sup>47</sup>

## HOW GOVERNMENTS USE *DOING BUSINESS*

*Doing Business* offers policy makers a benchmarking tool useful in stimulating policy debate, both by exposing potential challenges and by identifying good practices and lessons learned. The initial debate on the results highlighted by the data typically turns into a deeper discussion on the relevance of the data to the economy and on areas where business regulation reform is needed, including areas well beyond those measured by *Doing Business*.

Reform-minded governments seeking success stories in business regulation refer to *Doing Business* for examples (box 2.2). Saudi Arabia, for example, used the company law of France as a model for revising its own law. Many African governments look to Mauritius—the region's strongest performer on *Doing Business* indicators—as a source of good practices to inspire regulatory reforms in their own countries. Governments shared knowledge of business regulations before the *Doing Business* project began. But *Doing Business* made it easier by creating a common language comparing business regulations around the world.

Over the past 10 years governments worldwide have been actively improving the regulatory environment for domestic companies. Most reforms relating to *Doing Business* topics have been nested in broader reform programs aimed at enhancing economic competitiveness, as in Colombia, Kenya and Liberia. In structuring reform programs for the business environment, governments use multiple data sources and indicators. This recognizes the reality that the *Doing Business* data on their own provide an incomplete



roadmap for successful business regulation reforms.<sup>48</sup> It also reflects the need to respond to many stakeholders and interest groups, all of whom bring important issues and concerns to the reform debate.

When the World Bank Group engages with governments on the subject of improving the investment climate, the dialogue aims to encourage the critical use of the *Doing Business* data—to sharpen judgment and promote broad-based reforms that enhance the investment climate rather than a narrow focus on improving the *Doing Business* rankings. The World Bank Group uses a vast range of indicators and analytics in this policy dialogue, including its Global Poverty Monitoring Indicators, World Development Indicators, Logistics Performance Indicators and many others. The open data initiative has made data for many such indicators conveniently available to the public at <http://data.worldbank.org>.

## METHODOLOGY AND DATA

*Doing Business in Italy 2013* covers 13 cities and 7 ports. The data are based on domestic laws and regulations as well as administrative requirements. (For a detailed explanation of the *Doing Business* methodology, see the data notes.)

### *Doing Business in Italy 2013* respondents

*Doing Business in Italy 2013* draws on the inputs of more than 370 professionals. The Subnational *Doing Business* website shows the number of respondents for each city. Respondents are professionals who routinely administer or advise on the legal and regulatory requirements covered in each *Doing Business* topic. They are selected on the basis of their expertise in the specific areas covered by *Doing Business*. Because of the focus on legal and regulatory arrangements, most of the respondents are legal professionals such as lawyers, judges or notaries. Freight forwarders, architects, engineers and other professionals answer the surveys related to trading across borders

### BOX 2.2 HOW ECONOMIES HAVE USED *DOING BUSINESS* IN REGULATORY REFORM PROGRAMS

To ensure the coordination of efforts across agencies, such economies as Brunei Darussalam, Colombia and Rwanda have formed regulatory reform committees, reporting directly to the president. These committees use the *Doing Business* indicators as one input to inform their programs for improving the business environment. More than 35 other economies have formed such committees at the interministerial level. In East and South Asia they include India; Korea; Malaysia; the Philippines; Taiwan, China; and Vietnam. In the Middle East and North Africa: Morocco, Saudi Arabia and the United Arab Emirates. In Eastern Europe and Central Asia: Georgia, Kazakhstan, Kosovo, the Kyrgyz Republic, the former Yugoslav Republic of Macedonia, Moldova, Montenegro and Tajikistan. In Sub-Saharan Africa: Botswana, Burundi, the Central African Republic, the Comoros, the Democratic Republic of Congo, the Republic of Congo, Côte d'Ivoire, Kenya, Liberia, Malawi, Mali, Nigeria, Sierra Leone, Togo and Zambia. And in Latin America: Chile, the Dominican Republic, Guatemala, Mexico, Panama and Peru. Since 2003 governments have reported more than 350 regulatory reforms that have been informed by *Doing Business*.<sup>1</sup>

Many economies share knowledge on the regulatory reform process related to the areas measured in *Doing Business*. Among the most common venues for this knowledge sharing are peer-to-peer learning events—workshops where officials from different governments across a region or even across the globe meet to discuss the challenges of regulatory reform and share their experiences. In recent years such events have taken place in Colombia (for Latin America and the Caribbean), in Rwanda (for Sub-Saharan Africa), in Georgia (for Eastern Europe and Central Asia), in Malaysia (for East Asia and the Pacific) and in Morocco (for the Middle East and North Africa). In addition, regional organizations such as APEC, featured in a case study in this year's report, use the *Doing Business* data as a tool and common language to set an agenda for business regulation reform.

1. These are reforms for which *Doing Business* is aware that information provided by the *Doing Business* report was used in shaping the reform agenda.

and construction permits. Certain public officials (such as registrars from the commercial or property registry) also provide information that is incorporated into the indicators.

### Information sources for the data

Most of the indicators are based on laws and regulations. In addition, most of the cost indicators are backed by official fee schedules. *Doing Business* respondents both fill out written questionnaires and provide references to the relevant laws, regulations and fee schedules, aiding data checking and quality assurance. Having representative samples of respondents is not an issue, as the texts of the relevant laws and regulations are collected and answers checked for accuracy.

For some indicators—for example, those on dealing with construction permits and enforcing contracts—the time component and part of the cost component (where fee schedules are lacking) are

based on actual practice rather than the law on the books. This introduces a degree of judgment. The *Doing Business* approach has therefore been to work with legal practitioners or professionals who regularly undertake the transactions involved. Following the standard methodological approach for time-and-motion studies, *Doing Business* breaks down each process or transaction, such as starting a business or registering a building, into separate steps to ensure a better estimate of time. The time estimate for each step is given by practitioners with significant and routine experience in the transaction. When time estimates differ, further interactions with respondents are pursued to converge on one estimate that reflects the majority of applicable cases.

The *Doing Business* approach to data collection contrasts with that of firm surveys, which capture perceptions and experiences of businesses. A corporate lawyer registering 100–150 businesses

a year will be more familiar with the process than an entrepreneur, who will register a business only once or maybe twice. A judge dealing with dozens of cases a year will have more insight into commercial proceedings than a company that may undergo the process once.

### Development of the methodology

The methodology for calculating each indicator is transparent, objective and easily replicable. Leading academics collaborate in the development of the indicators, ensuring academic rigor. Eight of the background papers underlying the indicators have been published in leading economic journals.<sup>49</sup>

*Doing Business* uses a simple averaging approach for weighting component indicators and calculating rankings and the distance to frontier measure. Other approaches were explored, including using principal components and unobserved components. They turn out to yield results nearly identical to those of simple averaging. In the absence of a strong theoretical framework that assigns different weights to the topics covered, the simplest method is used: weighting all topics equally and, within each topic, giving equal weight to each of the topic components.<sup>50</sup>

### Improvements to the methodology

The methodology has undergone continual improvement over the years. For enforcing contracts, for example, the amount of the disputed claim in the case study was increased from 50% of income per capita to 200% after the first year of data collection, as it became clear that smaller claims were unlikely to go to court.

Another change relates to starting a business. The minimum capital requirement can be an obstacle for potential entrepreneurs. *Doing Business* measured the required minimum capital regardless of whether it had to be paid up front or not. In many economies only part of the minimum capital has to be paid up front.

To reflect the relevant barrier to entry, the paid-in minimum capital has been used rather than the required minimum capital.

### Data adjustments

All changes in methodology are explained in the data notes as well as on the *Doing Business* website. In addition, data time series for each indicator and economy are available on the website, beginning with the first year the indicator or economy was included in the report. To provide a comparable time series for research, the data set is back-calculated to adjust for changes in methodology and any revisions in data due to corrections. The data set is not back-calculated for year-to-year revisions in income per capita data (that is, when the income per capita data are revised by the original data sources, *Doing Business* does not update the cost measures for previous years). The website also makes available all original data sets used for background papers.

Information on data corrections is provided in the data notes and on the website. A transparent complaint procedure allows anyone to challenge the data. If errors are confirmed after a data verification process, they are expeditiously corrected.

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# Starting a business

Small and micro-enterprises are the backbone of the Italian economy. Ninety-nine percent of Italian companies have fewer than 50 employees: together, they employ more than 13 million individuals. Sole proprietorships account for over 62% of the 5,233,746 businesses registered in the country.<sup>1</sup> Flexibility, specialization and innovation allow Italy's small companies to excel in many areas—from fashion and high-quality consumer goods to industrial machinery. However, business size may be a constraint when competing at a pan-European and at a global level. Faced with a complex business environment, Italian entrepreneurs often choose to stay small and are thus unable to benefit from economies of scale to increase their productivity as their foreign counterparts do.<sup>2</sup>

Over the past 6 years, Italy's national and local authorities have been particularly interested in improving the ease of business entry, reducing red tape and bureaucracy.<sup>3</sup> This effort intensified with the introduction of several measures aimed at reducing start-up costs. The impact of recent policies may show their effects in the near future. A lot, however, will depend upon how these policies are implemented on the ground.

## WHY DOES STARTING A BUSINESS MATTER?

Formal incorporation has many benefits. Legal entities outlive their founders. Resources are pooled as shareholders join forces. The legal form under which a company is registered also matters. Limited liability companies cap the financial liability of company owners to their investments, giving entrepreneurs more freedom to innovate because their personal assets

are not put at risk. Sole proprietorships do not provide this kind of protection but are usually simpler and cheaper to set up.<sup>4</sup> Formally registered companies have access to services and institutions—from courts to banks to new markets—benefits that are not available to unregistered firms. And where firms are formally registered, their employees benefit from protections provided by the law.

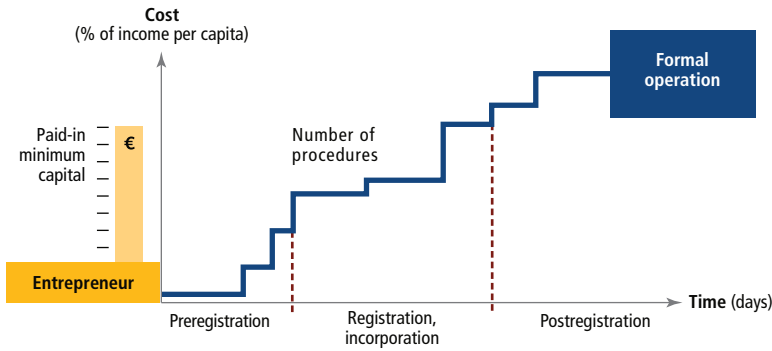
Making the process of business incorporation easy and inexpensive also has broader benefits for the economy. A growing body of empirical research explores the links between business-entry regulation and social and economic outcomes. Using data collected from company registries in 100 economies over 8 years, a recent study found that simple business start-up is critical for fostering formal entrepreneurship.<sup>5</sup> Cumbersome regulations and administrative procedures for starting a business are found to be associated with a smaller number of registered firms, greater informality, a smaller tax base and more opportunities for corruption.

Regulatory reforms can make a difference.<sup>6</sup> In Mexico, researchers found that a municipal license reform across states increased new firm registrations by 5% and employment by 2.2%.<sup>7</sup> The effect was greater in states with less corruption and better governance.<sup>8</sup>

## WHAT DOES STARTING A BUSINESS MEASURE?

*Doing Business* measures the procedures, time, cost and paid-in minimum capital for a small to medium-size company to start up and operate formally (figure 3.1).

**FIGURE 3.1** What are the time, cost, paid-in minimum capital and number of procedures to get a local limited liability company up and running?



Source: *Doing Business* database.

Procedures include the steps required to obtain all necessary licenses and permits and to complete required notifications, verifications and inscriptions for the company and its employees. To make the data comparable across 185 economies, *Doing Business* uses a standardized business that is 100% domestically owned, has a start-up capital equivalent to 10 times income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people.

**HOW DOES STARTING A BUSINESS WORK IN ITALY?**

A shared national regulatory framework regulates business start-up across Italy. First, the entrepreneur deposits at least 25% of the minimum start-up capital into a bank account.<sup>9</sup> The second step is to visit a notary public who executes the deed of incorporation and the company bylaws, including paying a registration tax. Then the entrepreneur buys the corporate and accounting books, pays the government tax and gets the books stamped. Once these requirements are met, the firm and its employees are registered with the company registrar and the tax agency, as well as with social security and accident insurance. The municipality is also informed of commencement of operations. Finally, the entrepreneur notifies the local labor office regarding the beginning and conditions of employment.

Registration was not always easy. Over recent years, Italy has simplified the

process. In April 2007, Law No. 40 (known as the “Bersani Law”) overhauled the business registration process. Since February 2008, the Chambers of Commerce of Cagliari, Milan, Naples, Padua, and Turin piloted an electronic platform known as *ComUnica*.<sup>10</sup> As of April 1, 2010, *ComUnica* is mandatory everywhere. Now notaries and businesses interact online with the tax agency (*Agenzia delle Entrate*), the company registry of the Chambers of Commerce (*Registro Imprese delle Camere di Commercio*), the Social Security Administration (*INPS*) and the Accident Insurance Office (*INAIL*). Since March 2011, *ComUnica* also allows entrepreneurs to notify the municipal one-stop shop for “productive activities” (*SUAP* for its initials in Italian) about the

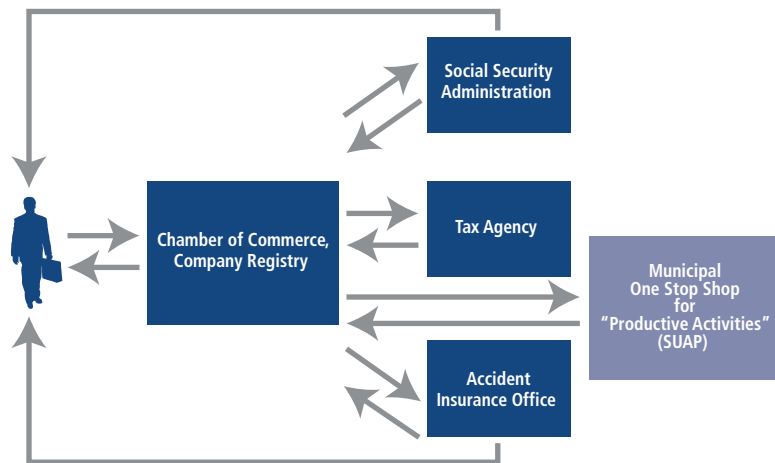
commencement of operations (figure 3.2).<sup>11</sup> Campobasso is the only city where, despite this new feature, the entrepreneur must still personally submit a paper copy of the certificate to the *SUAP*.

Despite the uniform requirements across Italy, there are variations in how much time the requirements take in different locations and the associated costs. As a result, it is easier to start a business in Catanzaro and more difficult in Campobasso (table 3.1).

Compared internationally, starting a business in Italy is fast but expensive (figure 3.3). Across the 13 cities benchmarked, starting a business takes, on average, 6 procedures, 9 days and 14.5% of income per capita. In addition, Italian entrepreneurs must deposit €2,500—equivalent to 9.7% of income per capita—as paid-in minimum capital. An average Italian city would rank 96 out of 185 on the ease of starting a business as measured by *Doing Business*. Catanzaro—the Italian city with the best combination of low professional costs and fast public-agency response times (table 3.1)—would rank 79 globally, still below the average EU ranking of 74.

In Milan, Padua or Rome, an entrepreneur can complete the necessary procedures to start a business in just 6 days, as fast as in Denmark or the United States. In L’Aquila

**FIGURE 3.2** *ComUnica*: how does it work?



Source: *Doing Business* database.

**TABLE 3.1** The ease of starting a business across the benchmarked Italian cities

RANK	City	RANK	City
1	Catanzaro	8	Milan
2	Padua	9	L'Aquila
3	Potenza	9	Turin
4	Bologna	11	Cagliari
5	Palermo	12	Naples
6	Bari	13	Campobasso
7	Rome		

Note: Rankings are based on the average city percentile rankings on the procedures, time, cost and paid-in minimum capital to start a business. See Data notes for details.

Source: Doing Business database.

and Naples, starting a business takes 13 and 16 days, respectively (figure 3.4).

The 10-day variation between cities depends on the response time of the agencies contributing to *ComUnica*. Once the necessary information has been uploaded to the system, the entire process of registering a company and its employees can take as few as 2 days. In Milan, Padua, Rome and Bologna the company registry of the Chambers of Commerce processes

applications in 1 day. In Turin, Catanzaro, Potenza, Cagliari and Palermo, it takes 2 days. In Naples and L'Aquila, it takes 5 days. Once the company has been registered, employees are registered with the Social Security Administration (*INPS*) in 1 day in Catanzaro, Campobasso, Padua, Milan or Rome—up to 7 days in Naples. The remaining notifications and applications are processed concurrently with company and employee registrations. The tax agency (*Agenzia delle Entrate*), for example, issues the income tax and value-added tax (VAT) ID numbers just a few minutes after the application has been submitted. Similarly, municipalities acknowledge receipt of notifications of the beginning of operations within hours.

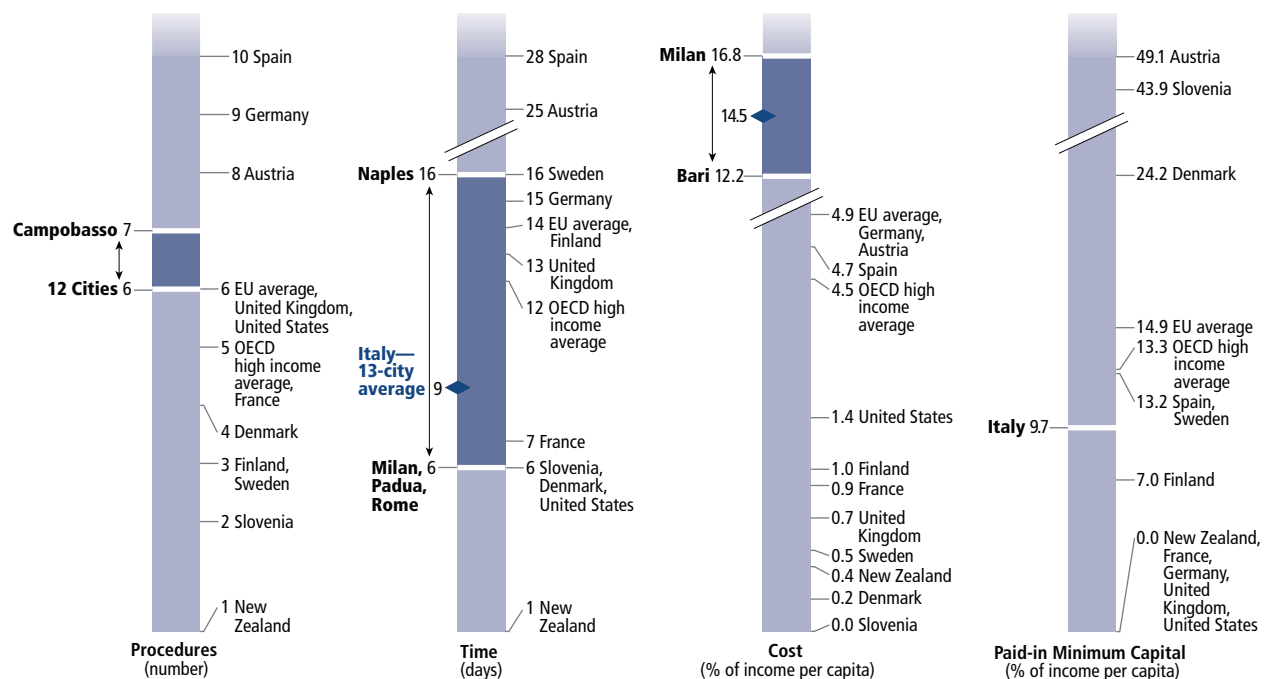
In some cities, business start-up applications are prioritized over other corporate matters. A public official in Padua comments: “Thanks to *ComUnica*, there is a constant flow of communication and data between companies and us. Not all requests are equally important to the life cycle of a business. As we process applications or communications, we prioritize. Important things—such as the creation

of a new business—come first.” Many of her colleagues across Italy would agree. When the volume of application grows, Italian agencies usually adopt advanced monitoring and evaluation techniques. For example, the Chamber of Commerce of Milan conducts regular surveys of customer satisfaction, makes the results public and uses feedback to improve performance. The process is accompanied by strict internal monitoring of data processing and service delivery.<sup>12</sup>

Throughout Italy, starting a business is expensive (figure 3.5). In all cities, as per national regulations, the entrepreneur must pay: €310 for the “government grant tax” (*tassa di concessione governativa*), €168 for registration tax (*imposta di registro*), €156 for the stamp tax (*imposta di bollo forfetaria*), as well as the Chamber of Commerce’s registration fee of €90 and annual membership fee of €200. Additional fees—such as the stamp duties to be applied on the corporate books—add up to another €119.

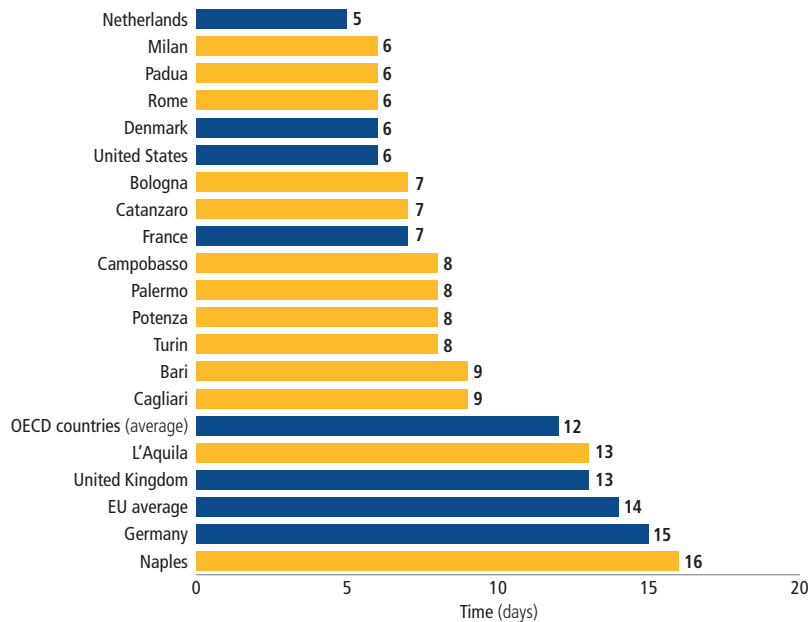
Cost variations across cities are driven by differences in professional fees that

**FIGURE 3.3** Starting a business in Italy is fast but expensive



Source: Doing Business database.

FIGURE 3.4 Starting a business in Milan, Padua or Rome is as fast as in Denmark and in the United States



Source: Doing Business database.

account, on average, for over 70% of the overall cost (figure 3.6). Starting a business is less expensive in Bari (12.2% of income per capita) and Catanzaro (12.4% of income per capita) while it is more expensive in Rome (16.5% of income per capita) and Milan (16.8% of income per capita).

Until a few months ago, the Ministerial Decree of November 27, 2001, set a range of permitted notary fees, allowing for a certain degree of flexibility for local notary chapters and individual notaries.<sup>13</sup> The recent Decree no. 1 of January 24, 2012, (*Decreto "Cresci Italia"*) abolished the concept of minimum fees for professional services.<sup>14</sup> The decree also stipulated an increase in the overall number of notaries operating in the country.<sup>15</sup> The measures aim to foster competition for notary services.

Notaries must now negotiate their fees upfront with their clients.<sup>16</sup> But, as of June 2012, due to a lack of implementation regulations, notaries were still using the old Decree as a reference.<sup>17</sup> Given the scarcity of notaries, clients do not have much choice: Italy currently counts 4,700

notaries.<sup>18</sup> Decree no. 1 stipulates that the necessary procedures for the licensing of 550 new notaries should be carried out by the end of December 2012. Competitive state examinations for up to 1,000 additional notaries will be announced on December 31, 2013, and again 1 year later.

Other measures have been adopted during 2012 to reduce the cost of starting a business. Notably, the *Decreto "Cresci Italia"* introduced a new type of limited liability company—the *società responsabilità limitata semplificata* (SRLS)—with a symbolic minimum capital requirement of €1. Notaries are not allowed to charge for the constitution of a SRLS.<sup>19</sup> The Ministry of Justice, Ministry of Finance and Ministry of Economic Development are currently working together to develop the necessary implementation regulations and standard articles of association.<sup>20</sup> Even with these regulations in place, many Italians will be excluded from creating an SRLS or acquiring its shares. This is because the *Decreto "Cresci Italia"* stipulates that SRLS can only be constituted by people younger than 35 years of age.<sup>21</sup>

## WHAT TO REFORM

### Formalize fast-track processing for business start-up

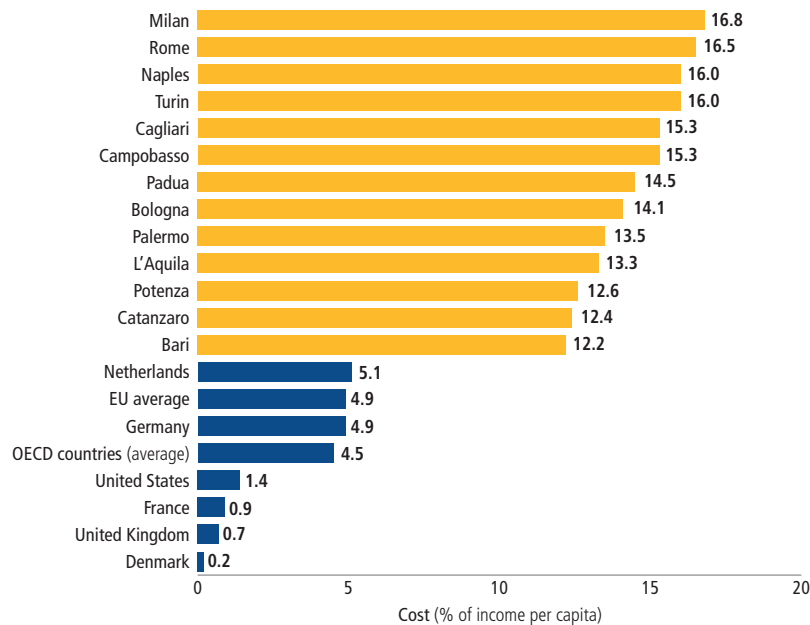
*ComUnica* is not only about business start-up. After a business has been registered, firms use *ComUnica* to communicate a wide array of information to company registry, tax agency, the Social Security Administration, Accident Insurance Office and the *SUAPs*. Regulations set at the national level order agencies involved in *ComUnica* to respond within a certain time limit to each communication. For example, in many instances, the Chambers of Commerce must respond within 5 days. The Social Security Administration must respond within 7 days. In all 13 cities benchmarked, the public agencies generally abide by set time limits. In some cities, public officials have gone one step further by setting up an internal scale of priorities for processing applications. Business start-up and other vital processes for companies—such as, corporate mergers and closures—are fast-tracked over less important matters. This is the case in Padua, where registration with *ComUnica* takes as few as 2 days. This practice results in shorter waiting times for entrepreneurs and should be extended throughout the country.

### Eliminate the minimum capital requirement

The minimum capital requirement for limited liability companies in Italy is €10,000.<sup>22</sup> Entrepreneurs must deposit at least 25% of this amount in a bank account before incorporation (figure 3.7).<sup>23</sup> The funds can be withdrawn as soon as the company is created.

However, studies show that minimum capital requirements provide little in the way of creditor-protection benefits—regardless of the legal system.<sup>24</sup> In practice, a minimum capital requirement is hardly a protection for investors during insolvency. When creditors make an investment decision, they look at a wide range of protection instruments available through the company law, the insolvency law and/or clauses in

FIGURE 3.5 ...but starting a business is expensive throughout the country



Source: Doing Business database.

negotiated contracts to mitigate risks. Finally, academic evidence from around the world shows that recovery rates in bankruptcy are no higher in economies with minimum capital requirements than in those without. In 2010 to 2011, the recovery rate was the same (34%) in economies without any paid-in capital requirement as in the others.<sup>25</sup> Moreover, fixed amounts of capital requirements do not take into account differences in commercial risk. A small firm in the services industry does not represent the same

risk as a big manufacturing company in a volatile market. On the other hand, a minimum capital requirement can act as a barrier to entry—especially for small companies.

France reduced its paid-in minimum capital requirement for limited liability companies (SARL) to €1 in 2003. In 2004 the number of newly created SARLs increased by 17.5%.<sup>26</sup> In 2008, Germany introduced a new type of limited liability company, the *Unternehmergeellschaft (UG)*, with

capital requirements similar to those applied in France: 12,000 new UGs were created between November 2008 and January 2010.<sup>27</sup>

In January 2012, the Italian government introduced a simplified limited liability company (SRLS) with a minimum capital requirement of €1, implicitly acknowledging, as many other countries have done over the past few years, that minimum capital requirements are ineffective.<sup>28</sup> This feature could be extended to all limited liability companies.

### Simplified limited liability companies should be available to all

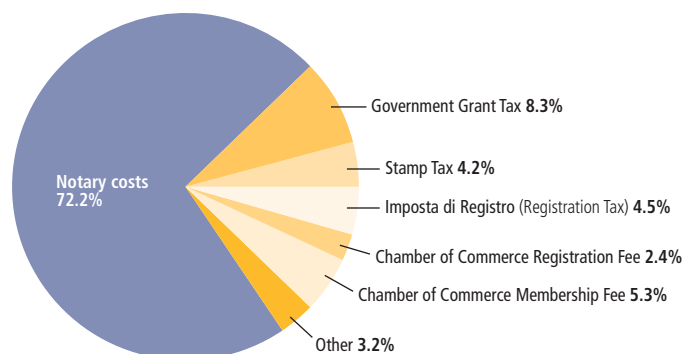
Simplified limited liability companies (SRLS) represent an important step towards smarter business regulation. The SRLS announced features—reduced fees and simplified requirements—will reduce the cost, time and complexity to start a business in Italy. According to the *Decreto "Cresci Italia,"* however, simplified liability companies are only available to people younger than 35 years of age. Apart from being discriminatory, this restriction does not serve any particular purpose.<sup>29</sup> A new decree, known as *Decreto Sviluppo*, which is currently under discussion, might address the problem. Entrepreneurship should be accessible to everybody with a good idea, irrespective of age.

### Make the use of professional intermediaries optional

The biggest obstacle to starting a business in Italy is the high cost. Across the 13 cities benchmarked, costs average 14.5% of income per capita. Over 70% of these costs are due to professional services. Using a notary to establish a limited liability company—be it standard or simplified—is, at the moment, compulsory.

The government has recently abolished minimum notary fees and is pushing for an increase in the number of notaries to promote competition.<sup>30</sup> For standard limited liability companies, notary fees are now negotiated directly with the client. In addition, notaries are not to charge

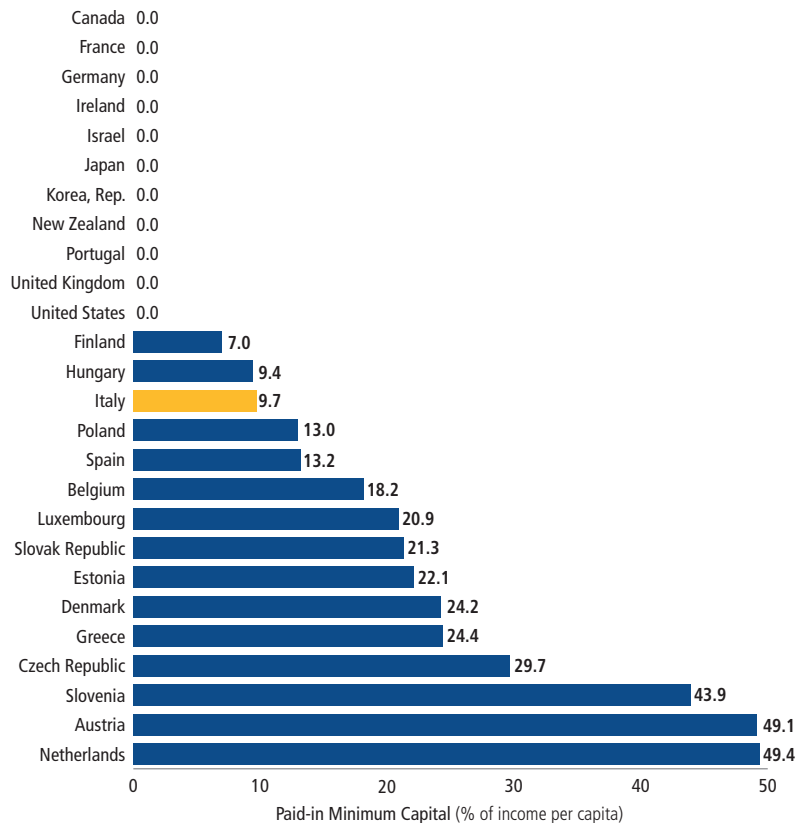
FIGURE 3.6 On average, more than 70% of the costs to start a business in Italy are due to professional services



Source: Doing Business database.



FIGURE 3.7 How much are entrepreneurs required to deposit as minimum capital in OECD high income economies?



Source: *Doing Business* database.

an “honorarium” to create a simplified limited liability company (SRLS) for entrepreneurs under 35. But why stop here? The government could lower the cost to start a business by making sure its standardized articles of association (currently in development) are flexible enough to accommodate the needs of the majority of simple businesses, thus allowing entrepreneurs to draft and file deeds of incorporation themselves—without the costly intervention of notaries.

Eliminating or reducing state-set fees and stamp duties could further reduce costs. In Denmark, starting a business is free. Funds to pay for government services are raised through taxes paid by thriving businesses.

## NOTES

1. Infocamere-Stockview data processed by Unioncamere del Veneto—1st Quarter 2012.
2. Gill, Martin. 2012. “Golden Growth: Restoring the Lustre of the European Economic Model,” World Bank, Washington, DC.
3. A seminal change in the business registration process was introduced by Art. 9 of *Decreto Legge* No. 7 of 31 January 2007. The *Decreto Legge* was converted into Law No. 40 on 2 April 2007.
4. According to a survey conducted by *Doing Business* in 2011 covering 183 economies, the process of establishing a sole proprietorship requires fewer procedures and is cheaper than establishing a limited liability company in over 90% of economies.
5. Klapper, Leora, Anat Lewin and Juan Manuel Quesada Delgado. 2009. “The Impact of the Business Environment on the Business Creation Process.” *Policy Research Working Paper* 4937, World Bank, Washington, DC.
6. Motta, Marialisa, Ana Maria Oviedo Silva, Massimiliano Santini. 2010. “An Open Door for Firms: The Impact of Entry Reforms”. *Viewpoint* 323, World Bank, Washington, DC.
7. Bruhn, Miriam. 2011. “License to Sell: The Effect of Business Registration Reform on Entrepreneurial Activity in Mexico.” *Review of Economics and Statistics* 93 (1): 382–86.
8. Kaplan, David, Eduardo Piedra and Enrique Seira. 2007. “Entry Regulation and Business Start-Ups: Evidence from Mexico.” *Policy Research Working Paper* 4322, World Bank, Washington, DC.
9. *Doing Business* considers the most common type of limited liability company, which is the *società a responsabilità limitata* (SRL). In January 2012, the government introduced a new type of limited liability company with a symbolic minimum capital requirement of €1, the *società responsabilità limitata semplificata* (SRLS). The necessary implementing regulations concerning the SRLS were not issued as of June 2012. In the meantime, the authorities were discussing the possibility of creating yet another legal form.
10. Turin, Venice, Padua, Prato, Pescara, Ravenna, Milan, Naples, Cagliari and Taranto piloted *ComUnica* since 19 February 2008. Additional cities—such as Rome—started piloting *ComUnica* shortly after.
11. *Decreto del Presidente della Repubblica* No. 160 of 2010.
12. More than 15,000 interviews were carried out between 2008 and 2011. The results are available at [www.mi.camcom.it](http://www.mi.camcom.it)
13. Articles 26 and 30 of Ministerial Decree of 27 November 2001.
14. Art. 9.1 of *Decreto Legge* No. 1 of 24 January 2012.
15. Art. 12 of *Decreto Legge* No. 1 of 24 January 2012.
16. Art. 9.3 of *Decreto Legge* No. 1 of 24 January 2012.
17. Ministerial Decree of 27 November 2001 (*Determinazione della tariffa degli onorari, dei diritti, delle indennità e dei compensi spettanti ai notai—G.U. n. 292, 17 dicembre 2001, Serie Generale*).

18. On June 2012, there were 4,669 public notaries operating in Italy. A complete and updated list of notaries can be found in the website: [www.notariato.it](http://www.notariato.it)
19. Note that the intervention of the notary in the creation of the SRLS was not required (i.e., *atto costitutivo redatto per scrittura privata*) by the Decree issued by the government on January 24, 2012. The text of the decree was changed by the Italian parliament when the decree was transformed into law. The intervention of the notary is now required (i.e., *atto costitutivo deve essere redatto per atto pubblico*) but notaries should not charge any fee (*onorario*) for this service. The changes to the original decree can be found at <http://www.senato.it/commissioni/4572/368476/368336/genpaginalista.htm>  
The final text, as modified by the parliament, can be found at: <http://www.camera.it/126?pdI=5025>  
The SRLS is also exempted from other costs currently associated with starting a limited liability company, namely the “*costi camerali*.”
20. More specifically, the ministries are working upon creating a set of standard articles of association (“*Statuto standard*”) and defining the criteria to ascertain the shareholder attributes and requirements.
21. Article 3.1 of *Decreto Legge* No. 1 of 24 January 2012.
22. As per Art. 2463, comma 2, of the Italian Civil Code.
23. If the limited liability company has only 1 partner, the whole amount must be deposited.
24. Elkind G. 2007. “Minimum Capital Requirements, a Comparative Analysis,” USAID. Other relevant studies include: Armour, J., “Legal Capital: An Outdated Concept?,” *European Business Organization Law Review* 7: 5–27 5 (2006); Kubler, F. “A Comparative Approach to Capital Maintenance: Germany” *European Business Law Review* 1031–1035 (2004); Simon, J. “A Comparative Approach to Capital Maintenance: France,” *European Business Law Review* 1037–1044 (2004); Mulbert, P. and Birke, M. “Legal Capital—Is There a Case Against the European Legal Capital Rules?,” *3 European Business Organization Review* 695–732 (2002).
25. World Bank. 2011. *Doing Business 2012: Doing Business in a More Transparent World*. Washington, DC: The World Bank Group.
26. INSEE PREMIÈRE, No 2 of January 2005, Institut National de la Statistique et des Études Économiques [http://www.insee.fr/fr/ffc/docs\\_ffc/IP1002.pdf](http://www.insee.fr/fr/ffc/docs_ffc/IP1002.pdf)
27. Common Register Portal of the German Federal States, <https://www.handelsregister.de/>.
28. Since 2005, 57 economies around the world have reduced or eliminated this requirement, lowering the average paid-in minimum capital requirement from 184% of income per capita to 49% globally. See: World Bank. 2011. *Doing Business 2012: Doing Business in a More Transparent World*. Washington, DC: The World Bank Group.
29. Art. 3 of the Italian constitution says that “All citizens have equal social dignity and are equal before the law, without distinction of sex, race, language, religion, political opinions, personal and social conditions. It is the duty of the Republic to remove those obstacles of an economic and social nature which, really limiting the freedom and equality of citizens, impede the full development of the human person and the effective participation of all workers in the political, economic and social organization of the country.” <http://www.governo.it/governo/costituzione/principi.html>
30. The title of *Decreto Legge* No. 1 of 24 January 2012 is “Urgent measures to increase competition, development of infrastructures and competitiveness.”



# Dealing with construction permits

In May 2012, two massive earthquakes hit Northern Italy, causing 26 deaths and widespread damage. Many buildings collapsed in the earthquake, including recently built warehouses.

It is not easy to find the right balance between safety and efficiency in construction regulations. The regulations need to be clear and adaptable to economic and technological change. Overly complex regulations may push construction into the informal sector, undermining their intent. The challenge for governments is to create prudent rules that ensure safety, without needlessly hindering businesses. Denmark, New Zealand and Sweden are examples of countries that manage to regulate the construction permitting process with relatively few requirements, yet regulations in these countries are considered prudent and buildings safe.<sup>1</sup>

## WHY DOES CONSTRUCTION PERMITTING MATTER?

The building industry contributes an average 6.5% to the GDP in OECD high-income economies.<sup>2</sup> In Europe, the building sector accounts for about 7% of total employment; it is the largest industrial employer.<sup>3</sup> For every 10 jobs directly related to a building project, another 8 jobs may be created in the local economy.<sup>4</sup>

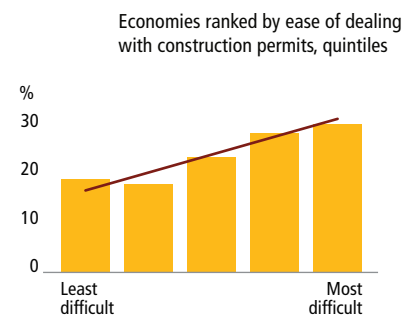
In Italy, construction is the sector with the highest incidence of accidents producing permanent disability and the second highest for fatal accidents.<sup>5</sup> Instead of promoting public safety, overly rigid regulation can push Italy's construction into the informal economy.

A smooth process for obtaining building permits is also associated with a lower level of corruption (figure 4.1). This is relevant in Italy, where the perception of corruption is high as compared to other OECD high-income economies.<sup>6</sup>

## WHAT DOES DEALING WITH CONSTRUCTION PERMITS MEASURE?

*Doing Business* records the procedures, time and cost required for a construction business to obtain all the necessary approvals to build a simple commercial warehouse and connect it to water, sewerage and a fixed telephone line (figure 4.2). The case study includes inspections and certificates needed before, during and after construction of the warehouse. To make the data comparable across 185 economies, the case study assumes that the warehouse is located in the peri-urban area of the cities measured, is not in a special economic or industrial zone and will be used for general storage activities.

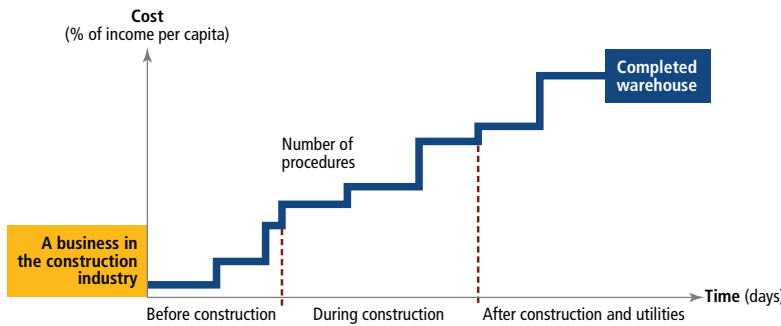
**FIGURE 4.1** Share of firms that expects to give gifts in exchange for construction permits



Note: Relationships are significant at the 1% level and remain significant when controlling for income per capita.

Source: *Doing Business* database; World Bank Enterprise Survey database.

FIGURE 4.2 What are the time, cost and number of procedures to comply with formalities to build a warehouse?



**HOW DOES CONSTRUCTION PERMITTING WORK IN ITALY?**

Across Italy, dealing with construction permits takes an average of 13 procedures and 231 days, at a cost equivalent to 253.6% of income per capita. With an average of 14 requirements, the same process is slightly more complex, but faster—182 days—and significantly less expensive—99.6% of income per capita—in the average economy in the European Union (figure 4.3). In Denmark, the best performing European economy in the *Doing Business 2013* global ranking, dealing with construction permits requires just 8 procedures that last 68 days and costs 57.1% of income per capita.

It is easier to comply with all the formalities to build a warehouse and connect it to utilities in Bologna and Cagliari and more difficult in Potenza and Palermo (table 4.1). Bologna, Italy’s best performing city, requires 13 procedures, 164 days, and 177.1% of income per capita. Compared globally, Bologna’s ranking would be 99 among 185 economies on the ease of dealing with construction permits—ahead of the Ireland (106) and Brazil (131) but behind France (52) and Spain (38).

Construction regulations are established at the national, regional and municipal level. The Decree No. 380 of 2001,<sup>7</sup> *Testo Unico dell’Edilizia*, sets the fundamental principles and the general provisions. Regional authorities implement the regulation in accordance with this national framework.

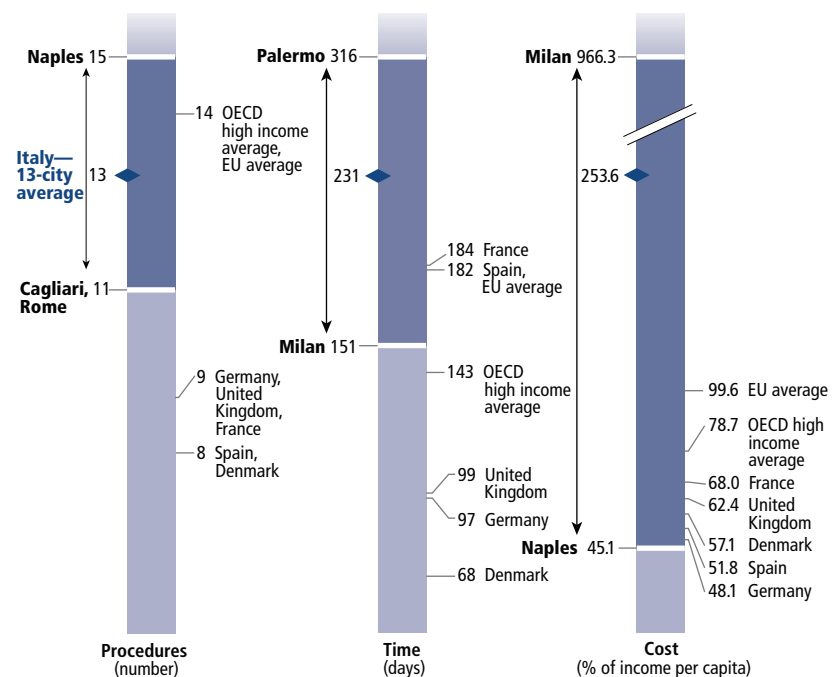
Finally, each municipality adopts its own urban planning regulations.

The process includes obtaining clearances from the fire department and the public health agency, obtaining a building permit and the seismic authorization,<sup>8</sup> passing inspections during construction, filing the certified notification “SCIA” with the fire department, registering the building at the cadastre, obtaining the occupancy certificate, and connecting the building to utilities (figure 4.4). The number of requirements to comply with

these steps varies from 11 in Cagliari and Rome to 15 in Naples.

The one-stop shops “*Sportelli Unici*,” are theoretically in charge of coordinating the construction permitting process. They should forward the building applications to the relevant authorities and collect their responses on behalf of the applicant, thereby reducing the number of interactions. However, in practice, applicants often prefer to go directly to the public health agency and the fire department, for example, to obtain clearances. Applicants claim that the response time is faster when they interact directly with each authority rather than through the *Sportello Unico*. One alleged reason is that a personal visit allows applicants to have preliminary discussions on the project. This is seen as an essential step to navigate the regulations. The applicant then simply brings all approvals to the *Sportello Unico*, so that the municipality can issue the building permit. Cagliari is the exception. A law of the regional government of Sardinia stipulates that companies must submit their applications

FIGURE 4.3 Dealing with construction permits in Italy, compared internationally



Source: *Doing Business* database

electronically to the *Sportello Unico per le Attività Produttive* (SUAP).<sup>9</sup> Upon receipt, the SUAP convenes a conference with all the agencies responsible for issuing approvals (*Conferenza dei Servizi*). However, in practice, one conference is rarely sufficient. A request for additional documents by any one of the relevant agencies can trigger a complete repetition of the entire approval process.

In Padua, accredited professionals are allowed to substitute the clearance from the public health agency with a self-certification of compliance with health and hygiene norms for business activities. In other cities, this is possible only for residential constructions. In Campobasso, before starting construction, the structural project must be filed with 2 different offices—one municipal and the other regional—while in the other cities applicants deal with 1 office only. In Catanzaro, building companies must clear cadastral documents with the Municipal Technical Office before they can register the building with the cadastral agency *Agenzia del Territorio*. In Naples, a drainage authorization (*Autorizzazione allo Scarico in Fogna*) must be obtained from the agency “A.T.O. 2 Campania” prior to connecting to sewerage.

Obtaining all permits takes 151 days in Milan—faster than the EU average. In Palermo, it takes more than 5 months longer (figure 4.5). Delays related to the issuance of building permits from

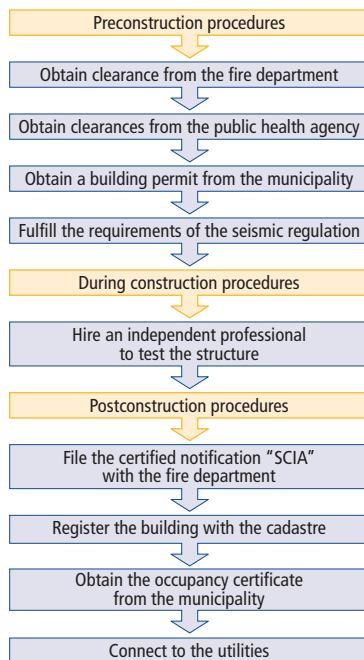
**TABLE 4.1** Where is dealing with construction permits easy—and where not?

RANK	City	RANK	City
1	Bologna	8	Campobasso
2	Cagliari	9	Bari
3	L'Aquila	10	Catanzaro
3	Milan	11	Naples
5	Padua	12	Palermo
6	Rome	13	Potenza
7	Turin		

Note: Rankings are based on the average city percentile rankings on the procedures, time, and cost to deal with construction permits. See Data notes for details.

Source: *Doing Business* database.

**FIGURE 4.4** Construction permitting follows the same basic stages across Italy



Source: *Doing Business* database.

the respective municipality are the main cause of this variation. Because of the complexity of regulations, municipalities often request additional information or amendments to the original plans. Such requests automatically postpone the approval deadlines. The time to receive feedback on projects also depends on the efficiency of the municipality. In Palermo and Catanzaro, waiting for feedback may take over 6 months, while in Naples, Campobasso and Potenza, it would take under 3 months. In Milan it takes only 30 days. Even though, according to national law, smaller cities should issue building permits faster than bigger cities, that is not always the case in practice.<sup>10</sup> For instance, obtaining a building permit in Catanzaro takes as long as in Palermo.

In Milan, a fast-tracked procedure speeds up the building authorization process. A law of the regional government of Lombardy allows applicants to proceed with a “Starting Activity Declaration” (*Super-DIA*), which is a substitute for the building permit. Within 30 days of the

filing of the *Super-DIA*,<sup>11</sup> the municipality verifies all documents for formal compliance and completeness. Construction can then start. Even though the *Super-DIA* is a national law, implementing regulations are set at the regional level. In Milan and in the rest of the Lombardy region, the *Super-DIA* is allowed as an alternative to the building permit for new constructions. In the other regions, the use of the *Super-DIA* is more restricted. It cannot be used for new constructions, except when the town plan (*Piano Attuativo*) contains precise provisions regarding the size and the type of construction that can be built in a certain area.

After construction, developers must fulfill the fire safety requirements, register the building and obtain the occupancy permit. In Bologna and Cagliari, the occupancy permit is issued in just 1 day. In the other cities, municipalities have 30 days from the date of filing to issue the occupancy certificate, after which a “silence-is-consent” formula is applied. Obtaining a telephone connection varies from 15 days to 30 days. Water and sewerage connections take from 20 days (in L’Aquila and Milan) to 3 months (in Potenza).

The cost of obtaining construction permits also varies considerably from city to city. In Naples (45.1%) and Catanzaro (48.1%), the process is significantly less expensive as a percentage of gross national income (GNI) per capita than it is in Milan (966.3%) or Potenza (725.1%).

The variation in costs stems mainly from local building permit fees (*Contributo di Costruzione*), which constitute 87% of the total cost (figure 4.6). Regional governments set bandwidths within which municipalities establish their fees. In many municipalities, finding out how much a building permit costs is a challenge itself because of the complexity of the calculation. In Milan, the calculation can be done easily through the website of the municipality. The municipalities of Padua and of Turin provide clear instruction on how to calculate the fees for each type of construction. These instructions

are also available online. The other cities do not provide easily available online information, except the regulations that set the fees. These rules are often difficult to interpret, even for professionals. For this reason, an appointment with an officer of the municipality is usually needed to calculate the fees.

## WHAT TO REFORM?

### Improve the coordination between the fire department, the public health agency and the one-stop shops

Applicants in most cities have the option to request the various pre-construction clearances through the one-stop shop, rather than visit each agency separately. But the general perception is that the one-stop-shop delays the process. As a result, building companies often bypass the *Sportello Unico* and interact directly with the fire department, public health agency and others. Once the pre-construction clearances are obtained, they are delivered to the *Sportello Unico*, so that the

municipality grants the building permit and construction may begin.

A regulation under discussion at the time of writing requires that all clearances necessary for the construction permit must be released to the one-stop shop rather than directly to the applicant. In order to improve efficiency, the fire department, public health agency and others should be encouraged to cooperate more smoothly with the *Sportello Unico* of the municipality and coordinate amongst themselves. In order to encourage the agencies to do so without delay, other measures should also be considered. One way to obtain more responsiveness is to set performance-related rewards for cooperation with the *Sportelli Unici*. Another option is to fine authorities when they stall the process for no clear reason. Staffing and resources should also be added to the one-stop shops themselves.

### Cut delays to obtain building permits from municipalities

Obtaining building permits from the respective municipality presents the

biggest hurdle for construction companies in Italy. The “silence-is-consent” rule introduced in July 2011 is a positive step, but—especially, in cities with more than 100,000 inhabitants—the time limit is still too long (150 days).<sup>12</sup> In addition, whenever municipalities request additional documents or clarifications, the clock stops, which means that the overall time to obtain a building permit can run even longer.

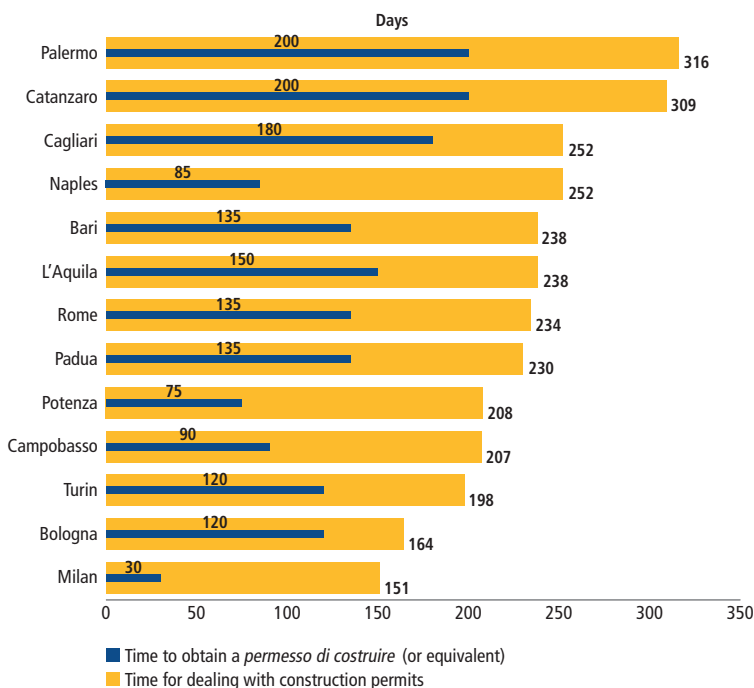
More can be done to speed up the approval process for simple buildings. The implementation of the *Super-DIA* in Milan offers an excellent example.

A different approach would be to introduce risk-based assessments. The German state of Bavaria offers an example. Here a differentiated permitting approach was introduced in 1994. For low-risk projects, the design architects must show proof of their qualifications and assume liability for the construction. For medium-risk projects, an independent, certified appraiser must approve the plans. Only high-risk, complex projects are fully reviewed by building authorities.<sup>13</sup> By 2002 Bavarian builders had saved an estimated €154 million in building permit fees that would have been paid to the government under the pre-1994 rules, and building authorities had 270 fewer employees on their payroll.

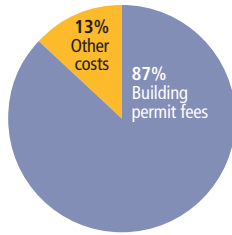
### Improve the accessibility and transparency of information

Municipal administrations that make clear and complete information easily accessible online help professionals and entrepreneurs avoid delays when dealing with construction permits. In Italy, Bologna is a positive example. Its website provides detailed information on each requirement. Municipalities should also provide an online tool to calculate the fees related to the building permit (*Contributo di Costruzione*). Milan already provides this service. Other cities should follow suit.

FIGURE 4.5 Time to deal with construction permits across 13 Italian cities



Source: Doing Business database.

**FIGURE 4.6 High costs to obtain a building permit**

Source: Doing Business database.

### Extend online submission of applications across cities and regions

Online applications reduce delays. Not only are they faster, they also limit the frequency of interactions with officials, reducing the potential for under-the-table transactions.

The Piedmont region's MUDE system for the electronic submission of building approvals is the most advanced system in Italy.<sup>14</sup> MUDE not only facilitates online applications for entrepreneurs, it also allows municipalities to interact directly with the cadaster and the land registry (*Agenzia del Territorio*) for building registration and taxation issues. Set at the regional level, MUDE streamlined the building-approval process for 105 municipalities. Following this example, computerization should be accelerated and implemented across other cities and regions in Italy. Italian cities should also follow the examples of global leaders in this area, such as Singapore.

In Singapore, qualified professionals can submit structural plans through an online platform that allows authorities to check in an efficient manner if structural plans are correct and prepared with high safety standards, eliminating, for example, the need for inspections for low-risk buildings.

To successfully introduce online applications, training should be provided. Without training, users can become frustrated. For example, over the past few years, an online system for seismic authorizations

in Catanzaro became unpopular because professionals did not understand how to use it. In Piedmont—where the regional government, municipalities and professional associations have worked together since the developing stage and proper training sessions were set up—the online platform MUDE has been a success.

### Provide guidelines and promote inter-agency working groups

Across Italian cities, the complexity of building regulations is a challenge not only for private sector professionals, but also for public officials. Public servants are not always able to clear up doubts on regulations brought up by developers, architects or engineers. As a result, there is a lot of uncertainty. Guidelines that clearly explain how to interpret the regulations should be made available to the public.

Currently, representatives from the various agencies involved in the permitting process have few occasions to meet. Meeting more regularly could help them reach a common understanding regarding specific requirements and standard operating procedures. In 2007, the Hong Kong (China) local government launched its successful “Be a Smart Regulator” program. Under this program, several requirements to obtain a construction license were either eliminated or expedited. This was achieved by creating working groups with the agencies and bureaus involved in the construction area. These groups found redundant procedures, improved communication and coordination schemes, and identified simple regulatory changes that could be implemented to create a more efficient construction process.

### Substitute the clearance on the conformity with health and hygiene regulations with a self-certification of compliance

The national law establishes that accredited professionals can substitute a preliminary clearance from the public health agency with a written

declaration certifying that the project abides with public health requirements (*Autocertificazione*). Later on, if the project does not meet such requirements, the occupancy certification will not be issued.

In most of the cities, such regulation currently applies only to residential buildings. In Padua, it applies also to simpler commercial buildings. Limiting the preliminary authorization by the public health agency to more complex projects could free up resources to focus on high-impact or hazardous structures.

### Make the occupancy certificate effective immediately after its filing

Once all the required documents are properly filed, the municipalities of Bologna and Cagliari grants the occupancy permits immediately. Random, ex-post inspections are performed to check that the constructions are in compliance. In the other cities, where random controls are performed before the occupancy permit is granted, the same process can take as long as 30 days, after which a “silence-is-consent” formula is applied. These cities should follow the example of Bologna and Cagliari, where the ex-post controls guarantee the same level of safety and the process is faster.

## NOTES

1. Moullier, Thomas. 2009. *Reforming Building Permits: Why Is It Important and What Can IFC Really Do?* Washington, D.C.: International Finance Corporation.
2. OECD. 2010. “Construction Industry.” *OECD Journal of Competition Law & Policy* 10 (1): 156.
3. OECD. 2008. *Policy Roundtables—Construction Industry*. Paris: OECD. <http://www.oecd.org/dataoecd/32/55/41765075.pdf>
4. PricewaterhouseCoopers. 2005. “Economic Impact of Accelerating Permit Processes on Local Development and Government Revenues.” Report prepared for the American Institute of Architects, Washington, DC.
5. INAIL (*Istituto Nazionale per l'Assicurazione contro gli Infortuni sul Lavoro*). 2011. *Rapporto annuale 2010 con*

- analisi dell'andamento infortunistico*. Milan: INAIL.
6. Transparency International. 2011. *Corruption Perceptions Index 2011*. Berlin: Transparency International.
  7. *Decreto del Presidente della Repubblica* No. 380 of 6 June 2001.
  8. Because Campobasso, Catanzaro, L'Aquila, Naples, Potenza, and Rome are classified with high seismic risk, a seismic authorization must be obtained. In cities where the seismic risk is lower, it is sufficient to submit the structural project before starting construction.
  9. *Legge Regionale* No. 3 of 5 March 2008.
  10. The Decree No. 380 of 2001 sets shorter time limits for the issuance of the building permit for cities below 100,000 inhabitants.
  11. Attached documents must include official proof-of-ownership, construction drawings, a report signed by a registered architect or engineer guaranteeing compliance of the planned building with the town planning rules, construction regulations, safety norms, public health requirements, plus sufficient technical documentation to allow proper evaluation of the impact on the landscape. The applicant must also submit the structural engineering project together with the geological and geotechnical reports, the heating systems and energy saving projects, as well as urbanization and construction fee calculations.
  12. *Decreto Legge* No. 70 of 13 May 2011 sets a time ceiling of 150 days for cities with over 100,000 inhabitants. Within the first 60 days municipalities can interrupt the process to request additional documents or modifications to the project.
  13. Bayerisches Staatsministerium des Innern. 2002.
  14. "*Modello Unico Digitale per l'Edilizia*."

# Registering property

The importance of registering property was recognized early on in Italy. In 1427, the city of Florence introduced one of the first modern land registration systems: households were to declare their possessions, including land and real estate. From then on, authorities were able to levy taxes based upon hard data regarding each family's wealth. Relieving artisans and traders from the burden of arbitrary taxation fostered their entrepreneurial spirit, thereby contributing to ensuring the city's wealth for hundreds of years.

## WHY DOES PROPERTY REGISTRATION MATTER?

Registered property rights are necessary to support investment, productivity and growth.<sup>1</sup> Evidence from economies around the world suggests that property owners with registered titles are more likely to invest. They also have a better chance of getting credit, because property can serve as collateral.<sup>2</sup> Cadastres, together with land registries, are tools used around the world to map, prove and secure property rights. These institutions are part of the land information system of an economy. With land and

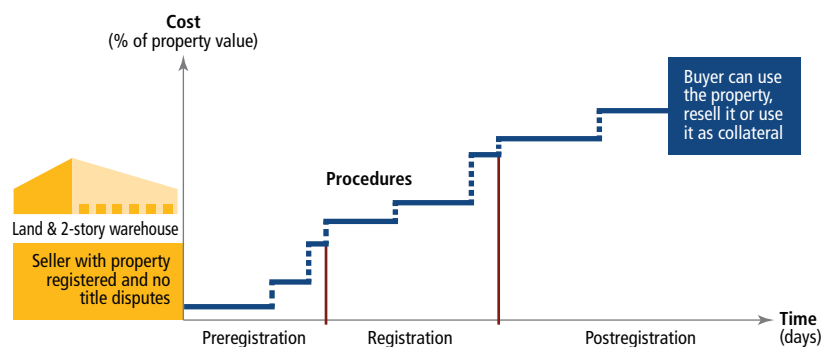
buildings accounting for between half and three-quarters of the wealth in most economies, having an up-to-date land information system clearly matters.<sup>3</sup>

The benefits of land registration go beyond the private sector. For governments, having reliable, up-to-date information in cadastres and land registries is essential to correctly assess and collect tax revenue. With up-to-date land information, governments can map out the varying requirements of their cities and strategically plan the provision of services and infrastructure in the areas of each city where they are most needed.<sup>4</sup> Land information can also help in planning the expansion of urban areas. This is especially important in economies prone to natural disasters, such as Italy.<sup>5</sup>

## WHAT DOES REGISTERING PROPERTY MEASURE?

*Doing Business* records the procedures necessary for a business to purchase a property from another business and to transfer the property title to the buyer's name (figure 5.1). The process starts with obtaining the necessary

FIGURE 5.1 What are the time, cost and number of procedures required to transfer property between 2 local companies?





documents—such as a copy of the seller’s title—and conducting due diligence, if required. The transaction is considered complete when it is opposable to third parties and when the buyer can use the property as collateral for a bank loan or resell it.

## HOW DOES REGISTERING PROPERTY WORK IN ITALY?

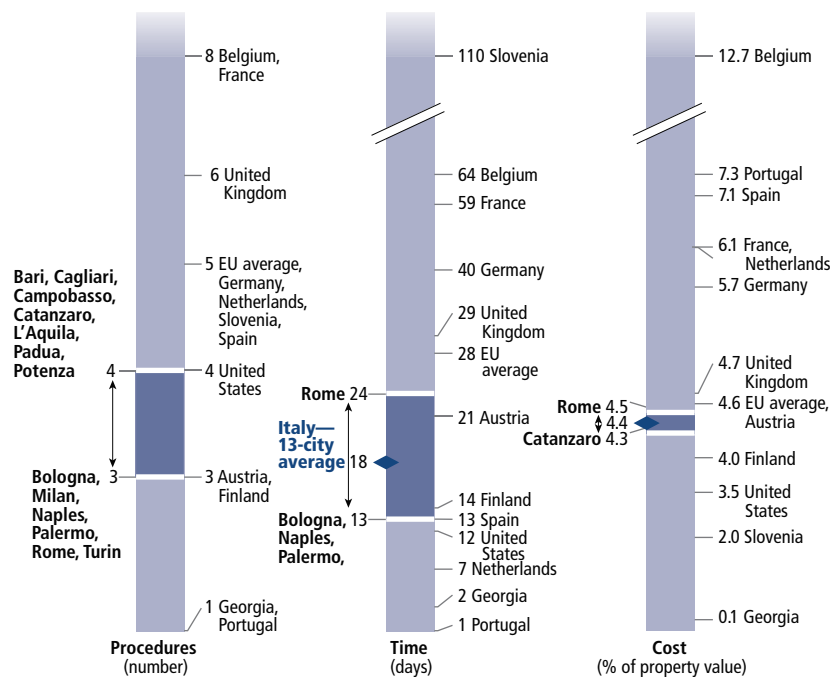
Registering property across the 13 Italian cities measured takes an average of 4 procedures, 18 days and costs 4.4% of property value—considerably better than the European Union average of 5 procedures, 27 days and 4.6% of property value (figure 5.2).

Compared globally with 185 economies, the average Italian city would rank 35th on the ease of registering property, as measured by *Doing Business*. That is ahead of the United Kingdom (73) and Germany (81), but behind Switzerland (15) and Portugal (30). In Georgia, the best performer globally, the process takes just 1 procedure, 2 days and costs 0.1% of property value.

In the city of Bologna, the best performer in Italy, transferring a property title requires just 3 procedures, 13 days and a cost that comes to 4.4% of property value (table 5.1). If Bologna were to represent Italy for the ease of registering property, as measured by *Doing Business*, it would rank among the 30 easiest economies in the world.

In Italy, the laws and regulations that apply to the transfer of property are set at national level. The digitization of cadastral

FIGURE 5.2 Registering property in Italy is less cumbersome, faster and less expensive than in many EU economies



Source: *Doing Business* database.

records started in the early 1990s and the cadastral system is now fully computerized. The land agency (*Agenzia del Territorio*), the public agency that controls both the cadastre (*Catasto*) and the property registry (*Registro Immobiliare*), is a centralized institution with local branches in each province. In spite of this uniformity, notable local variations persist among cities.

Pre-registration procedures are identical throughout the country. Before initiating the transfer of property, the seller must obtain an energy certificate (*attestato di certificazione energetica—ACE*). Prepared by a licensed professional (*certificatore*), the ACE ascertains the levels of energy consumption of the building and must be referenced in the deed of sale.<sup>7</sup> Once the ACE has been obtained, the notary carries out the necessary due diligence, drafts the deed of sale, executes it (*rogito*) and receives the corresponding payments.

Registration procedures vary depending on the city. In Bologna, Palermo, Milan, Naples, Rome and Turin, the registration with the tax agency and the land agency is

done through a single electronic transmission (*adempimento unico telematico*): taxes are credited directly to the tax agency while the deed of sale is recorded in the property registry of the land agency and, once the Head of the Registry (*Conservatore*) officially acknowledges the transfer, it is automatically registered in the cadastre (*voltura catastale*). In the cities where this efficient system is not yet implemented, the notary can register the transfer with the tax agency on-line but must complete the registration with the property registry at the land registry in person by submitting paper copies of the deed of sale and transfer note (*atto di vendita* and *nota di trascrizione*). Once these documents have been submitted, she has to wait for the transfer note to be returned to her together with a certificate that all administrative requirements have been carried out (*duplo*).

Registering property is relatively fast across Italian cities. Advanced digitization of data in public agencies and professional services involved in the process helped speed up the process. The online

TABLE 5.1 The ease of registering property across 13 Italian cities

RANK	City	RANK	City
1	Bologna	7	Bari
2	Palermo	9	Turin
3	Campobasso	9	L'Aquila
3	Naples	11	Potenza
5	Catanzaro	12	Padua
6	Cagliari	13	Rome
7	Milan		

Note: Rankings are based on the average city percentile rankings on the procedures, time, and cost to register property. See *Data notes* for details.

Source: *Doing Business* database.



platform set up by the notary association (*notartel*) allows notaries to carry out the necessary due diligence by accessing the databases of the cadastre, company and land registries in a matter of minutes without interacting in person with any public official from the involved agencies. When the intervention of a public official is necessary—as in the case of the registration of the deed of sale with the property registry of the land agency—response times are usually fast and can take as little as 1 day.

In Bologna, Naples and Palermo, all necessary steps can be carried out in just 13 days—faster than in Japan (figure 5.3). In Padua and Rome, where the process is more time consuming, it takes 10 days longer with 23 and 24 days, respectively. Differences in delay are mainly explained by the time required to issue the energy certificate (ACE) and draft and execute the deed of sale. In Palermo, the energy efficiency certificate can be obtained in only 3 days. In Catanzaro, Padua and Potenza, it takes more than 3 times longer. Similarly, the drafting and execution of the deed takes 4 days in Bari, while it takes 11 days in Rome and Milan, the 2 largest Italian cities.

There is little variation in the cost of registering property across Italy: costs vary from 4.3% of property value in Catanzaro to 4.5% in Rome (figure 5.4). Over 92% of the costs to transfer property are composed of fees and duties set at the national level that equally apply to all cities. The entrepreneur wishing to transfer the property title of a commercial warehouse pays 3% of the property value as property registration tax (*imposta ipotecaria*) and 1% of the property value as cadastral tax (*imposta catastale*), €55 as title transfer fee (*diritti di voltura*), €35 as property registry duty (*tassa ipotecaria*), €168 as registration duty (*imposta di registro*), and €230 as stamp duty (*imposta di bollo*).

Cost variations across cities are due to professional service fees. The cost to obtain an energy efficiency certificate varies from €250 in Bari to €850 in Rome. Notary costs vary from €3,129

in Catanzaro to €5,084 in Turin. The recent abolition of minimum fees for notary services—introduced by Decree no. 1 of January 24, 2012 (*Decreto “Cresci Italia”*)—is yet to produce results. As of June 2012, notaries continued to set their fees using the old Ministerial Decree of November 27, 2001, and the pricing guidelines of local notary chapters as points of reference.

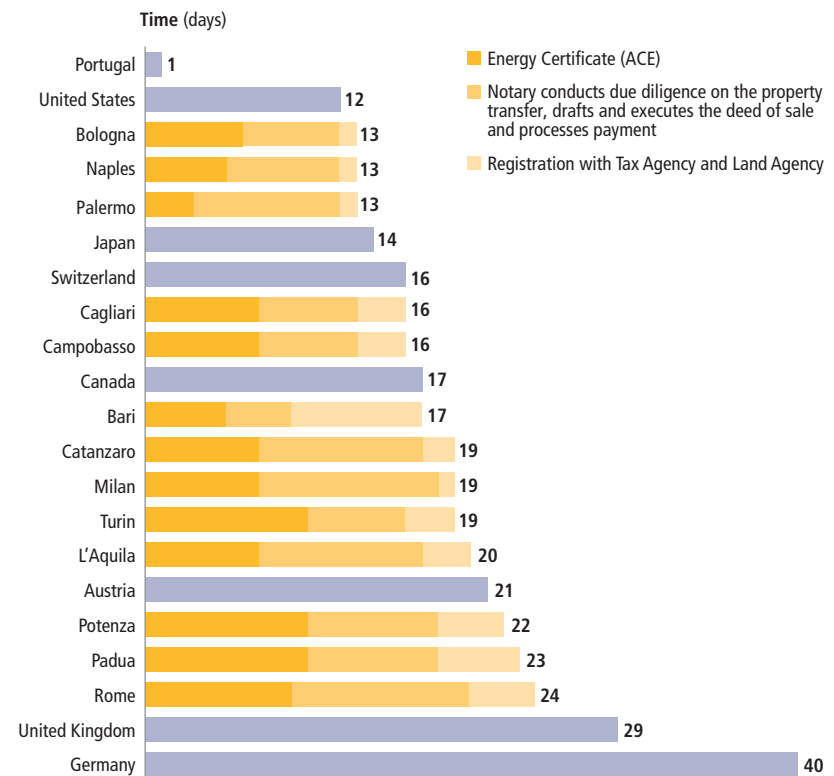
**WHAT TO REFORM?  
Implement the single  
electronic registration  
platform “Adempimento Unico  
Telematico” in all cities**

Digital property records have advantages over paper records. They take up less space, and backup copies ensure that records will not be compromised in the event of natural disasters or tragic events. Electronic systems also make errors and duplicate titles easier to spot. Transferring property in economies with computerized

registries takes only about half as much time on average as in economies with paper records.<sup>8</sup>

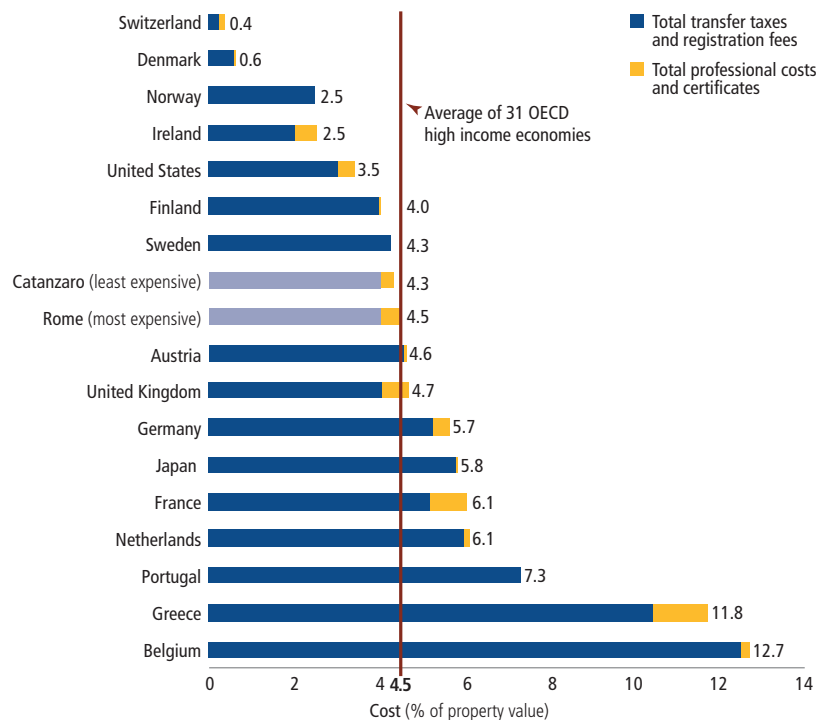
All Italian cities measured in this report already use electronic records. Information is available online and the necessary checks and verifications that precede the execution of the deed of sale do not require any personal interaction between notaries and public officials. Furthermore, local authorities in Bologna, Palermo, Milan, Rome and Turin recently aligned themselves with some of the best practices in the world—Norway and New Zealand—creating a full-blown electronic registration platform for property transfers. Thanks to the recently introduced *Adempimento Unico Telematico*, all the necessary information can now be sent through a single transmission to the tax agency, property registry and cadastre. Once this has been done, registration procedures can take as little as 1 day. This new system should be

FIGURE 5.3 Registering property in Bologna, Naples or Palermo is faster than in Japan



Source: Doing Business database.

FIGURE 5.4 Cost to register property is lower than the average for OECD high income economies



Source: *Doing Business* database.

made available to other cities throughout the country.<sup>9</sup>

### Lower property transfer costs

Property transfer taxes are an important source of revenue for many governments. But when transfer fees and taxes are too burdensome, even already registered properties may become informal again if subsequent transactions are not registered or reflect below market values. This not only weakens the protection of property rights, it also reduces potential revenue from property taxes.

In Italy, the transcription and cadastral taxes alone amount to 4% of property value. Additional state fees and duties, together with professional service fees, account for up to an additional 0.5%. Between 2004 and 2012, 57 of 183 economies tracked by *Doing Business* lowered transfer taxes and other government fees—reducing the global average cost to register property by 4.2% of the property value.<sup>10</sup> Among the 31 OECD high-income

economies, 8 have recently reduced taxes or fees by an average of 3% of the property value.<sup>11</sup> Switzerland cut its transfer tax in 2005, reducing the total cost to register property from 1.4% to 0.4% of property value—one of the lowest rates in the world.

Public policy measures recently introduced by the Italian government—such as the increase of the number of notaries and the abolition of minimum fees for notary services—should increase competition and eventually contribute to a lowering of professional costs to register property. Further drops could be achieved by reducing property transfer taxes and fees set at the national level.

### NOTES

1. For a summary of the relevant studies on the subject see: Deininger, Klaus. 2003. *Land Policies for Growth and Poverty Reduction*. World Bank Policy Research Report. New York: Oxford University Press.

- Galiani, Sebastian, and Ernesto Schargrodsky. 2009. "Property Rights for the Poor: Effects of Land Titling." Working Paper 7 (revised), Ronald Coase Institute, St. Louis, MO.
- World Bank. 1989. *World Development Report 1989*. New York: Oxford University Press.
- Property information held in cadastres and land registries is part of the land information available to governments. Land information also includes other geographic, environmental and socioeconomic data related to land that are useful for urban planning and development.
- Located on the Eurasian and African plate boundary, Italy is one of the countries with the highest seismic risk in the Mediterranean. Together with Iceland, Italy also has the highest concentration of active volcanoes in Europe. It ranks among the first countries in the world in terms of number of inhabitants exposed to volcanic risk. For more information, please visit: [www.protezionecivile.gov.it](http://www.protezionecivile.gov.it)
- Procedures for registering property are partially different in Trentino Alto-Adige and in some areas of Friuli Venezia Giulia, Veneto, and Lombardy that used to be part of the Austro-Hungarian Empire. None of these areas have been benchmarked in the present report.
- Energy Certificates are valid for 10 years. Additional information can be found in the Legislative Decree No. 28 of 3 March 2011.
- World Bank. 2011. *Doing Business 2012: Doing Business in a More Transparent World*. Washington, D.C.: The World Bank Group.
- The extension of the *Adempimento Unico Telematico* to all Italian provinces is currently planned for September 19, 2012. For more information, please visit: [www.agenziaterritorio.gov.it](http://www.agenziaterritorio.gov.it)
- World Bank. 2011. *Doing Business 2012: Doing Business in a More Transparent World*. Washington, D.C.: The World Bank Group.
- Australia by 2.3%, Germany by 0.5%, Hungary by 6%, Ireland by 7%, Israel by 2.5%, Poland by 1.1%, Slovak Republic by 3%, and Switzerland by 1%. Only Sweden increased duties by 1.25%.

# Enforcing contracts

“Milan alone has as many lawyers as the whole of France” is a curious fact commonly mentioned by Italians. In reality Italy has 4 times more lawyers than France. An abundance of legal professionals may be one reason why litigation rates are higher than in neighboring countries. Italian first instance courts receive 60% more new civil cases than French courts, and the total backlog is about 3 times higher.<sup>1</sup> Unsurprisingly, big caseloads are matched by lengthy delays.

## WHY DOES COMMERCIAL DISPUTE RESOLUTION MATTER?

Effective commercial dispute resolution has many benefits. Courts are essential for entrepreneurs because they interpret the rules of the market and protect property rights. Efficient and transparent courts encourage new business relationships because firms know they can rely on the courts if a new customer fails to pay. Speedy trials are essential for small enterprises because they may lack the resources to stay in business while awaiting the outcome of a long court dispute.

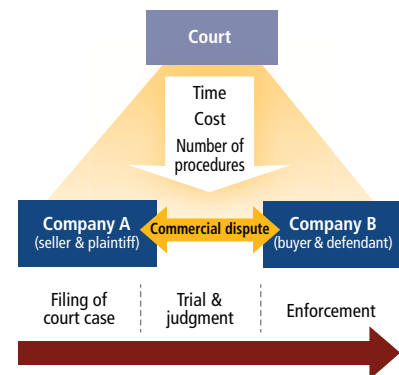
A study of 27 judicial districts in Italy found that, all other things being equal, where the backlog of pending trials is relatively large, credit is less widely available, the average interest rate is higher and the default rate is higher.<sup>2</sup> *Confartigianato*, the Italian confederation of craft workers, estimates that in 2007 lengthy court proceedings cost businesses €2.3 billion.<sup>3</sup> Another study in Eastern Europe shows that reforms in other areas—such

as creditors’ rights—help increase bank lending only if contracts can be enforced in the courts.<sup>4</sup>

## WHAT DOES ENFORCING CONTRACTS MEASURE?

*Doing Business* measures the time, cost and procedural complexity of resolving a commercial lawsuit between 2 domestic businesses. The dispute involves the breach of a sales contract worth twice the income per capita of the economy. The case study assumes that the court hears arguments on the merits and that an expert provides an opinion on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement. The time, cost and procedures are measured from the perspective of the entrepreneur (the plaintiff) pursuing the standardized case through local courts (figure 6.1).

FIGURE 6.1 What are the time, cost and number of procedures to resolve a commercial dispute through the courts?



## HOW DOES IT WORK IN ITALY AND HOW DOES ITALY COMPARE GLOBALLY?

Enforcing a contract in the 13 cities measured takes on average 41 procedural steps that last 1,400 days and cost 26.2% of the claim value. Italian cities lag behind other economies in the European Union, where on average it takes 32 procedures and 547 days, and costs 21.5% of the claim value (figure 6.2). The average Italian city would thus rank 155 out of the 185 economies measured by *Doing Business*. Yet, there are strong variations across locations. Enforcing contracts is easier in Turin, where it takes 855 days and costs 22.3% of the claim value (table 6.1). It is more difficult in Bari, where it takes more than twice as long and costs much more: 2,022 days and 34.1% of the claim value.

Italy has a civil law system. Jurisdiction is determined on the basis of the claim value. Cases above €5,000 are heard by a court of first instance; cases below that threshold are heard by a small claims court (*giudici di pace*). There is no distinction between commercial and civil law, since both codes were merged in 1942, and there are no specialized commercial courts.<sup>5</sup> The total number of procedural steps for ordinary proceedings<sup>6</sup> is 41—the same for all Italian courts, since the same laws regulate them. Although legal rules are common across all cities, court administration varies as it is the prerogative of the head of each court.

Enforcing a contract in Italy is slow. In Rome it takes 1,210 days—among the 20 slowest of the 185 economies measured in *Doing Business*, and only faster than Slovenia among EU economies. The same process takes 390 days in France, 394 days in Germany, and 510 days in Spain. In addition, there is considerable variation within Italy: from 855 days in Turin to 2,022 days in Bari (figure 6.3). Most delays occur during the trial stage, which takes anywhere from almost 2 years in Turin to almost 4 years in Bari. The adjournment of the last hearing

TABLE 6.1 Where is it easier to enforce a contract—and where not?

RANK	City	RANK	City
1	Turin	8	L'Aquila
2	Naples	9	Palermo
3	Potenza	10	Milan
4	Rome	11	Bologna
5	Cagliari	12	Padova
5	Campobasso	13	Bari
7	Catanzaro		

Note: Rankings are based on the average of city percentile rankings on the procedures, time and cost to resolve a commercial dispute through the courts. See the Data notes for details.

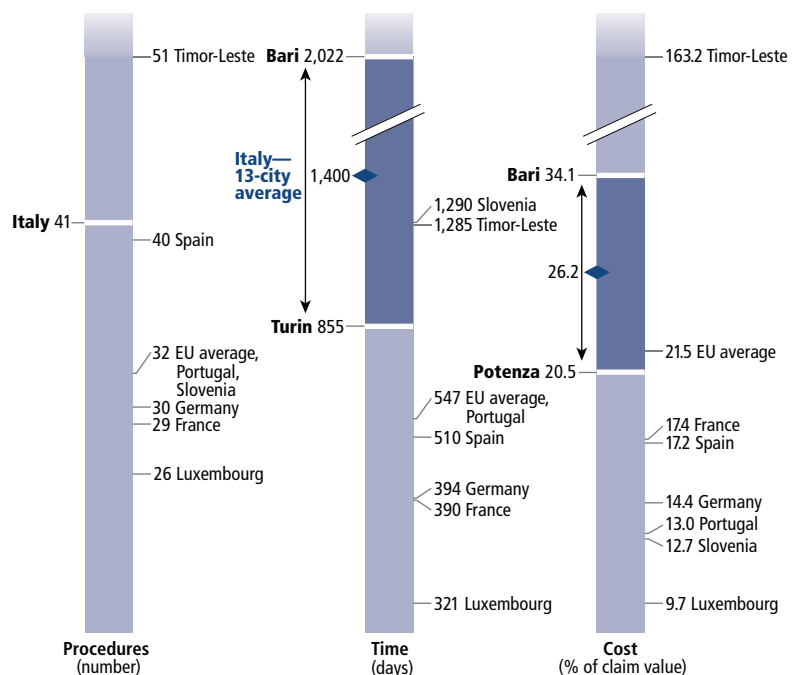
Source: *Doing Business* database.

is the main bottleneck. Judges have a statutory time limit to issue the judgment after the last hearing, but since they need to decide on many cases and have little administrative support, they usually adjourn the last hearing for a period of 5 months up to 3 years. Enforcement is also time-consuming. The plaintiff needs to initiate a separate enforcement procedure (*processo di esecuzione mobiliare*). Public sales are semi-privatized through registered professionals supervised by a public institution (*Istituti Vendite Giudiziarie*).<sup>7</sup>

Article 6 of the European Convention on Human Rights establishes that everyone is entitled to a fair trial within a “reasonable time,” which has been defined as 3 years by Italian jurisprudence. In 2008, the European Court of Human Rights in Strasbourg found Italy in violation of Article 6 for lengthy court proceedings 53 times—only Turkey was found in violation more often.<sup>8</sup> Back in 2001, Italy passed the *Pinto Act* introducing the right to lodge a complaint against excessively long proceedings.<sup>9</sup> But the problem was not solved. With the exception of Turin, civil proceedings still take longer than 3 years. As a result of a large number of complaints, the Italian Public Administration was condemned to pay over €300 million in damages between 2001 and 2009.<sup>10</sup>

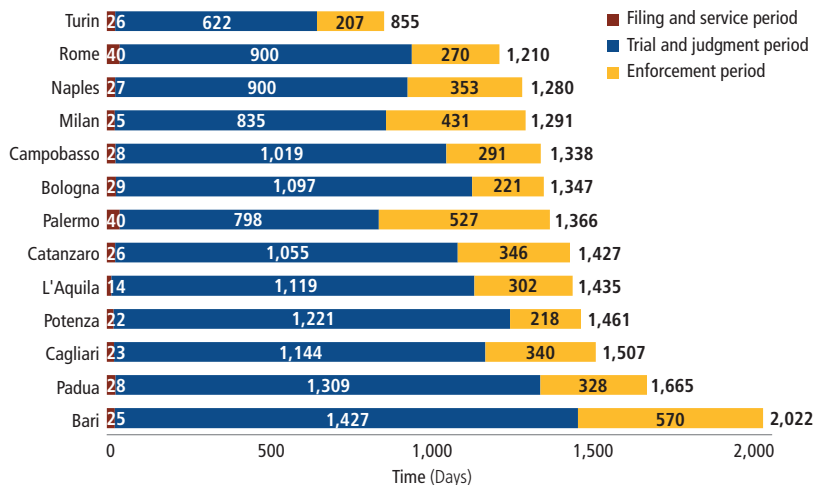
One explanation for such lengthy trials may be that Italian judges face more cases than their European peers—in 2008 for example Italy faced 55% more incoming civil and commercial cases per judge than France and 39% more cases per judge than Spain.<sup>11</sup> But how each court manages its cases and deals with the backlog

FIGURE 6.2 Enforcing contracts in Italy compared globally



Source: *Doing Business* database.

FIGURE 6.3 It is faster to enforce a contract in Turin



Source: Doing Business database.

matters. In 2001, the president of Turin’s court launched the Strasbourg Program, an ambitious plan to reduce backlog and eliminate all cases not resolved after 3 or more years. The president gave three main instructions to judges and registrars: 1) prioritize older cases, 2) classify and physically label all cases (*targatura*) by the originating date, and 3) follow a “first in, first out” approach. He issued 20 guidelines encouraging judges to take an active role during proceedings. The guidelines promote the use of short and concise judgments, agreement on a timetable or calendar for the case during the first hearing, inadmissibility of unsubstantiated adjournments, shorter adjournments, and oral hearings as opposed to written exchanges. Establishing individual goals and monitoring judges’ performance can produce positive results as well. By 2010, cases older than 3 years represented less than 5% of the court’s caseload. Turin’s example did not go unnoticed. In July 2011 Italy’s Ministry of Justice decided to roll out this approach and mandated that all courts submit plan to reduce their backlogs.<sup>12</sup>

In 2012, the latest initiative to improve the court system mandates the creation of “companies courts” (*tribunale delle imprese*)—which will hear corporate, anti-trust, intellectual property, and public procurement cases.<sup>13</sup> There are also ongoing

discussions in legislature to restructure the judiciary and eliminate smaller courts.

Individual courts are also experimenting with new solutions to reduce delays. The Court of Naples was reorganized in 2009, separating criminal and civil jurisdictions and increasing the specialization of each section by subject matter. Milan is making use of information and communication technologies (ICT)—such as online communications and electronic filing of documents by the parties (box 6.1). To address staff limitations, several courts are piloting the recruitment of apprentices to support judges in preparing and managing cases.

The average cost to enforce a contract in the Italian cities measured is 26.2% of the claim value—that is among the highest costs in the EU. To compare, enforcing a

**BOX 6.1 THE COURT OF MILAN AND THE USE OF INFORMATION AND COMMUNICATION TECHNOLOGIES (ICT)**

Although Italian courts all have an online registry known as PolisWeb, which allows lawyers to track progress of their cases via internet, the use of ICT solutions varies across Italian courts. The Ministry of Justice has developed software for judges to actively manage their caseload—*Consolle del Magistrato* and *MAG-office*—but it is still not in widespread use. In some courts, such as in Potenza, judges rely on registrars to use the electronic system, as they are unable to access it.

The Court of Milan is the most advanced in the use of ICT. In 2006, the Court of Milan and 5 other courts launched a pilot online civil trial for injunction orders (*decreti ingiuntivi*).

By 2011, 62% of Milan’s injunction orders were made online—the highest ratio in the country. Since then, the time to obtain an injunction order was cut from 50 days to just 15 days, providing substantial relief in a very busy court. In 2011 alone, Milan had 42,256 injunction orders and 59,062 ordinary civil trials.<sup>1</sup>

The Court of Milan is also the first Italian court to offer online communications between the court and the parties. Since 2010, all communication from the court to the parties is conducted by e-mail. Milanese judges are actively issuing judicial orders and judgments online, and the court is now piloting the e-filing of court documents by lawyers. The online trial has been estimated to save the Court of Milan €1 million per year, as well as saving time. But the introduction of the online civil trial requires more than technology. The Ministry of Justice and the Court of Milan have also spent substantial resources training judges and court officers as well as actively involving external stakeholders—such as the university and the lawyers association (*Ordine degli Avvocati*).

The impact of ICT solutions will ultimately depend on whether lawyers use them. As the use of new technology varies from one court to another, the number of lawyers registered for online services also varies significantly between cities. Adoption rates vary from 61.1% and 56.4% of lawyers in Padua and Turin, respectively, to just 2.3% and 1.1% in Palermo and Campobasso, respectively.<sup>2</sup> It recently became mandatory for lawyers to have an electronic certified e-mail address (*Posta elettronica certificata*), but courts need to actively engage with lawyers’ associations to encourage the use of online systems in practice.

1 Statistics provided by the Court of Milan.  
 2 Statistics provided by the Ministry of Justice, Dipartimento Generale dei Sistemi Informativi Automatizzati. *Processo Telematico*. June 2011.

contract costs just 9.7% of the claim value in Luxembourg, 14.4% in Germany and 17.4% in France (figure 6.4). Legal fees are the largest component of the cost in Italy at 17.2% of the claim value. That is significantly higher than the share of legal fees in Germany (6.6%), France (10.7%) and Spain (12.7%). Until recently, Italy's attorney fees were subject to a national professional fee schedule. In March 2012, this schedule was abolished.<sup>14</sup> The effects are yet to be seen. But even under the application of the professional fee schedule, attorney fees vary significantly by region.<sup>15</sup> Hiring an attorney is generally more expensive in the northern cities. An attorney typically may cost twice as much in Milan as in Potenza. Court fees are regulated nationally by the Ministry of Justice and there are no significant differences in court and enforcement costs across cities and regions.

## WHAT TO REFORM?

### Promote case management systems and monitor performance

Judicial case management systems are effective tools to reduce procedural delays at court and to monitor the performance of judges and court officers. By analyzing court workloads, computerized case-management systems can help predict trends and allocate resources strategically. Case management systems are prevalent in two-thirds of OECD high-income economies, and are increasingly being adopted in more economies.<sup>16</sup> In 2009, Malaysia introduced a case management system that sorts cases into 2 tracks by level of complexity, and the commercial division of the Kuala Lumpur high court was reorganized. Judges' performances were closely monitored; at the same time they received more training and were encouraged to play a more active role in addressing cases. Efficiency improved. In addition, a case management system is helping to optimize judges' schedules by enabling registrars to use a digital planner to schedule hearings at a judge's earliest availability. The system is also allowing judges to access the minutes of each case

electronically. Backlogs in Malaysia's Sessions Courts were reduced by more than 50% between 2009 and 2011, either through the resolution of cases or identification of inactive cases.<sup>17</sup>

Case management systems should be promoted, replicating existing good practices and tools. The case management software developed by the Ministry of Justice (*Consolle del Magistrato* and *MAG-office*) allows a judge to track his or her cases and manage hearings, notifications and judgments. As of 2012, it is only used by some judges. It should be expanded to all courts, accompanied by training programs for judges and registrars. Additionally, Turin's guidelines could be replicated, encouraging judges to establish a calendar for each case at the first hearing and limiting adjournment periods. Another approach is to have support staff dedicated to case management, as seen in Milan and Campobasso. These courts have created an "office of the judge" (*ufficio del giudice*) staffed with trainees whose role is to support judges in preparation for hearings and judgments, monitor the development of cases, and categorize hearings by subject matter or procedural type.

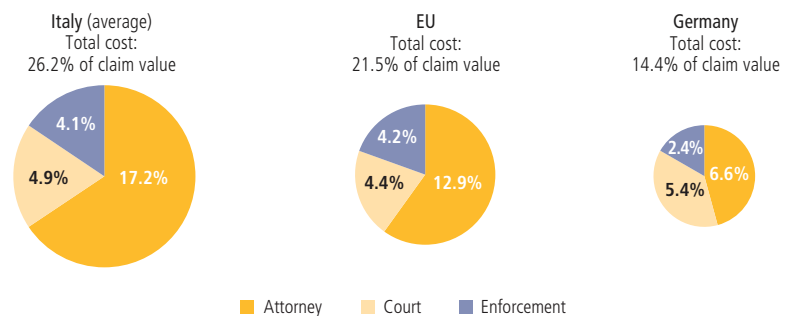
### Continue to reduce the case backlog in courts

The number of pending cases across Italy has doubled over the past 20 years.<sup>18</sup> The government has launched several initiatives attempting to reduce the number of new cases. These initiatives include

introducing mediation, increasing court fees, and limiting claims against the Social Security Administration. Reducing the case backlog would also ease the burden on judges, thereby speeding up proceedings. Following Turin's example, all courts are now required to submit their own targets and track progress.<sup>19</sup> The Ministry of Justice and the *Consiglio Superiore della Magistratura* should closely monitor to see if courts are abiding by their plans.

Macedonia, FYR, faced a similar issue and introduced bold measures to tackle case backlogs. The number of cases pending for more than 3 years was reduced by 46%. Litigants in longstanding disputes were summoned to appear in court on set days and if neither appeared, the case was dismissed. As a result of this reform, the time to enforce a contract in court dropped from 509 days to 385 days.<sup>20</sup> In Colombia, one of the main causes of backlogs was the high percentage of inactive cases due to inactivity by either party. To address this problem, the legislature issued a law in May 2008 that sets forth mechanisms for judges to dismiss cases whenever there is no activity on behalf of the parties. As a result of the application of this law, judges in 150 municipal courts in Colombia dismissed almost 32,283 cases.<sup>21</sup> Furthermore, in civil courts—at the municipal and circuit level—a total of 43,948 cases were dismissed as of June 2009—that is, 12.2% of the total inventory of inactive cases.<sup>22</sup>

FIGURE 6.4 Attorney fees across Italian cities are higher than in other EU economies



Note: Italy costs are calculated as the average of the 13 cities measured.

Source: *Doing Business* database.



## Expand online filing and the use of ICT

The online civil trial (*processo telematico*) has proved successful in Milan for injunction orders (*decreto ingiuntivo*) and is being rolled out throughout the country. It could be expanded to cover ordinary proceedings—allowing for electronic filing, electronic communications between the parties and the court, electronic exchange of official documents and other features. A strong communications campaign will be essential to bring lawyers on-board.

Sixteen economies globally allow the electronic filing of commercial complaints with some associated automation of case processing by the court. The Republic of Korea is a good example. Since 2006, Korea has expanded the use of electronic solutions in its courtrooms, or “e-courts.” Judges have benefited from information technology systems allowing better access to electronic records and the ability to record trial procedures. Since May 2011, lawyers have been able to electronically file the initial complaint in a case before the main civil courts, including the Seoul West district court. Thanks to the e-court program, legal documents can be submitted through the court’s website, judgments can be delivered electronically, and court records—including judgments—can be consulted remotely. This electronic filing system will be expanded to bankruptcy, family law and public administration cases.<sup>23</sup>

## Encourage specialization within courts

The degree of specialization within courts varies significantly across cities. Some courts have a section for intellectual property cases (*sezione specializzata proprietà industriale*), and an ongoing reform aims to expand these sections to cover additional corporate matters, calling them *tribunale delle imprese*. Until recently, judges in Naples heard both criminal and civil cases. A reform in 2009 separated both jurisdictions and reorganized sections by subject matter. Since then, the ratio of resolved cases (*casi definiti*) to

new cases (*casi pervenuti*) of the 8 court sections that hear civil cases increased by 11%.<sup>24</sup> Specialization should be encouraged across all courts.

Eighty-seven of the 185 economies covered by *Doing Business* have a specialized commercial court, a specialized section or specialized judges that solely hear commercial cases within a general civil court. Studies have found that specialized courts tend to improve efficiency.<sup>25</sup> Creating specialized commercial courts can result in faster and cheaper contract enforcement. One reason for the greater efficiency is that judges become experts in handling commercial disputes. Commercial courts often have fewer formal procedures and use oral arguments to facilitate swifter case disposal—even in court systems that have traditionally not used oral processes. Analysis of *Doing Business* data shows that commercial disputes are resolved up to 5 months faster, on average, in economies with specialized commercial courts or sections than in those without them.<sup>26</sup>

## NOTES

1. *Le verità dell'Europa sui magistrati Italiani: Dossier a cura dell'Associazione Nazionale Magistrati*. The document is available at <http://www.associazionenazionalemagistrati.it>
2. Jappelli, Tullio, Marco Pagano and Magda Bianco. 2005. “Courts and Banks: Effects of Judicial Enforcement on Credit Markets.” *Journal of Money, Credit, and Banking* 37 (2): 223–44.
3. *I costi e tempi della giustizia*. Confartigianato. Roma. May 12, 2009. Elaborazione Flash. The estimated cost for companies due to delays of the justice system is based on the financial cost of disputed credits and the value of assets under an insolvency proceeding.
4. Safavian, Mehnaz, and Siddharth Sharma. 2007. “When Do Creditor Rights Work?” *Journal of Comparative Economics* 35 (3): 484–508. World Bank. 2007.
5. There are specialized court sections for other matters, like intellectual property or industrial rights. A recent reform intends to expand these sections to cover corporate, anti-trust and public procurement disputes. But these court sections will not be competent to hear general commercial matters.
6. The case study measured by *Doing Business* would fall under ordinary proceedings (*processo ordinario*). The injunction order (*decreto ingiuntivo*) is a common procedure for debt recovery, but it assumes the case can be decided upon documentary evidence. If the defendant or debtor opposes to the injunction order, she becomes the plaintiff and an ordinary case is initiated. See Data notes for the definition of procedural steps and the case study.
7. Decree of February 11, 1997, No. 109. *Ministero di Grazia e Giustizia*.
8. Evaluation report of European judicial systems by the European Commission for the Efficiency of Justice (CEPEJ). 2010. France. Council of Europe.
9. Law No. 89 of 24 March 2001.
10. Barbutto, Mario. *Legge & Management, l'organizzazione della giustizia in Italia in una nuova prospettiva*. May 2011. Forli.
11. Estimates refer to civil and commercial cases reaching courts of first instance in 2008. Spain had 1,620,717 cases and 4,836 judges. France had 1,744,350 cases and 5,819 judges. Italy had 2,842,668 cases and 6,109 judges. Evaluation report of European judicial systems by the European Commission for the Efficiency of Justice (CEPEJ). 2010. France. Council of Europe.
12. *Decreto Legge* of July 6, 2011 (which modifies Art. 37 of Legislative Decree of July 8, 2003).
13. *Decreto Legge* of January 24, 2012, No. 1, *Disposizioni urgenti per la concorrenza, lo sviluppo delle infrastrutture e la competitività*, modifies the Legislative Decree of June 26, 2003, No. 168, regarding special sections. The legal reform was approved into law in March 2012 (Law No.27, Official Gazette No.71, March 24, 2012). “Companies courts” expand the competencies of existing specialized sections, which today hear intellectual property matters and exist in some courts, like in Milan.
14. *Decreto Legge*. of January 24, 2012, No. 1, approved into law in March 2012 (Law No.27, Official Gazette No.71, March 24, 2012). This reform expands on the “Bersani Law of 2006,” which allowed parties to establish an agreement below the minimum tariff.
15. The professional fee schedule for attorneys allowed for some flexibility. It was divided into activities and services, with fixed and variable costs for each. What attorneys charge in practice varies from one city to another, resulting in significant variation.



16. World Bank. 2011. *Doing Business in 2012: Doing Business in a More Transparent World*. Washington, D.C.: World Bank Group.
17. Ibid.
18. Statistics provided by the Ministry of Justice. May 2012.
19. As of July 2011 per Art. 37 of *Decreto Legge* of July 6, 2011
20. World Bank. 2006. *Doing Business 2007: How to Reform*. Washington, D.C.: World Bank Group.
21. World Bank. 2009. *Doing Business in Colombia 2010*. Washington, D.C.: World Bank Group.
22. Ibid.
23. World Bank. 2011. *Doing Business in 2012: Doing Business in a More Transparent World*. Washington, D.C.: World Bank Group.
24. Data provided by the Court of Naples statistics unit. Productivity is defined as the number of cases resolved (through judgment or other outcomes) divided by the number of new cases. Civil sections include sections 2-4, 6, 8, 10-12. The period of time observed is 2008-2011. The reform took place in the middle of 2009.
25. Botero, Juan Carlos, Rafael La Porta, Florencio López-de-Silanes, Andrei Shleifer, Alexander Volokh et al. 2003. *The World Bank Research Observer*, vol. 18, No. 1 (Spring 2003), pp. 61-88.
26. Differences are statistically significant at the 99% level after controlling for income per capita.

# Trading across borders

Three major trade routes cross Italy, connecting Eastern Europe, East Asia and North Africa to the markets of Western Europe. This strategic location has made Italian ports the natural logistics gateway in the Mediterranean for centuries. Maritime trade is, thus, an important pillar of the Italian economy. In 2009 the national maritime sector contributed 2.6% to the gross domestic product, generating €39.5 billion and employing more than 213,000 workers.<sup>1</sup> The Italian port system also plays a primary role in the country's complex logistics network through strong complementarities with other transportation methods.<sup>2</sup> In 2008 about 290 million tons of goods were handled by Italian ports, 100 million tons were transported on wheels and 16 million tons by rail.<sup>3</sup> The multiplier effect triggered by trade-related activities is even larger. A recent study on Italian ports estimated that a €100 increase in demand can generate €224 of national income. Moreover, employing 100 new workers in the maritime sector generates demand for 241 additional workers in the national economy.<sup>4</sup>

## WHY DOES TRADING ACROSS BORDERS MATTER?

International trade has increased rapidly over the last decade. Multilateral trade-liberalization agreements have reduced trade tariffs and trade quotas. At the same time, moving high-volume manufacturing to low-cost countries outside Europe and the economic development of the Balkans, Eastern and Southern Europe have also increased the importance of Italy as a transit and distribution hub. Increased

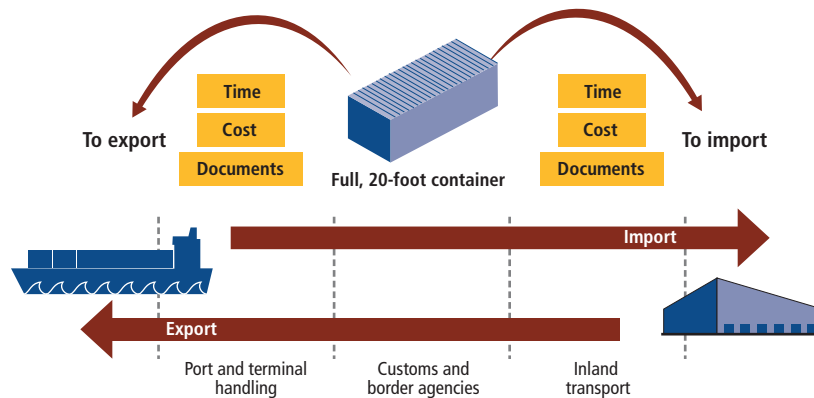
trade flows mean more goods crossing borders are subjected to customs procedures. National administrations are trying to cope efficiently with the larger volume of traffic. Globalization and international competition have also increased the complexity of modern trade dynamics. Tying up imported or exported goods at the border for days due to unnecessary or over-complicated trade procedures and requirements hurts businesses.<sup>5</sup>

Trade inefficiencies also increase domestic prices while restricting businesses from exporting abroad. Recent research shows that each day a product is delayed in transit reduces trade by at least 1%.<sup>6</sup> Another study shows that reducing trade costs by 50% could increase global trade in manufacturing by up to \$377 billion a year, and it could provide triple the benefits to consumers in the form of tariff reductions.<sup>7</sup>

## WHAT DOES TRADING ACROSS BORDERS MEASURE?

*Doing Business* measures the time and cost (excluding tariffs) associated with exporting and importing a 20-foot container by sea transport and the number of documents necessary to complete the transaction (figure 7.1). The indicators cover documentation requirements and procedures at customs and other regulatory agencies as well as at the port. They also cover logistical aspects, including the time and cost of inland transport between company warehouses and traders' ports.

FIGURE 7.1 What are the time, documents and cost to export and import a 20-foot container by sea transport?



### HOW DOES TRADING ACROSS BORDERS WORK IN ITALY?

Italy has more than 4,600 miles of coastline and for centuries—before the country was unified in the 19<sup>th</sup> century—a number of small independent territories exploited their central position in the Mediterranean specializing in international trade. From such a history, Italy has inherited a complex port system embracing more than 140 ports in the 15 coastal regions of the country. Their activities and characteristics vary: Larger ports connect big industries and many small and medium-size firms to international markets. Smaller ports supply primarily regional and local markets. A number of ports are also the main gateway for energy supply in a country that is high in consumption but relatively poor in energy resources.<sup>8</sup> And most of the ports are, to some extent, involved in all of these activities.

Law 84/1994 sets the institutional framework within which the Italian port system functions. The law establishes a “landlord” model where the public sector is in charge of planning, control and overall management while private sector operators handle traffic and terminal management. There are many agencies involved in trade procedures across Italy. Twenty-four port authorities (*Autorità Portuali*) are established in the most relevant ports of the country as public sector agencies. Custom operations are managed by the *Agenzia*

*delle Dogane*—a central agency under the Ministry of Economy and Finance. The *Agenzia delle Dogane* employs a risk-management platform allowing electronic data interchange (EDI). The platform is centrally administered and pools information from local customs offices. The Ministry of Health is also involved in customs inspections via 2 different agencies: *Posti di Ispezione Frontaliera* (PIF) is responsible for animals or animal products, while *Uffici di Sanità Marittima Area di Frontiera* (USMAF) is responsible for food products. These agencies—even the ones affiliated with the same ministry—are not organized within the same hierarchic responsibility structures. Furthermore, they use different IT platforms, complicating communication. As a result, coordinating inspection procedures is challenging and often results in multiple inspections, leading to delays and higher costs. Finally, under the authority of the Minister of Economy and Finance, the *Guardia di Finanza* is in charge of fighting financial crimes, smuggling and the drug trade. Local customs offices evaluate risk levels for cargo based on local factors and intelligence operations in conjunction with the national *Guardia di Finanza*.

The ports covered in this analysis fall into 2 distinct categories: gateway ports and transshipment and regional ports. The gateway or hub ports typically handle large cargo volumes and service long international supply chains. Gateway ports

also provide trade-related services—such as distribution centers, warehouses and insurance, and finance. The gateway ports included in this study are Genoa, Naples and Trieste. Transshipment and regional ports, on the other hand, mainly focus on transshipment activities—whereby containers are shipped and reloaded to different vessels at a hub port—and on regional trade. The transshipment ports in this study are Catania, Taranto, Gioia Tauro and Cagliari. Transshipment ports play a key role in supplying regional markets and connecting local entrepreneurs to national markets. In these ports, the share of containers that are exported and imported to an overseas port directly is significantly lower than in gateway ports. Moreover, the total number of containers handled is usually higher in gateway ports.<sup>9</sup>

In all the ports measured, 4 documents are required to import or export. On the import side, a bill of lading, certificate of origin, commercial invoice and customs import declaration are required. For exports, a bill of lading, commercial invoice, customs export declaration and technical standard certificate are required. For exports, Italy is in line with the average number of documents required in OECD high income countries as well as with the requirements of other competitor economies—such as the United Kingdom or Germany. For imports, Italy’s regulations are less burdensome than the OECD average (where it takes 1 more document to import a container).

While carrying out the 4 required procedures, Italian entrepreneurs spend an average of 19 days and \$1,006 to export a standardized container of cargo. This is slower and more expensive than in Germany where, via port of Hamburg, exporting takes 7 days and costs \$872. To import, Italian entrepreneurs need to spend 17 days and \$1,131. Importing is easier in the United Kingdom where, via port of Southampton, containers are imported in 6 days for a total cost of \$1,045 (figure 7.2).

**TABLE 7.1 Ease of trading across borders in Italy**

RANK	Gateway ports	RANK	Transshipment and regional ports
1	Genoa	1	Catania
2	Trieste	2	Taranto
3	Naples	3	Goia Tauro
		4	Cagliari

Note: Rankings are based on the average of the port's percentile rankings on the documents, time and cost to import and export. See Data notes for details.  
 Source: Doing Business database.

Among the gateway ports, Genoa is the top performer (table 7.1). Through its port, a container can be exported in 18 days for a total cost of \$940. Importing a container through the port of Genoa takes 17 days and costs \$935. Among transshipment and regional ports, Catania is the most efficient: it takes 19 days and \$1,020 to export a container while importing a container takes 16 days and costs \$1,040.

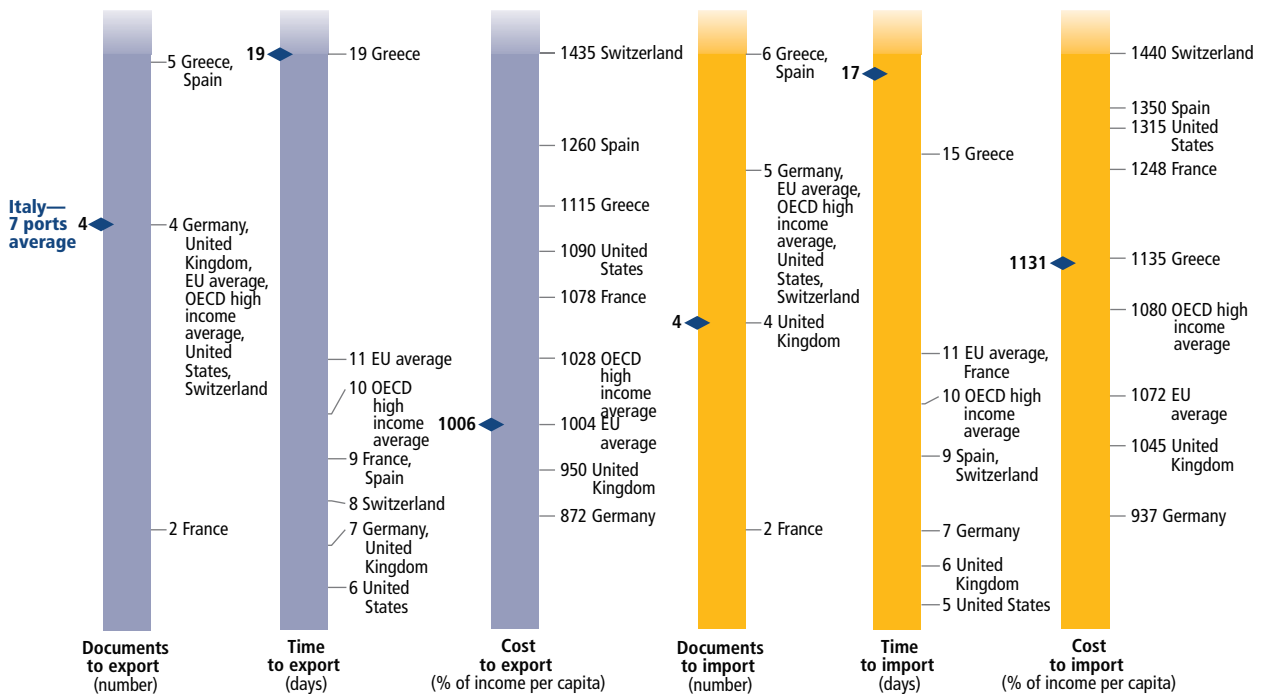
It is fastest to export from Genoa, Taranto and Trieste, where exporting takes 18 days (figure 7.3). Exporting through Naples

and Goia Tauro takes 2 days longer. On the import side, Cagliari and Catania are faster. In both ports, containers can be imported in 16 days. In most of the other ports, it takes 1 day longer (17 days), while in Taranto it takes 2 (18 days). Delays and congestion are typically caused by the rigidity of the working hours of the agencies involved—such as customs and the ministry of health. Customs offices are open approximately 6 hours per day, while in many other European countries they operate 24 hours a day. Differences in opening hours are partly due to the nature of the ports. Transshipment or regional ports—like Cagliari and Catania—tend to have shorter trading times because customs are less busy and because they experience fewer delays due to congestion, compared to larger ports. The port of Catania focuses primarily on supplying Sicilian regional markets. Because of this limited scope of service, the port is able to conduct its export and import operations more efficiently. Similarly, Cagliari services primarily the Sardinian market. On the export side, busy customs offices are not as much of a problem for gateway

ports because exports require less customs-related activity than imports do. Moreover, economies of scale, deriving from the large number of containers handled in gateway ports (like Trieste and Genoa), speed up export times compared to the other ports measured.

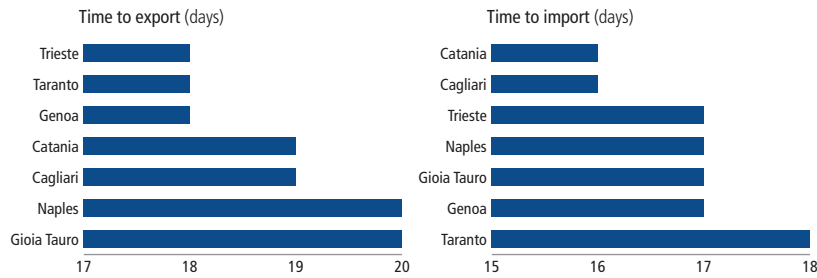
On average, it costs \$1,006 to export and \$1,131 to import in the ports measured; however, the costs of importing and exporting differ from port to port. It is cheaper to export through the port of Genoa, where it costs \$940 (figure 7.4). For imports, Taranto is the port with the lowest price: it costs \$1,030 to import a single container. Among the 7 ports covered, Cagliari is the port with the highest cost for both exports—\$1,040—and imports—\$1,470. In contrast, gateway ports are able to achieve important savings and efficiency thanks to economies of scale. As a result, freight forwarders' charges are lower, as are inspection and handling fees. Exporting a container through a gateway port costs \$973, on average. Exporting through a transshipment or regional port is, on average, \$57

FIGURE 7.2 Trading across borders in Italy compared globally



Source: Doing Business database.

FIGURE 7.3 Time to export and import across Italian ports



Source: Doing Business database.

more expensive. The cost of importing and exporting containers is in line with the OECD average. However, the process is cheaper in some of Italy's competitor economies. In Germany, for example, it costs \$937 to import and \$872 to export a container. This is \$134 less expensive to export and \$194 less expensive to import than the Italian ports' average.

Aiming to identify inefficiencies and promote good practices in trade, the Ministry of Economic Development created a task force on trade facilitation in 2009, the *Tavolo Strategico Nazionale sulla Facilitazione al Commercio Internazionale*. Representatives from all types of trade operators - including freight forwarders and custom brokers - are part of the task force, which, despite its limited budget, plays an important role in improving coordination and communication among the stakeholders involved.

### WHAT TO REFORM?

A number of European countries carried out important reforms in the area of maritime trade.

This year the port terminals in Rotterdam introduced a new web-based system for cargo release. Previously, in order to pick up containers at the port terminal, the importers (or customs agents on behalf of the trader) had to print out the cargo release documents (electronically) sent from the customs authorities, and physically present them at the port terminals. This is no longer the case. By entering the reference number (provided by Dutch customs) into the new web-based system, the port terminals are informed of the customs clearance status, and the driver can pick up the container without presenting any physical document.

Traders in Spain have been able to transmit customs declarations and scanned documents electronically for several years. The gradual adoption of the technological tools and implementation

of these practices throughout Spanish customs offices—along with a progressive increase in the use of fully electronic declarations among importers and exporters—has reduced the need for traders to go to the customs offices in person. At the same time, the customs authority has improved its electronic communication and information sharing with other government agencies—such as the *Secretaria del Mar*. These initiatives have allowed customs to improve their risk profiling for cargo, thus resulting in fewer physical inspections and a drop in the average delays for customs clearance.

Following the example of other European countries that recently reformed their regulatory environment, Italy should reform its trade sector in the following priority areas.

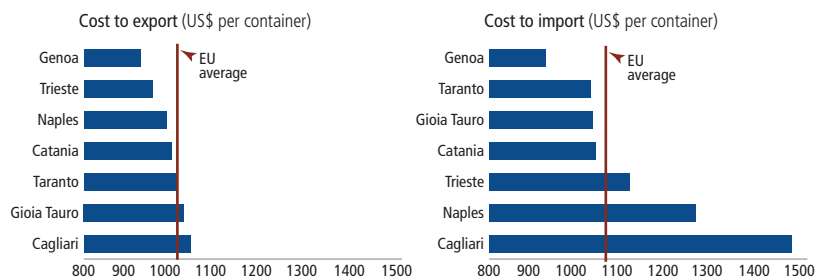
### Liberalize the transport sector

Transport liberalization should be pursued by the new *Autorità dei Trasporti* (box 7.1). Following the example of many other European countries, port terminal operators in Italy should be able to directly manage connection services between port platforms and the railway network in a competitive environment. This will reduce delays and streamline handling and transportation operations.

### Introduce pre-clearance procedures

Congestion generates delays and additional costs to trade. This can be reduced by lightening the workload of ports and customs offices through pre-clearance procedures. Through pre-clearance, cargo containers are cleared by customs prior to their departure for the port of destination. This reduces the time that containers spend inside destination ports waiting for customs clearance and ensures shorter import time. While pre-clearance procedures have been experimented with in some Italian ports—such as Genoa—they should be extended to the others and implemented on a more permanent basis.

FIGURE 7.4 Cost to export and import across Italian ports



Source: Doing Business database.

### Promote the authorized economic operator (*Operatore Economico Autorizzato*)

Another initiative that can facilitate customs procedures is the introduction of the “authorized economic operator,” the *Operatore Economico Autorizzato*. First launched in 2008, the concept provides fast-tracked and simplified access to customs-related operations—including fewer container inspections—to operators that meet high standards of safety and reliability. In line with European Union standards set by Regulation (EC) 648/2005, the *Operatore Economico Autorizzato* status is awarded to economic operators meeting the following standards: customs compliance, appropriate record-keeping, financial solvency and, where relevant, appropriate security and safety standards.

### Implement out-of-port inspections

Congestion can also be reduced by performing customs and other inspections directly at the warehouses of suppliers and importers or at logistics centers outside port areas. This is a common practice in OECD high-income economies and contributes to higher efficiency of import and export practices by keeping port clear from extra cargo traffic.

### Increase financial autonomy of ports

Italy should move towards financial autonomy of port management. Resources should be allocated to each port in relation to its economic value and contribution to GDP. A radical restructuring of port fund allocation based on meritocratic criteria would reward the most productive ports and shape a national port strategy around them. A quota of the revenues generated by value added tax and excises through import and export activities by each port should be allocated to the local port authorities. Such resources would be employed locally to cover port management costs and finance long-term investments in port infrastructure to ensure sustainability of increasing trade flows.

#### BOX 7.1 ON A PATH TO OVERCOME INFRASTRUCTURE CHALLENGES THROUGH PRIVATE SECTOR FINANCING AND TRADE LIBERALIZATION

Infrastructure is a constraint for most Italian ports. The World Economic Forum’s “Global Competitiveness Index” places Italy 81<sup>st</sup> among 142 economies for the quality of its port infrastructure—below its principal European competitors.<sup>1</sup> A study finds that congested container platforms in Italian ports generate delays in port and handling services. A delay of 1 day in the provision of such services can generate extra costs of up to \$100,000.<sup>2</sup>

Competition to obtain financial resources for infrastructure improvement is high. Italian port authorities are among the least independent port authorities across the European Union economies and rely mainly on public sector investments that are often split among a large number of ports, including both gateway and transshipment ports.<sup>3</sup> Such public investments hardly fit the very specific needs of single ports and involve a costly and rigid process to be implemented by the central authorities. Relying on limited public sector investments puts gateway ports in particular at a disadvantage against their major European competitors. In most Northern European economies, port authorities have full autonomy in undertaking new investments and are often responsible for a large share of the monetary resources employed.<sup>4</sup> Port authorities should be able to retain part of the resources generated by their activity. This is a key instrument to attract additional resources and shape a coherent development strategy in line with the specific needs of the port.

Italy recently made important progress by making private sector financing of ports possible. Between 2011 and 2012, with Laws 214/2011, 27/2012 and 35/2012, Italy introduced project bonds, public-private partnership financing schemes and eased concessions to build and manage public infrastructure works. These are important instruments that are expected to generate resources for strategic investments in Italian ports.

Transport liberalization is also a priority for improving trade efficiency. The *Autorità dei Trasporti*—an independent national transport authority—was created in 2012 with the objective of liberalizing the transport sector. Today, container-connection services between port platforms and the railway network are operated in a monopolistic regime by a state-owned company.<sup>5</sup> This can generate delays for exporters and importers when incentives are not in line with business needs.

Italy started to liberalize dredging activities with Law 27/2012. Through dredging, ports can increase and preserve the depth of their waters. This allows them to receive the modern, large container cargo ships. Water depth is a key dimension of competition among European ports. Indeed, being able to attract big container ships ensures higher trade volumes and generates additional demand for trade-related services. For years, rigid regulations represented an important obstacle for Italian ports that had to wait years to receive dredging authorizations. Efficient provisions regulating dredging activities should promote competitiveness while at the same time satisfying environmental concerns in the areas affected.

1. World Economic Forum. 2011. Global Competitiveness database.
2. Beretta Enrico, Alessandra Dalle Vacche and Andrea Migliardi. 2009. “The Italian Port System: A Survey on Competitiveness and Development Factors.” *Questioni di Economia e Finanza*, Occasional Paper 39. Banca d’Italia, Rome.
3. European Sea Ports Organization. 2011. Intervention of Patrick Verhoeven at General Assembly Assoport, Rome, 18 October 2011.
4. *Ibid.*
5. Beretta Enrico, Alessandra Dalle Vacche and Andrea Migliardi. 2009. “The Italian Port System: A Survey on Competitiveness and Development Factors.” *Questioni di Economia e Finanza*, Occasional Paper 39. Banca d’Italia, Rome.

### Implement the single window for trade (*Sportello Unico Doganale*)

Italy passed Law 242/2010, mandating the creation of a single window and a one-stop shop for customs operations: the *Sportello Unico Doganale*. But the single window has not been created yet. To ensure that customs procedures are streamlined and that the single window and the one-stop shop are effective, responsibilities must be clear among the different agencies involved. A hierarchy of responsibility must be defined with the customs authority at the top, coordinating the other agencies. Moreover, the advantages deriving from the implementation of the *Sportello Unico Doganale* should be extended to intra-European trade flows. Maritime trade flows between EU economies are large and the benefits of extending efficient trade practices to them will be substantial.

### Align customs operations to business needs

Customs and other agencies should be reformed to allow for more flexible working hours, in line with business needs. Customs staff mobility rules should also be reformed bearing in mind trade volumes. Current rules allow for some proportionality between the number of customs officers assigned to each port and their trade volume. However, customs offices in major gateway ports still appear understaffed in relation to their trade volumes and more flexibility in officers' mobility is necessary.

### NOTES

1. Beretta Enrico, Alessandra Dalle Vacche and Andrea Migliardi. 2009. "The Italian Port System: A Survey on Competitiveness and Development Factors." *Questioni di Economia e Finanza*, Occasional Paper 39. Banca d'Italia, Rome.
2. *Ibid.*
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4. Baccelli Oliviero, Mauro Ravasio and Giuliano Sparacino. 2007. *Porti Italiani. Strategie per l'autonomia finanziaria e l'intermodalità*.
5. OECD. 2005. "The Costs and Benefits of Trade Facilitation." *Policy Briefs*, OECD, Paris.
6. Djankov Simeon, Caroline Freund and Cong S. Pham. 2006. "Trading on Time." *The Review of Economics and Statistics*, MIT Press, vol. 92(1), pages 166-173, 05.
7. Dennis Allen. 2006. "The Impact of Regional Trade Agreements and Trade Facilitation in the Middle-East and North Africa Region." *Policy Research Working Paper 3837*. World Bank, Washington DC.
8. *Osservatorio Nazionale sul Trasporto Merci e la Logistica*. 2011. *Il futuro dei porti e del lavoro portuale*.
9. The ports covered by this study have been classified as "gateway/ hub ports" or "transshipment/regional' ports" based on the share of containers transshipped over the total number of containers handled.
10. Beretta Enrico, Alessandra Dalle Vacche and Andrea Migliardi. 2009. "The Italian Port System: A Survey on Competitiveness and Development Factors." *Questioni di Economia e Finanza*, Occasional Paper 39. Banca d'Italia, Rome.



## Data notes

The indicators presented and analyzed in *Doing Business in Italy 2013* measure business regulation and the protection of property rights—and their effect on businesses, especially small and medium-size domestic firms. The indicators document the complexity of regulation, such as the number of procedures to start a business or to register and transfer commercial property. They also gauge the time and cost of achieving a regulatory goal or complying with regulation, such as the time and cost to enforce a contract, go through bankruptcy or trade across borders.

In this report, *Doing Business* indicators have been created for 13 cities and for 7 ports in Italy. The data for all sets of indicators in *Doing Business in Italy 2013* as well as for *Doing Business 2013* are current as of June 2012.

### METHODOLOGY

The *Doing Business in Italy 2013* data are collected in a standardized way. To start, the *Doing Business* team, with academic advisers, designs a questionnaire. The questionnaire uses a simple business case to ensure comparability across economies and over time—with assumptions about the legal form of the business, its size, its location and the nature of its operations. Questionnaires were administered through more than 370 local experts, including lawyers, business consultants, accountants, freight forwarders, government officials and other professionals routinely administering or advising on legal and regulatory requirements. These experts have several rounds of interaction with the *Doing Business* team, including

conference calls, written correspondence and visits by the team. For *Doing Business in Italy 2013*, team members visited all the cities measured to verify data and recruit respondents. The data from questionnaires are subjected to numerous rounds of verification, leading to revisions or expansions of the information collected.

The *Doing Business* methodology offers several advantages. It is transparent, using factual information about what laws

### ECONOMY CHARACTERISTICS

#### Gross national income per capita

*Doing Business in Italy 2013* reports 2011 income per capita as published in the World Bank's *World Development Indicators 2012*. Income is calculated using the Atlas method (current U.S. dollars). For cost indicators expressed as a percentage of income per capita, 2011 gross national income (GNI) in U.S. dollars is used as the denominator. Italy's GNI per capita in 2011 = US\$ 35,330.

#### Exchange rate

The exchange rate used in this report is: 1 US\$ = 0.73 € (Euro).

#### Region and income group

*Doing Business* uses the World Bank regional and income group classifications, available at <http://data.worldbank.org/about/country-classifications>. The World Bank does not assign regional classifications to high-income economies. For the purpose of the *Doing Business* report, high-income OECD economies are assigned the "regional" classification *OECD high income*. Figures and tables presenting regional averages include economies from all income groups (low, lower middle, upper middle and high income).

and regulations say and allowing multiple interactions with local respondents to clarify potential misinterpretations of questions. Having representative samples of respondents is not an issue; *Doing Business* is not a statistical survey, and the texts of the relevant laws and regulations are collected and answers checked for accuracy. The methodology is inexpensive and easily replicable, so data can be collected in a large sample of economies. Because standard assumptions are used in the data collection, comparisons and benchmarks are valid across economies. Finally, the data not only highlight the extent of specific regulatory obstacles to business but also identify their source and point to what might be reformed.

### LIMITS TO WHAT IS MEASURED

The *Doing Business* methodology has 4 limitations that should be considered when interpreting the data. First, the data often focus on a specific business form—generally a limited liability company (or its legal equivalent) of a specified size—and may not be representative of the regulation on other businesses, for example, sole proprietorships. Second, transactions described in a standardized case scenario refer to a specific set of issues and may not represent the full set of issues a business encounters. Third, the measures of time involve an element of judgment by the expert respondents. When sources indicate different estimates, the time indicators reported in *Doing Business* represent the median values of several

responses given under the assumptions of the standardized case.

Finally, the methodology assumes that a business has full information on what is required and does not waste time when completing procedures. In practice, completing a procedure may take longer if the business lacks information or is unable to follow up promptly. Alternatively, the business may choose to disregard some burdensome procedures. For both reasons the time delays reported in *Doing Business* would differ from the recollection of entrepreneurs reported in the World Bank Enterprise Surveys or other perception surveys.

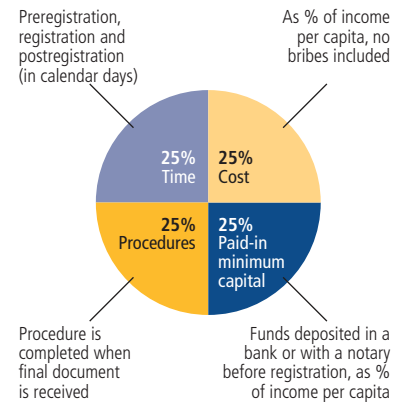
### STARTING A BUSINESS

*Doing Business in Italy 2013* records all procedures officially required for an entrepreneur to start up and formally operate an industrial or commercial business, as well as the time and cost to complete them and the paid-in minimum capital requirement (figure 8.1). These procedures include obtaining all necessary licenses and permits and completing any required notifications, verifications or inscriptions for the company and employees with relevant authorities. The ranking on the ease of starting a business is the simple average of the percentile rankings on its component indicators (figure 8.2).

After a study of laws, regulations and publicly available information on business entry, a detailed list of procedures

**FIGURE 8.2** Starting a business: getting a local limited liability company up and running

Rankings are based on 4 indicators

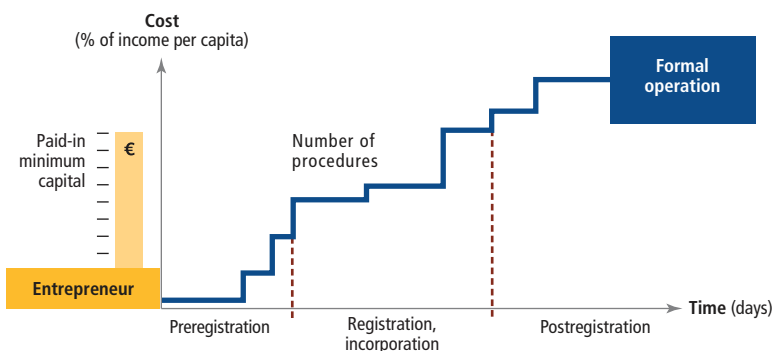


is developed, along with the time and cost of complying with each procedure under normal circumstances and the paid-in minimum capital requirement. Subsequently, local incorporation lawyers, notaries and government officials complete and verify the data.

Information is also collected on the sequence in which procedures are to be completed and whether procedures may be carried out simultaneously. It is assumed that any required information is readily available and that the entrepreneur will pay no bribes. If answers by local experts differ, inquiries continue until the data are reconciled.

To make the data comparable across economies, several assumptions about the business and the procedures are used.

**FIGURE 8.1** What are the time, cost, paid-in minimum capital and number of procedures to get a local limited liability company up and running?



### Assumptions about the business

The business:

- Is a limited liability company (or its legal equivalent). If there is more than one type of limited liability company in the economy, the form most popular among domestic firms is chosen. Information on the most popular form is obtained from incorporation lawyers or the statistical office.
- Operates in the selected city.
- Is 100% domestically owned and has 5 owners, none of whom is a legal entity.

- Has start-up capital of 10 times income per capita, paid in cash.
- Performs general industrial or commercial activities, such as the production or sale to the public of products or services. The business does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. It is not using heavily polluting production processes.
- Leases the commercial plant and offices and is not a proprietor of real estate.
- Does not qualify for investment incentives or any special benefits.
- Has at least 10 and up to 50 employees 1 month after the commencement of operations, all of them nationals.
- Has a turnover of at least 100 times income per capita.
- Has a company deed 10 pages long.

### Procedures

A procedure is defined as any interaction of the company founders with external parties (for example, government agencies, lawyers, auditors or notaries). Interactions between company founders or company officers and employees are not counted as procedures. Procedures that must be completed in the same building but in different offices or at different counters are counted as separate procedures. If founders have to visit the same office several times for different sequential procedures, each is counted separately. The founders are assumed to complete all procedures themselves, without middlemen, facilitators, accountants or lawyers, unless the use of such a third party is mandated by law. If the services of professionals are required, procedures conducted by such professionals on behalf of the company are counted separately. Each electronic procedure is counted separately. If 2 procedures can be completed through the same website but require separate filings, they are counted as 2 procedures.

Both pre- and postincorporation procedures that are officially required for an

entrepreneur to formally operate a business are recorded (table 8.1).

Procedures required for official correspondence or transactions with public agencies are also included. For example, if a company seal or stamp is required on official documents, such as tax declarations, obtaining the seal or stamp is counted. Similarly, if a company must open a bank account before registering for sales tax or value added tax, this transaction is included as a procedure. Shortcuts are counted only if they fulfill 4 criteria: they are legal, they are available to the general public, they are used by the majority of companies, and avoiding them causes substantial delays.

Only procedures required of all businesses are covered. Industry-specific procedures are excluded. For example, procedures to comply with environmental regulations are included only when they apply to all businesses conducting general commercial or industrial activities. Procedures that the company undergoes to connect to electricity, water, gas and waste disposal services are not included.

### Time

Time is recorded in calendar days. The measure captures the median duration that incorporation lawyers indicate is necessary in practice to complete a procedure with minimum follow-up with government agencies and no extra payments. It is assumed that the minimum time required for each procedure is 1 day. Although procedures may take place simultaneously, they cannot start on the same day (that is, simultaneous procedures start on consecutive days). A procedure is considered completed once the company has received the final document, such as the company registration certificate or tax number. If a procedure can be accelerated for an additional cost, the fastest procedure is chosen if that option is more beneficial to the economy's ranking. It is assumed that the entrepreneur does not waste time and commits to completing each remaining procedure without delay. The time that

**TABLE 8.1** What do the starting a business indicators measure?

Procedures to legally start and operate a company (number)
Preregistration (for example, name verification or reservation, notarization)
Registration in the selected city
Postregistration (for example, social security registration, company seal)
Time required to complete each procedure (calendar days)
Does not include time spent gathering information
Each procedure starts on a separate day
Procedure completed once final document is received
No prior contact with officials
Cost required to complete each procedure (% of income per capita)
Official costs only, no bribes
No professional fees unless services required by law
Paid-in minimum capital (% of income per capita)
Funds deposited in a bank or with a notary before registration (or within 3 months)

the entrepreneur spends on gathering information is ignored. It is assumed that the entrepreneur is aware of all entry requirements and their sequence from the beginning but has had no prior contact with any of the officials.

### Cost

Cost is recorded as a percentage of the economy's income per capita. It includes all official fees and fees for legal or professional services if such services are required by law. Fees for purchasing and legalizing company books are included if these transactions are required by law. The company law, the commercial code and specific regulations and fee schedules are used as sources for calculating costs. In the absence of fee schedules, a government officer's estimate is taken as an official source. In the absence of a government officer's estimate, estimates of incorporation lawyers are used. If several incorporation lawyers provide different estimates, the median reported value is applied. In all cases the cost excludes bribes.

### Paid-in minimum capital

The paid-in minimum capital requirement reflects the amount that the entrepreneur

needs to deposit in a bank or with a notary before registration and up to 3 months following incorporation and is recorded as a percentage of the economy's income per capita. The amount is typically specified in the commercial code or the company law. Many economies require minimum capital but allow businesses to pay only a part of it before registration, with the rest to be paid after the first year of operation. In Turkey in June 2012, for example, the minimum capital requirement was 5,000 Turkish liras, of which one-fourth needed to be paid before registration. The paid-in minimum capital recorded for Turkey is therefore 1,250 Turkish liras, or 7.2% of income per capita.

The data details on starting a business can be found for each economy at <http://www.doingbusiness.org> by selecting the economy in the drop-down list. This methodology was developed in Djankov and others (2002) and is adopted here with minor changes.

## DEALING WITH CONSTRUCTION PERMITS

*Doing Business in Italy 2013* records all procedures required for a business in the construction industry to build a warehouse (figure 8.3). These procedures include submitting all relevant project-specific documents (for example, building plans and site maps) to the authorities; obtaining all necessary clearances, licenses, permits and certificates; completing all required notifications; and receiving all necessary inspections. *Doing Business in Italy 2013* also records procedures for obtaining connections for water, sewerage and a fixed landline.<sup>1</sup> Procedures necessary to register the property so that it can be used as collateral or transferred to another entity are also counted. The survey divides the process of building a warehouse into distinct procedures and calculates the time and cost of completing each procedure. The ranking on the ease of dealing with construction permits is the simple average of the percentile rankings on its component indicators (figure 8.4).

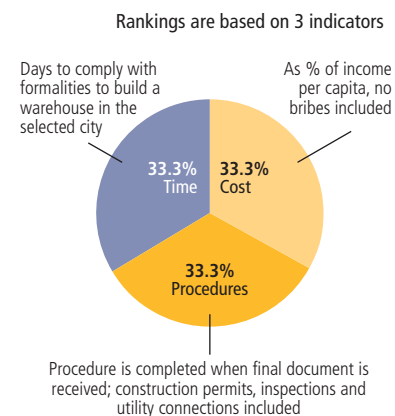
Information is collected from experts in construction licensing, including architects, construction lawyers, construction firms, utility service providers and public officials who deal with building regulations, including approvals and inspections. To make the data comparable across economies, several assumptions about the business, the warehouse project and the utility connections are used.

### Assumptions about the construction company

The business (BuildCo):

- Is a limited liability company.
- Operates in the selected city.
- Is 100% domestically and privately owned.
- Has 5 owners, none of whom is a legal entity.
- Is fully licensed and insured to carry out construction projects, such as building warehouses.
- Has 60 builders and other employees, all of them nationals with the technical expertise and professional experience necessary to obtain construction permits and approvals.
- Has at least 1 employee who is a licensed architect and registered with the local association of architects.
- Has paid all taxes and taken out all necessary insurance applicable to its general business activity (for example, accidental insurance for construction workers and third-person liability).
- Owns the land on which the warehouse is built.

**FIGURE 8.4** Dealing with construction permits: complying with formalities to build a warehouse

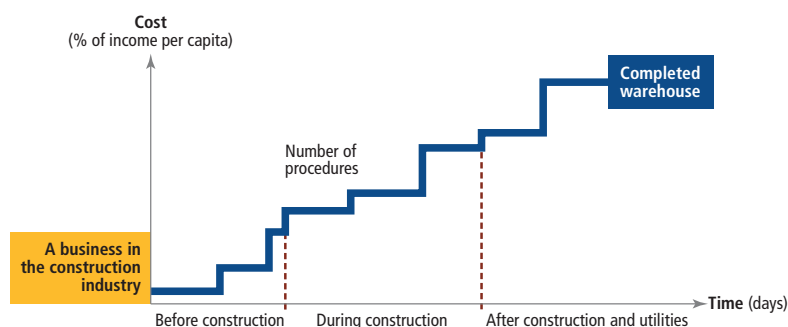


### Assumptions about the warehouse

The warehouse:

- Will be used for general storage activities, such as storage of books or stationery. The warehouse will not be used for any goods requiring special conditions, such as food, chemicals or pharmaceuticals.
- Has 2 stories, both above ground, with a total surface of approximately 1,300.6 square meters (14,000 square feet). Each floor is 3 meters (9 feet, 10 inches) high.
- Has road access and is located in the periurban area of the selected city (that is, on the fringes of the city but still within its official limits).
- Is not located in a special economic or industrial zone. The zoning requirements for warehouses are met by

**FIGURE 8.3** What are the time, cost and number of procedures to comply with formalities to build a warehouse?



building in an area where similar warehouses can be found.

- Is located on a land plot of 929 square meters (10,000 square feet) that is 100% owned by BuildCo and is accurately registered in the cadastre and land registry.
- Is a new construction (there was no previous construction on the land).
- Has complete architectural and technical plans prepared by a licensed architect.
- Will include all technical equipment required to make the warehouse fully operational.
- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).

### Assumptions about the utility connections

The water and sewerage connection:

- Is 10 meters (32 feet, 10 inches) from the existing water source and sewer tap.
- Does not require water for fire protection reasons; a fire extinguishing system (dry system) will be used instead. If a wet fire protection system is required by law, it is assumed that the water demand specified below also covers the water needed for fire protection.
- Has an average water use of 662 liters (175 gallons) a day and an average wastewater flow of 568 liters (150 gallons) a day.
- Has a peak water use of 1,325 liters (350 gallons) a day and a peak wastewater flow of 1,136 liters (300 gallons) a day.
- Will have a constant level of water demand and wastewater flow throughout the year.

The telephone connection:

- Is 10 meters (32 feet, 10 inches) from the main telephone network.
- Is a fixed landline.

### Procedures

A procedure is any interaction of the company’s employees or managers with external parties, including government agencies, notaries, the land registry, the cadastre, utility companies, public and private inspectors and technical experts apart from in-house architects and engineers. Interactions between company employees, such as development of the warehouse plans and inspections conducted by employees, are not counted as procedures. Procedures that the company undergoes to connect to water, sewerage and telephone services are included. All procedures that are legally or in practice required for building a warehouse are counted, even if they may be avoided in exceptional cases (table 8.2).

### Time

Time is recorded in calendar days. The measure captures the median duration that local experts indicate is necessary to complete a procedure in practice. It is assumed that the minimum time required for each procedure is 1 day. Although procedures may take place simultaneously, they cannot start on the same day (that is, simultaneous procedures start on

consecutive days). If a procedure can be accelerated legally for an additional cost, the fastest procedure is chosen. It is assumed that BuildCo does not waste time and commits to completing each remaining procedure without delay. The time that BuildCo spends on gathering information is ignored. It is assumed that BuildCo is aware of all building requirements and their sequence from the beginning.

### Cost

Cost is recorded as a percentage of the economy’s income per capita. Only official costs are recorded. All the fees associated with completing the procedures to legally build a warehouse are recorded, including those associated with obtaining land use approvals and preconstruction design clearances; receiving inspections before, during and after construction; getting utility connections; and registering the warehouse property. Nonrecurring taxes required for the completion of the warehouse project are also recorded. The building code, information from local experts and specific regulations and fee schedules are used as sources for costs. If several local partners provide different estimates, the median reported value is used.

*The data details on dealing with construction permits can be found for each economy at <http://www.doingbusiness.org> by selecting the economy in the drop-down list.*

TABLE 8.2 What do the dealing with construction permits indicators measure?	
<b>Procedures to legally build a warehouse (number)</b>	
Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates	
Completing all required notifications and receiving all necessary inspections	
Obtaining utility connections for water, sewerage and a land telephone line	
Registering the warehouse after its completion (if required for use as collateral or for transfer of the warehouse)	
<b>Time required to complete each procedure (calendar days)</b>	
Does not include time spent gathering information	
Each procedure starts on a separate day	
Procedure completed once final document is received	
No prior contact with officials	
<b>Cost required to complete each procedure (% of income per capita)</b>	
Official costs only, no bribes	

### REGISTERING PROPERTY

*Doing Business in Italy 2013* records the full sequence of procedures necessary for a business (buyer) to purchase a property from another business (seller) and to transfer the property title to the buyer’s name so that the buyer can use the property for expanding its business, use the property as collateral in taking new loans or, if necessary, sell the property to another business. The process starts with obtaining the necessary documents, such as a copy of the seller’s title if necessary, and conducting due diligence if required. The transaction is considered complete when it is opposable to third parties and when the buyer can use the property, use

it as collateral for a bank loan or resell it (figure 8.5). The ranking on the ease of registering property is the simple average of the percentile rankings on its component indicators (figure 8.6).

Every procedure required by law or necessary in practice is included, whether it is the responsibility of the seller or the buyer or must be completed by a third party on their behalf. Local property lawyers, notaries and property registries provide information on procedures as well as the time and cost to complete each of them.

To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.

### Assumptions about the parties

The parties (buyer and seller):

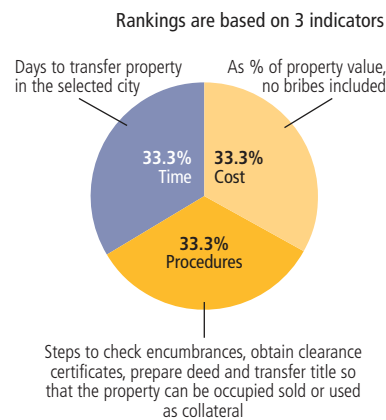
- Are limited liability companies.
- Are located in the periurban area of the selected city.
- Are 100% domestically and privately owned.
- Have 50 employees each, all of whom are nationals.
- Perform general commercial activities.

### Assumptions about the property

The property:

- Has a value of 50 times income per capita. The sale price equals the value.
- Is fully owned by the seller.

**FIGURE 8.6 Registering property: transfer of property between 2 local companies**



- Has no mortgages attached and has been under the same ownership for the past 10 years.
- Is registered in the land registry or cadastre, or both, and is free of title disputes.
- Is located in a periurban commercial zone, and no rezoning is required.
- Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A 2-story warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition and complies with all safety standards, building codes and other legal requirements. The property of land and building will be transferred in its entirety.
- Will not be subject to renovations or additional building following the purchase.

- Has no trees, natural water sources, natural reserves or historical monuments of any kind.
- Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.
- Has no occupants (legal or illegal), and no other party holds a legal interest in it.

### Procedures

A procedure is defined as any interaction of the buyer or the seller, their agents (if an agent is legally or in practice required) or the property with external parties, including government agencies, inspectors, notaries and lawyers. Interactions between company officers and employees are not considered. All procedures that are legally or in practice required for registering property are recorded, even if they may be avoided in exceptional cases (table 8.3). It is assumed that the buyer follows the fastest legal option available and used by the majority of property owners. Although the buyer may use lawyers or other professionals where necessary in the registration process, it is assumed that the buyer does not employ an outside facilitator in the registration process unless legally or in practice required to do so.

### Time

Time is recorded in calendar days. The measure captures the median duration that property lawyers, notaries or registry officials indicate is necessary to complete a procedure. It is assumed that the minimum time required for each procedure is 1 day. Although procedures may take place simultaneously, they cannot start on the same day. It is assumed that the buyer does not waste time and commits to completing each remaining procedure without delay. If a procedure can be accelerated for an additional cost, the fastest legal procedure available and used by the majority of property owners is chosen. If procedures can be undertaken simultaneously, it is assumed that they are. It is assumed that the parties involved are aware of all requirements and their sequence from

**FIGURE 8.5 What are the time, cost and number of procedures required to transfer property between 2 local companies?**

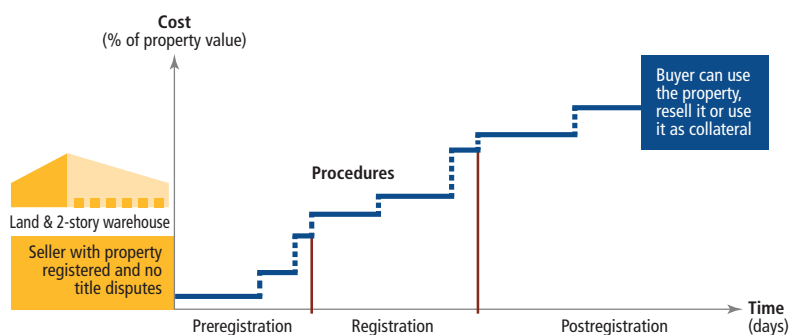




TABLE 8.3 What do the registering property indicators measure?	
<b>Procedures to legally transfer title on immovable property (number)</b>	
Preregistration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)	
Registration procedures in the selected city	
Postregistration procedures (for example, filing title with municipality)	
<b>Time required to complete each procedure (calendar days)</b>	
Does not include time spent gathering information	
Each procedure starts on a separate day	
Procedure completed once final document is received	
No prior contact with officials	
<b>Cost required to complete each procedure (% of property value)</b>	
Official costs only, no bribes	
No value added or capital gains taxes included	

the beginning. Time spent on gathering information is not considered.

**Cost**

Cost is recorded as a percentage of the property value, assumed to be equivalent to 50 times income per capita. Only official costs required by law are recorded, including fees, transfer taxes, stamp duties and any other payment to the property registry, notaries, public agencies or lawyers. Other taxes, such as capital gains tax or value added tax, are excluded from the cost measure. Both costs borne by the buyer and those borne by the seller are included. If cost estimates differ among sources, the median reported value is used.

*The data details on registering property can be found for each economy at <http://www.doingbusiness.org> by selecting the economy in the drop-down list.*

**TRADING ACROSS BORDERS**

The trading across borders indicator measures the time and cost (excluding tariffs) associated with exporting and importing a standardized cargo of goods by sea transport. The time and cost necessary to complete every official procedure for exporting and importing the goods are recorded; however, the time and cost for

sea transport are not included. All documents needed by the trader to export or import the goods across the border are also recorded. For exporting goods, procedures range from packing the goods into the container at the warehouse to their departure from the port of exit. For importing goods, procedures range from the vessel's arrival at the port of entry to the cargo's delivery at the warehouse. Payment is made by letter of credit, and the time, cost and documents required for the issuance or advising of a letter of credit are taken into account (figure 8.7). The ranking on the ease of trading across borders is the simple average of the percentile rankings on its component indicators (figure 8.8).

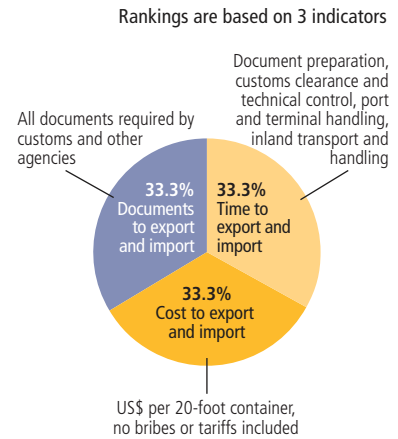
Local freight forwarders, shipping lines, customs brokers, port officials and banks provide information on required documents and cost as well as the time to complete each procedure. To make the data comparable across economies, several assumptions about the business and the traded goods are used.

**Assumptions about the traded goods**

The traded product travels in a dry-cargo, 20-foot, full container load. It weighs 10 tons and is valued at \$20,000. The product:

- Is not hazardous nor does it include military items.
- Does not require refrigeration or any other special environment.

**FIGURE 8.8 Trading across borders: exporting and importing by sea transport**



- Does not require any special phytosanitary or environmental safety standards other than accepted international standards.

**Assumptions about the business**

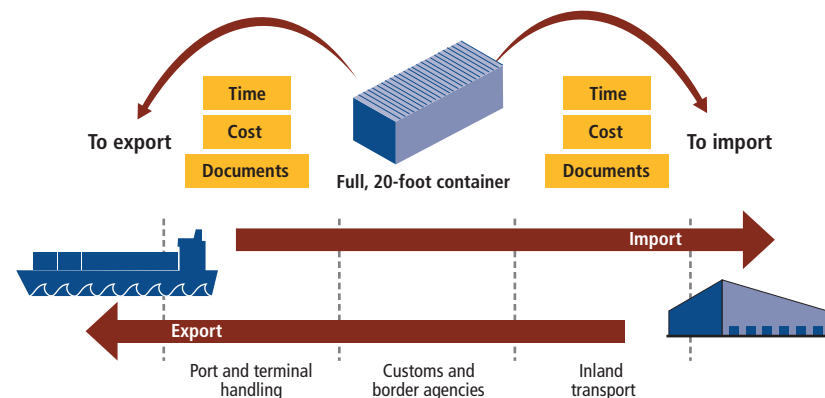
The business:

- Has at least 60 employees.
- Is located in the selected city.
- Is a private, limited liability company. It does not operate in an export processing zone or an industrial estate with special export or import privileges.
- Is 100% domestically owned.
- Exports more than 10% of its sales.

**Documents**

All documents required per shipment to export and import the goods are

**FIGURE 8.7 How much time, how many documents and what cost to export and import by sea transport?**





recorded (table 8.4). It is assumed that a new contract is drafted per shipment and that the contract has already been agreed upon and executed by both parties. Documents required for clearance by relevant agencies—including government ministries, customs, port authorities and other control agencies—are taken into account. Since payment is by letter of credit, all documents required by banks for the issuance or securing of a letter of credit are also taken into account. Documents that are requested at the time of clearance but that are valid for a year or longer and do not require renewal per shipment (for example, an annual tax clearance certificate) are not included.

**Time**

The time for exporting and importing is recorded in calendar days. The time calculation for a procedure starts from the moment it is initiated and runs until it is completed. If a procedure can be accelerated for an additional cost and is available to all trading companies, the fastest legal procedure is chosen. Fast-track procedures applying only to firms located in an export processing zone, or only to certain accredited firms under authorized economic operator programs,

are not taken into account because they are not available to all trading companies. Sea transport time is not included. It is assumed that neither the exporter nor the importer wastes time and that each commits to completing each remaining procedure without delay. Procedures that can be completed in parallel are measured as simultaneous. But it is assumed that document preparation, inland transport, customs and other clearance, and port and terminal handling require a minimum time of 1 day each and cannot take place simultaneously. The waiting time between procedures—for example, during unloading of the cargo—is included in the measure.

**Cost**

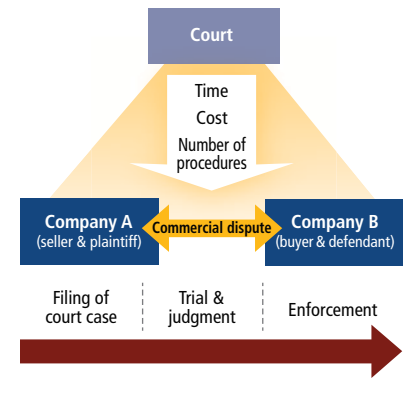
Cost measures the fees levied on a 20-foot container in U.S. dollars. All the fees associated with completing the procedures to export or import the goods are taken into account. These include costs for documents, administrative fees for customs clearance and inspections, customs broker fees, port-related charges and inland transport costs. The cost does not include customs tariffs and duties or costs related to sea transport. Only official costs are recorded.

*The data details on trading across borders can be found for each economy at <http://www.doingbusiness.org> by selecting the economy in the drop-down list. This methodology was developed in Djankov, Freund and Pham (2010) and is adopted here with minor changes.*

**ENFORCING CONTRACTS**

Indicators on enforcing contracts measure the efficiency of the judicial system in resolving a commercial dispute. The data are built by following the step-by-step evolution of a commercial sale dispute before local courts. The data are collected through study of the codes of civil procedure and other court regulations as well as surveys completed by local litigation lawyers and by judges (figure 8.9). The ranking on the ease of enforcing contracts is the simple average of the percentile

**FIGURE 8.9** What are the time, cost and number of procedures to resolve a commercial dispute through the courts?



rankings on its component indicators (figure 8.10).

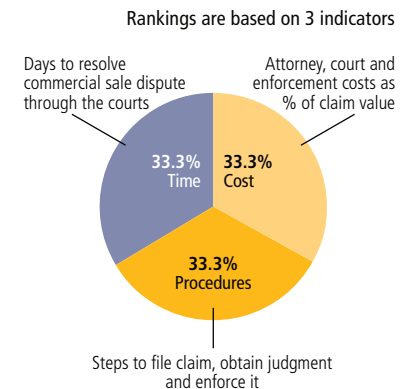
The name of the relevant court in each economy—the court in the largest business city with jurisdiction over commercial cases worth 200% of income per capita—is published at <http://www.doingbusiness.org/ExploreTopics/EnforcingContracts/>.

**Assumptions about the case**

- The value of the claim equals 200% of the economy’s income per capita.
- The dispute concerns a lawful transaction between 2 businesses (Seller and Buyer), located in the selected city. Seller sells goods worth 200% of the economy’s income per capita to Buyer.

TABLE 8.4 What do the trading across borders indicators measure?	
<b>Documents required to export and import (number)</b>	
Bank documents	
Customs clearance documents	
Port and terminal handling documents	
Transport documents	
<b>Time required to export and import (days)</b>	
Obtaining, filling out and submitting all the documents	
Inland transport and handling	
Customs clearance and inspections	
Port and terminal handling	
Does not include sea transport time	
<b>Cost required to export and import (US\$ per container)</b>	
All documentation	
Inland transport and handling	
Customs clearance and inspections	
Port and terminal handling	
Official costs only, no bribes	

**FIGURE 8.10** Enforcing contracts: resolving a commercial dispute through the courts



After Seller delivers the goods to Buyer, Buyer refuses to pay for the goods on the grounds that the delivered goods were not of adequate quality.

- Seller (the plaintiff) sues Buyer (the defendant) to recover the amount under the sales agreement (that is, 200% of the economy’s income per capita). Buyer opposes Seller’s claim, saying that the quality of the goods is not adequate. The claim is disputed on the merits. The court cannot decide the case on the basis of documentary evidence or legal title alone.
- A court in the selected city with jurisdiction over commercial cases worth 200% of income per capita decides the dispute.
- Seller attaches Buyer’s movable assets (for example, office equipment and vehicles) before obtaining a judgment because Seller fears that Buyer may become insolvent.
- An expert opinion is given on the quality of the delivered goods. If it is standard practice in the economy for each party to call its own expert witness, the parties each call one expert witness. If it is standard practice for the judge to appoint an independent expert, the judge does so. In this case the judge does not allow opposing expert testimony.
- The judgment is 100% in favor of Seller: the judge decides that the goods are of adequate quality and that Buyer must pay the agreed price.
- Buyer does not appeal the judgment. Seller decides to start enforcing the judgment as soon as the time allocated by law for appeal expires.
- Seller takes all required steps for prompt enforcement of the judgment. The money is successfully collected through a public sale of Buyer’s movable assets (for example, office equipment and vehicles).

**Procedures**

The list of procedural steps compiled for each economy traces the chronology of a commercial dispute before the relevant

court. A procedure is defined as any interaction, required by law or commonly used in practice, between the parties or between them and the judge or court officer. Other procedural steps, internal to the court or between the parties and their counsel, may be counted as well. Procedural steps include steps to file and serve the case, steps to assign the case to a judge, steps for trial and judgment and steps necessary to enforce the judgment (table 8.5).

The survey allows respondents to record procedures that exist in civil law but not common law jurisdictions and vice versa. For example, in civil law jurisdictions the judge can appoint an independent expert, while in common law jurisdictions each party submits a list of expert witnesses to the court. To indicate overall efficiency, 1 procedure is subtracted from the total number for economies that have specialized commercial courts, and 1 procedure for economies that allow electronic filing of the initial complaint in court cases. Some procedural steps that are part of others are not counted in the total number of procedures.

**Time**

Time is recorded in calendar days, counted from the moment the plaintiff

decides to file the lawsuit in court until payment. This includes both the days when actions take place and the waiting periods between. The average duration of different stages of dispute resolution is recorded: the completion of service of process (time to file and serve the case), the issuance of judgment (time for the trial and obtaining the judgment) and the moment of payment (time for enforcement of the judgment).

**Cost**

Cost is recorded as a percentage of the claim, assumed to be equivalent to 200% of income per capita. No bribes are recorded. Three types of costs are recorded: court costs, enforcement costs and average attorney fees.

Court costs include all court costs that Seller (plaintiff) must advance to the court, regardless of the final cost to Seller. Enforcement costs are all costs that Seller (plaintiff) must advance to enforce the judgment through a public sale of Buyer’s movable assets, regardless of the final cost to Seller. Average attorney fees are the fees that Seller (plaintiff) must advance to a local attorney to represent Seller in the standardized case.

*The data details on enforcing contracts can be found for each economy at <http://www.doingbusiness.org> by selecting the economy in the drop-down list. This methodology was developed in Djankov and others (2003) and is adopted here with minor changes.*

TABLE 8.5 What do the enforcing contracts indicators measure?	
<b>Procedures to enforce a contract through the courts (number)</b>	
	Any interaction between the parties in a commercial dispute, or between them and the judge or court officer
	Steps to file and serve the case
	Steps for trial and judgment
	Steps to enforce the judgment
<b>Time required to complete procedures (calendar days)</b>	
	Time to file and serve the case
	Time for trial and obtaining judgment
	Time to enforce the judgment
<b>Cost required to complete procedures (% of claim)</b>	
	No bribes
	Average attorney fees
	Court costs
	Enforcement costs

**INDICATOR RANKINGS**

*Doing Business in Italy 2013* includes rankings for each of the topics covered. For starting a business, dealing with construction permits, registering property and enforcing contracts, there is a rank of the 13 cities measured. The ranking on each topic is the simple average of the percentile rankings on its component indicators. The ease of starting a business is a simple average of the city percentile rankings on the number of procedures, and the associated time and cost (% of income per capita) and paid in minimum

capital required to start a business. The ease of dealing with construction permits is a simple average of the city percentile rankings on the number of procedures, and the associated time and cost (% of income per capita) required to build a warehouse. The ease of registering property is a simple average of the city percentile rankings on the number of procedures, associated time and cost (% of the property value) required to register property. The ease of enforcing contracts is a simple average of the city percentile rankings on the procedures, time and cost (% of claim value) to resolve a commercial dispute through the courts. The ease of trading across borders measures 7 ports and provides 2 separate rankings: one for transshipment and regional ports and another for gateway ports.

### Distance to frontier measure

The distance to frontier measure illustrates the distance of an economy to the “frontier,” and the change in the measure over time shows the extent to which the economy has closed this gap. The frontier is a score derived from the most efficient practice or highest score achieved on each of the component indicators in 9 *Doing Business* indicator sets (excluding the employing workers and getting electricity indicators) by any economy since 2005.

Calculating the distance to frontier for each economy involves 2 main steps. First, individual indicator scores are normalized to a common unit: except for the total tax rate, each of the 28 component indicators  $y$  is rescaled to  $(\max - y) / (\max - \min)$ , with the minimum value (min) representing the frontier—the highest performance on that indicator across all economies since 2005. For the total tax rate, consistent with the calculation of the rankings, the frontier is defined

as the total tax rate corresponding to the 15th percentile based on the overall distribution of total tax rates for all years. Second, for each economy the scores obtained for individual indicators are aggregated through simple averaging into one distance to frontier score. An economy's distance to frontier is indicated on a scale from 0 to 100, where 0 represents the lowest performance and 100 the frontier.<sup>2</sup>

The difference between an economy's distance to frontier score in 2005 and its score in 2012 illustrates the extent to which the economy has closed the gap to the frontier over time. And in any given year the score measures how far an economy is from the highest performance at that time.

The maximum (max) and minimum (min) observed values are computed for the 174 economies included in the *Doing Business* sample since 2005 and for all years (from 2005 to 2012). The year 2005 was chosen as the baseline for the economy sample because it was the first year in which data were available for the majority of economies (a total of 174) and for all 9 indicator sets included in the measure. To mitigate the effects of extreme outliers in the distributions of the rescaled data (very few economies need 694 days to complete the procedures to start a business, but many need 9 days), the maximum (max) is defined as the 95th percentile of the pooled data for all economies and all years for each indicator. The exceptions are the getting credit, protecting investors and resolving insolvency indicators, whose construction precludes outliers. The distance to frontier measure can also be used for comparisons across economies in the same year, complementing the ease of doing business ranking.

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### NOTES

1. Following the inclusion of getting electricity indicators in the ease of doing business index in *Doing Business 2012*, additional procedures, time and cost related to obtaining an electricity connection in the preconstruction stage were removed from the dealing with construction permits indicators this year to avoid double counting.
2. This represents a change from last year's report, where 100 represented the lowest performance and 0 the frontier.

# City tables

## Bari

<b>Starting a business</b> (rank)	6	<b>Registering property</b> (rank)	7
Procedures (number)	6	Procedures (number)	4
Time (days)	9	Time (days)	17
Cost (% of income per capita)	12.2	Cost (% of property value)	4.3
Paid-in min. capital (% of income per capita)	9.7		
<b>Dealing with construction permits</b> (rank)	9	<b>Enforcing contracts</b> (rank)	13
Procedures (number)	13	Procedures (number)	41
Time (days)	238	Time (days)	2,022
Cost (% of income per capita)	165.0	Cost (% of claim)	34.1

## Bologna

<b>Starting a business</b> (rank)	4	<b>Registering property</b> (rank)	1
Procedures (number)	6	Procedures (number)	3
Time (days)	7	Time (days)	13
Cost (% of income per capita)	14.1	Cost (% of property value)	4.4
Paid-in min. Capital (% of income per capita)	9.7		
<b>Dealing with construction permits</b> (rank)	1	<b>Enforcing contracts</b> (rank)	11
Procedures (number)	13	Procedures (number)	41
Time (days)	164	Time (days)	1,347
Cost (% of income per capita)	177.1	Cost (% of claim)	32.8

## Cagliari

<b>Starting a business</b> (rank)	11	<b>Registering property</b> (rank)	6
Procedures (number)	6	Procedures (number)	4
Time (days)	9	Time (days)	16
Cost (% of income per capita)	15.3	Cost (% of property value)	4.4
Paid-in min. Capital (% of income per capita)	9.7		
<b>Dealing with construction permits</b> (rank)	2	<b>Enforcing contracts</b> (rank)	5
Procedures (number)	11	Procedures (number)	41
Time (days)	252	Time (days)	1,507
Cost (% of income per capita)	132.5	Cost (% of claim)	21.5

## Campobasso

<b>Starting a business</b> (rank)	13	<b>Registering property</b> (rank)	3
Procedures (number)	7	Procedures (number)	4
Time (days)	8	Time (days)	16
Cost (% of income per capita)	15.3	Cost (% of property value)	4.3
Paid-in min. Capital (% of income per capita)	9.7		
<b>Dealing with construction permits</b> (rank)	8	<b>Enforcing contracts</b> (rank)	5
Procedures (number)	14	Procedures (number)	41
Time (days)	207	Time (days)	1,338
Cost (% of income per capita)	160.9	Cost (% of claim)	25.5

**Catanzaro**

<b>Starting a business</b> (rank)	1	<b>Registering property</b> (rank)	5
Procedures (number)	6	Procedures (number)	4
Time (days)	7	Time (days)	19
Cost (% of income per capita)	12.4	Cost (% of property value)	4.3
Paid-in min. Capital (% of income per capita)	9.7		
<b>Dealing with construction permits</b> (rank)	10	<b>Enforcing contracts</b> (rank)	7
Procedures (number)	14	Procedures (number)	41
Time (days)	309	Time (days)	1,427
Cost (% of income per capita)	48.1	Cost (% of claim)	24.1

**L'Aquila**

<b>Starting a business</b> (rank)	9	<b>Registering property</b> (rank)	9
Procedures (number)	6	Procedures (number)	4
Time (days)	13	Time (days)	20
Cost (% of income per capita)	13.3	Cost (% of property value)	4.3
Paid-in min. Capital (% of income per capita)	9.7		
<b>Dealing with construction permits</b> (rank)	3	<b>Enforcing contracts</b> (rank)	8
Procedures (number)	13	Procedures (number)	41
Time (days)	238	Time (days)	1,435
Cost (% of income per capita)	107.2	Cost (% of claim)	22.9

**Milan**

<b>Starting a business</b> (rank)	8	<b>Registering property</b> (rank)	7
Procedures (number)	6	Procedures (number)	3
Time (days)	6	Time (days)	19
Cost (% of income per capita)	16.8	Cost (% of property value)	4.4
Paid-in min. Capital (% of income per capita)	9.7		
<b>Dealing with construction permits</b> (rank)	3	<b>Enforcing contracts</b> (rank)	10
Procedures (number)	12	Procedures (number)	41
Time (days)	151	Time (days)	1,291
Cost (% of income per capita)	966.3	Cost (% of claim)	31.5

**Naples**

<b>Starting a business</b> (rank)	12	<b>Registering property</b> (rank)	3
Procedures (number)	6	Procedures (number)	3
Time (days)	16	Time (days)	13
Cost (% of income per capita)	16.0	Cost (% of property value)	4.4
Paid-in min. Capital (% of income per capita)	9.7		
<b>Dealing with construction permits</b> (rank)	11	<b>Enforcing contracts</b> (rank)	2
Procedures (number)	15	Procedures (number)	41
Time (days)	252	Time (days)	1,280
Cost (% of income per capita)	45.1	Cost (% of claim)	21.7

**Padua**

<b>Starting a business</b> (rank)	2	<b>Registering property</b> (rank)	12
Procedures (number)	6	Procedures (number)	4
Time (days)	6	Time (days)	23
Cost (% of income per capita)	14.5	Cost (% of property value)	4.4
Paid-in min. Capital (% of income per capita)	9.7		
<b>Dealing with construction permits</b> (rank)	5	<b>Enforcing contracts</b> (rank)	12
Procedures (number)	12	Procedures (number)	41
Time (days)	230	Time (days)	1,665
Cost (% of income per capita)	182.1	Cost (% of claim)	28.1

**Palermo**

<b>Starting a business</b> (rank)	5	<b>Registering property</b> (rank)	2
Procedures (number)	6	Procedures (number)	3
Time (days)	8	Time (days)	13
Cost (% of income per capita)	13.5	Cost (% of property value)	4.4
Paid-in min. Capital (% of income per capita)	9.7		
<b>Dealing with construction permits</b> (rank)	12	<b>Enforcing contracts</b> (rank)	9
Procedures (number)	14	Procedures (number)	41
Time (days)	316	Time (days)	1,366
Cost (% of income per capita)	89.5	Cost (% of claim)	25.2

**Potenza**

<b>Starting a business</b> (rank)	3	<b>Registering property</b> (rank)	11
Procedures (number)	6	Procedures (number)	4
Time (days)	8	Time (days)	22
Cost (% of income per capita)	12.6	Cost (% of property value)	4.4
Paid-in min. Capital (% of income per capita)	9.7		
<b>Dealing with construction permits</b> (rank)	13	<b>Enforcing contracts</b> (rank)	3
Procedures (number)	14	Procedures (number)	41
Time (days)	208	Time (days)	1,461
Cost (% of income per capita)	725.1	Cost (% of claim)	20.5

**Rome**

<b>Starting a business</b> (rank)	7	<b>Registering property</b> (rank)	13
Procedures (number)	6	Procedures (number)	3
Time (days)	6	Time (days)	24
Cost (% of income per capita)	16.5	Cost (% of property value)	4.5
Paid-in min. Capital (% of income per capita)	9.7		
<b>Dealing with construction permits</b> (rank)	6	<b>Enforcing contracts</b> (rank)	4
Procedures (number)	11	Procedures (number)	41
Time (days)	234	Time (days)	1,210
Cost (% of income per capita)	184.2	Cost (% of claim)	29.9

**Turin**

<b>Starting a business</b> (rank)	9	<b>Registering property</b> (rank)	9
Procedures (number)	6	Procedures (number)	3
Time (days)	8	Time (days)	19
Cost (% of income per capita)	16.0	Cost (% of property value)	4.5
Paid-in min. Capital (% of income per capita)	9.7		
<b>Dealing with construction permits</b> (rank)	7	<b>Enforcing contracts</b> (rank)	1
Procedures (number)	13	Procedures (number)	41
Time (days)	198	Time (days)	855
Cost (% of income per capita)	313.6	Cost (% of claim)	22.3

# Indicator tables

City	STARTING A BUSINESS				
	Procedures (number)	Time (days)	Cost (% of income per capita)	Paid-in min. capital (% of income per capita)	Ease of starting a business (rank)
Bari	6	9	12.2	9.7	6
Bologna	6	7	14.1	9.7	4
Cagliari	6	9	15.3	9.7	11
Campobasso	7	8	15.3	9.7	13
Catanzaro	6	7	12.4	9.7	1
L'Aquila	6	13	13.3	9.7	9
Milan	6	6	16.8	9.7	8
Naples	6	16	16.0	9.7	12
Padua	6	6	14.5	9.7	2
Palermo	6	8	13.5	9.7	5
Potenza	6	8	12.6	9.7	3
Rome	6	6	16.5	9.7	7
Turin	6	8	16.0	9.7	9

DEALING WITH CONSTRUCTION PERMITS				
Procedures (number)	Time (days)	Cost (% of income per capita)	Ease of dealing with construction permits (rank)	
13	238	165.0	9	
13	164	177.1	1	
11	252	132.5	2	
14	207	160.9	8	
14	309	48.1	10	
13	238	107.2	3	
12	151	966.3	3	
15	252	45.1	11	
12	230	182.1	5	
14	316	89.5	12	
14	208	725.1	13	
11	234	184.2	6	
13	198	313.6	7	



City	REGISTERING PROPERTY			
	Procedures (number)	Time (days)	Cost (% of property value)	Ease of registering property (rank)
Bari	4	17	4.3	7
Bologna	3	13	4.4	1
Cagliari	4	16	4.4	6
Campobasso	4	16	4.3	3
Catanzaro	4	19	4.3	5
L'Aquila	4	20	4.3	9
Milan	3	19	4.4	7
Naples	3	13	4.4	3
Padua	4	23	4.4	12
Palermo	3	13	4.4	2
Potenza	4	22	4.4	11
Rome	3	24	4.5	13
Turin	3	19	4.5	9

City	ENFORCING CONTRACTS			
	Procedures (number)	Time (days)	Cost (% of claim)	Ease of enforcing contracts (rank)
Bari	41	2,022	34.1	13
Bologna	41	1,347	32.8	11
Cagliari	41	1,507	21.5	5
Campobasso	41	1,338	25.5	5
Catanzaro	41	1,427	24.1	7
L'Aquila	41	1,435	22.9	8
Milan	41	1,291	31.5	10
Naples	41	1,280	21.7	2
Padua	41	1,665	28.1	12
Palermo	41	1,366	25.2	9
Potenza	41	1,461	20.5	3
Rome	41	1,210	29.9	4
Turin	41	855	22.3	1

TRADING ACROSS BORDERS—GATEWAY PORTS							
City	Documents to export (number)	Time to export (days)	Cost to export (US\$ per container)	Documents to import (number)	Time to import (days)	Cost to import (US\$ per container)	Ease of trading across borders (rank)
Genoa	4	18	940	4	17	935	1
Trieste	4	18	980	4	17	1,120	2
Naples	4	20	1,000	4	17	1,290	3

TRADING ACROSS BORDERS—TRANSSHIPMENT AND REGIONAL PORTS							
City	Documents to export (number)	Time to export (days)	Cost to export (US\$ per container)	Documents to import (number)	Time to import (days)	Cost to import (US\$ per container)	Ease of trading across borders (rank)
Catania	4	19	1,020	4	16	1,040	1
Taranto	4	18	1,025	4	18	1,030	2
Gioia Tauro	4	20	1,035	4	17	1,035	3
Cagliari	4	19	1,040	4	16	1,470	4

## LIST OF PROCEDURES

## STARTING A BUSINESS

## Bari

Standard company legal form: Società a Responsabilità Limitata

Minimum capital requirement: EUR 2,500 (US\$ 3,419)

Data as of: June 2012

### Procedure 1. Deposit of at least 25% of the start-up capital in a bank account

**Time:** 1 day

**Cost:** Nominal (bank commission)

**Comments:** At incorporation, 25% of the company's capital contributed in cash must be deposited in a bank account. The payment of the capital may be replaced by an insurance policy or by a bank guarantee for at least the same amount, though it is possible for the shareholders to pay in the due amount at any time. If the company capital is not wholly paid in at incorporation, the company has a credit against the founding shareholders for payment of the outstanding portion of the capital. The directors have power to claim the payment at any time.

### Procedure 2\*. Execute a public deed of incorporation and company bylaws before a notary public

**Time:** 1 day

**Cost:** EUR 2,424 (EUR 168 for registration tax + EUR 156 for stamp duty + notary costs)

**Comments:** A public deed of incorporation (*atto costitutivo*), including the company's bylaws (*statuto*), must be drafted and executed before a notary public by the shareholders or their authorized representatives.

### Procedure 3\*. Buy corporate books and accounting books

**Time:** 1 day

**Cost:** EUR 119 [EUR 14.62 stamp fee for each 100 pages (3 books) + EUR 25.00 registration fee per book (3 books)]

**Comments:** According to Article 2478 of the Italian Civil Code, a limited liability company must keep the following corporate books: minute book of shareholders' meetings, minute book of board of directors' meetings, and minute book of board of auditors' meetings (the last one is mandatory for companies with capital of EUR 120,000 and above).

### Procedure 4\*. Pay government grant tax (Tassa di Concessione Governativa)

**Time:** 1 day

**Cost:** EUR 310 (government grant tax)

**Comments:** The government grant tax is due to the Office of Revenue every year. For companies with capital below EUR 516,456.90, the amount is EUR 309.87. For companies with capital exceeding EUR 516,456.90, the amount is EUR 516.46.

### Procedure 5. Register online with ComUnica

**Time:** 5 days (3 days for Chamber of Commerce, INAIL, Agenzia delle Entrate, SUAP + 2 days for INPS)

**Cost:** EUR 290 (EUR 90 for registration fee + EUR 200 for annual membership with the Register of Companies of the Chambers of Commerce)

**Comments:** As of April 1, 2010, the applicant must electronically file a single notice (*Comunicazione Unica*, or *ComUnica*) with the Register of Companies. This includes issuance of the tax identification and VAT numbers, as well as registration with Social Security Administration (INPS) and Accident Insurance Office (INAIL). The applicant must attach the forms requested by (i) the Register of Companies for the registration, (ii) the Italian tax authorities for the immediate start of business, and (iii) by INPS and INAIL for the registration with these administrations. Since March 29, 2011 (D.P.R. 160/2010), *ComUnica* is used also to communicate the beginning of operations (*Segnalazione Certificata di Inizio Attività*) to the municipality's one-stop shop for productive activities (SUAP). Such communication is carried out by uploading an additional form in the system (*Modello S5*).

### Procedure 6\*. Notify the Labor Office of the employment of workers

**Time:** 1 day

**Cost:** No cost

**Comments:** The employer notifies the provincial Labor Office about the hiring of personnel at least 24 hours before the start of employment.

## STARTING A BUSINESS

## Bologna

Standard company legal form: Società a Responsabilità Limitata

Minimum capital requirement: EUR 2,500 (US\$ 3,419)

Data as of: June 2012

### Procedure 1. Deposit of at least 25% of the start-up capital in a bank account

**Time:** 1 day

**Cost:** Nominal (bank commission)

**Comments:** At incorporation, 25% of the company's capital contributed in cash must be deposited in a bank account. The payment of the capital may be replaced by an insurance policy or by a bank guarantee for at least the same amount, though it is possible for the shareholders to pay in the due amount at any time. If the company capital is not wholly paid in at incorporation, the company has a credit against the founding shareholders for payment of the outstanding portion of the capital. The directors have power to claim the payment at any time.

### Procedure 2\*. Execute a public deed of incorporation and company bylaws before a notary public

**Time:** 1 day

**Cost:** EUR 2,924 (EUR 168 for registration tax + EUR 156 for stamp duty + notary costs)

**Comments:** A public deed of incorporation (*atto costitutivo*), including the company's bylaws (*statuto*), must be drafted and executed before a notary public by the shareholders or their authorized representatives.

### Procedure 3\*. Buy corporate books and accounting books

**Time:** 1 day

**Cost:** EUR 119 [EUR 14.62 stamp fee for each 100 pages (3 books) + EUR 25.00 registration fee per book (3 books)]

**Comments:** According to Article 2478 of the Italian Civil Code, a limited liability company must keep the following corporate books: minute book of shareholders' meetings, minute book of board of directors' meetings, and minute book of board of auditors' meetings (the last one is mandatory for companies with capital of EUR 120,000 and above).

### Procedure 4\*. Pay government grant tax (Tassa di Concessione Governativa)

**Time:** 1 day

**Cost:** EUR 310 (government grant tax)

**Comments:** The government grant tax is due to the Office of Revenue every year. For companies with capital below EUR 516,456.90, the amount is EUR 309.87. For companies with capital exceeding EUR 516,456.90, the amount is EUR 516.46.

### Procedure 5. Register online with ComUnica

**Time:** 3 days (1 day for Chamber of Commerce, INAIL, Agenzia delle Entrate, SUAP + 2 days for INPS)

**Cost:** EUR 290 (EUR 90 for registration fee + EUR 200 for annual membership with the Register of Companies of the Chambers of Commerce)

**Comments:** As of April 1, 2010, the applicant must electronically file a single notice (*Comunicazione Unica*, or *ComUnica*) with the Register of Companies. This includes issuance of the tax identification and VAT numbers, as well as registration with Social Security Administration (INPS) and Accident Insurance Office (INAIL). The applicant must attach the forms requested by (i) the Register of Companies for the registration, (ii) the Italian tax authorities for the immediate start of business, and (iii) by INPS and INAIL for the registration with these administrations. Since March 29, 2011 (D.P.R. 160/2010), *ComUnica* is used also to communicate the beginning of operations (*Segnalazione Certificata di Inizio Attività*) to the municipality's one-stop shop for productive activities (SUAP). Such communication is carried out by uploading an additional form in the system (*Modello S5*).

### Procedure 6\*. Notify the Labor Office of the employment of workers

**Time:** 1 day

**Cost:** No cost

**Comments:** The employer notifies the provincial Labor Office about the hiring of personnel at least 24 hours before the start of employment.

\* This procedure can be completed simultaneously with previous procedures.

## STARTING A BUSINESS

**Cagliari**

Standard company legal form: *Società a Responsabilità Limitata*

Minimum capital requirement: EUR 2,500 (US\$ 3,419)

Data as of: June 2012

**Procedure 1. Deposit of at least 25% of the start-up capital in a bank account**

**Time:** 1 day

**Cost:** Nominal (bank commission)

**Comments:** At incorporation, 25% of the company's capital contributed in cash must be deposited in a bank account. The payment of the capital may be replaced by an insurance policy or by a bank guarantee for at least the same amount, though it is possible for the shareholders to pay in the due amount at any time. If the company capital is not wholly paid in at incorporation, the company has a credit against the founding shareholders for payment of the outstanding portion of the capital. The directors have power to claim the payment at any time.

**Procedure 2\*. Execute a public deed of incorporation and company bylaws before a notary public**

**Time:** 1 day

**Cost:** EUR 3,224 (EUR 168 for registration tax + EUR 156 for stamp duty + notary costs)

**Comments:** A public deed of incorporation (*atto costitutivo*), including the company's bylaws (*statuto*), must be drafted and executed before a notary public by the shareholders or their authorized representatives.

**Procedure 3\*. Buy corporate books and accounting books**

**Time:** 1 day

**Cost:** EUR 119 [EUR 14.62 stamp fee for each 100 pages (3 books) + EUR 25.00 registration fee per book (3 books)]

**Comments:** According to Article 2478 of the Italian Civil Code, a limited liability company must keep the following corporate books: minute book of shareholders' meetings, minute book of board of directors' meetings, and minute book of board of auditors' meetings (the last one is mandatory for companies with capital of EUR 120,000 and above).

**Procedure 4\*. Pay government grant tax (Tassa di Concessione Governativa)**

**Time:** 1 day

**Cost:** EUR 310 (government grant tax)

**Comments:** The government grant tax is due to the Office of Revenue every year. For companies with capital below EUR 516,456.90, the amount is EUR 309.87. For companies with capital exceeding EUR 516,456.90, the amount is EUR 516.46.

**Procedure 5. Register online with ComUnica**

**Time:** 5 days (2 days for Chamber of Commerce, INAIL, Agenzia delle Entrate, SUAP + 3 days for INPS)

**Cost:** EUR 290 (EUR 90 for registration fee + EUR 200 for annual membership with the Register of Companies of the Chambers of Commerce)

**Comments:** As of April 1, 2010, the applicant must electronically file a single notice (*Comunicazione Unica*, or *ComUnica*) with the Register of Companies. This includes issuance of the tax identification and VAT numbers, as well as registration with Social Security Administration (*INPS*) and Accident Insurance Office (*INAIL*). The applicant must attach the forms requested by (i) the Register of Companies for the registration, (ii) the Italian tax authorities for the immediate start of business, and (iii) by *INPS* and *INAIL* for the registration with these administrations. Since March 29, 2011 (D.P.R. 160/2010), *ComUnica* is used also to communicate the beginning of operations (*Segnalazione Certificata di Inizio Attività*) to the municipality's one-stop shop for productive activities (*SUAP*). Such communication is carried out by uploading an additional form in the system (*Modello SS*).

**Procedure 6\*. Notify the Labor Office of the employment of workers**

**Time:** 1 day

**Cost:** No cost

**Comments:** The employer notifies the provincial Labor Office about the hiring of personnel at least 24 hours before the start of employment.

## STARTING A BUSINESS

**Campobasso**

Standard company legal form: *Società a Responsabilità Limitata*

Minimum capital requirement: EUR 2,500 (US\$ 3,419)

Data as of: June 2012

**Procedure 1. Deposit of at least 25% of the start-up capital in a bank account**

**Time:** 1 day

**Cost:** Nominal (bank commission)

**Comments:** At incorporation, 25% of the company's capital contributed in cash must be deposited in a bank account. The payment of the capital may be replaced by an insurance policy or by a bank guarantee for at least the same amount, though it is possible for the shareholders to pay in the due amount at any time. If the company capital is not wholly paid in at incorporation, the company has a credit against the founding shareholders for payment of the outstanding portion of the capital. The directors have power to claim the payment at any time.

**Procedure 2\*. Execute a public deed of incorporation and company bylaws before a notary public**

**Time:** 1 day

**Cost:** EUR 3,224 (EUR 168 for registration tax + EUR 156 for stamp duty + notary costs)

**Comments:** A public deed of incorporation (*atto costitutivo*), including the company's bylaws (*statuto*), must be drafted and executed before a notary public by the shareholders or their authorized representatives.

**Procedure 3\*. Buy corporate books and accounting books**

**Time:** 1 day

**Cost:** EUR 119 [EUR 14.62 stamp fee for each 100 pages (3 books) + EUR 25.00 registration fee per book (3 books)]

**Comments:** According to Article 2478 of the Italian Civil Code, a limited liability company must keep the following corporate books: minute book of shareholders' meetings, minute book of board of directors' meetings, and minute book of board of auditors' meetings (the last one is mandatory for companies with capital of EUR 120,000 and above).

**Procedure 4\*. Pay government grant tax (Tassa di Concessione Governativa)**

**Time:** 1 day

**Cost:** EUR 310 (government grant tax)

**Comments:** The government grant tax is due to the Office of Revenue every year. For companies with capital below EUR 516,456.90, the amount is EUR 309.87. For companies with capital exceeding EUR 516,456.90, the amount is EUR 516.46.

**Procedure 5. Register online with ComUnica**

**Time:** 4 days (3 days for Chamber of Commerce, Agenzia delle Entrate, *INAIL* + 1 day for *INPS*)

**Cost:** EUR 290 (EUR 90 for registration fee + EUR 200 for annual membership with the Register of Companies of the Chambers of Commerce)

**Comments:** As of April 1, 2010, the applicant must electronically file a single notice (*Comunicazione Unica*, or *ComUnica*) with the Register of Companies. This includes issuance of the tax identification and VAT numbers, as well as registration with Social Security Administration (*INPS*) and Accident Insurance Office (*INAIL*). The applicant must attach the forms requested by (i) the Register of Companies for the registration, (ii) the Italian tax authorities for the immediate start of business, and (iii) by *INPS* and *INAIL* for the registration with these administrations.

**Procedure 6\*. Notify the Municipal One-stop Shop for Productive Activities (SUAP) about the beginning of operations**

**Time:** 1 day

**Cost:** No cost

**Comments:** The entrepreneur must fill the "Segnalazione Certificata di Inizio Attività" (*SCIA*) form and submit it to the Municipal one-stop shop for productive activities (*SUAP*). In the *SCIA*, (s)he must declare the type of activity(ies) pursued and abide by the requisites set by the law. The business can start its activities as soon as the *SCIA* form is submitted.

**Procedure 7\*. Notify the Labor Office of the employment of workers**

**Time:** 1 day

**Cost:** No cost

**Comments:** The employer notifies the provincial Labor Office about the hiring of personnel at least 24 hours before the start of employment.

## STARTING A BUSINESS

**Catanzaro**

Standard company legal form: *Società a Responsabilità Limitata*

Minimum capital requirement: EUR 2,500 (US\$ 3,419)

Data as of: June 2012

**Procedure 1. Deposit of at least 25% of the start-up capital in a bank account**

**Time:** 1 day

**Cost:** No cost Nominal (bank commission)

**Comments:** At incorporation, 25% of the company's capital contributed in cash must be deposited in a bank account. The payment of the capital may be replaced by an insurance policy or by a bank guarantee for at least the same amount, though it is possible for the shareholders to pay in the due amount at any time. If the company capital is not wholly paid in at incorporation, the company has a credit against the founding shareholders for payment of the outstanding portion of the capital. The directors have power to claim the payment at any time.

**Procedure 2\*. Execute a public deed of incorporation and company bylaws before a notary public**

**Time:** 1 day

**Cost:** EUR 2,474 (EUR 168 for registration tax + EUR 156 for stamp duty + notary costs)

**Comments:** A public deed of incorporation (*atto costitutivo*), including the company's bylaws (*statuto*), must be drafted and executed before a notary public by the shareholders or their authorized representatives.

**Procedure 3\*. Buy corporate books and accounting books**

**Time:** 1 day

**Cost:** EUR 119 [EUR 14.62 stamp fee for each 100 pages (3 books) + EUR 25.00 registration fee per book (3 books)]

**Comments:** According to Article 2478 of the Italian Civil Code, a limited liability company must keep the following corporate books: minute book of shareholders' meetings, minute book of board of directors' meetings, and minute book of board of auditors' meetings (the last one is mandatory for companies with capital of EUR 120,000 and above).

**Procedure 4\*. Pay government grant tax (Tassa di Concessione Governativa)**

**Time:** 1 day

**Cost:** EUR 310 (government grant tax)

**Comments:** The government grant tax is due to the Office of Revenue every year. For companies with capital below EUR 516,456.90, the amount is EUR 309.87. For companies with capital exceeding EUR 516,456.90, the amount is EUR 516.46.

**Procedure 5. Register online with ComUnica**

**Time:** 3 days (2 days for Chamber of Commerce, INAIL, Agenzia delle Entrate, SUAP + 1 day for INPS)

**Cost:** EUR 290 (EUR 90 for registration fee + EUR 200 for annual membership with the Register of Companies of the Chambers of Commerce)

**Comments:** As of April 1, 2010, the applicant must electronically file a single notice (*Comunicazione Unica*, or *ComUnica*) with the Register of Companies. This includes issuance of the tax identification and VAT numbers, as well as registration with Social Security Administration (*INPS*) and Accident Insurance Office (*INAIL*). The applicant must attach the forms requested by (i) the Register of Companies for the registration, (ii) the Italian tax authorities for the immediate start of business, and (iii) by *INPS* and *INAIL* for the registration with these administrations. Since March 29, 2011 (D.P.R. 160/2010), *ComUnica* is used also to communicate the beginning of operations (*Segnalazione Certificata di Inizio Attività*) to the municipality's one-stop shop for productive activities (*SUAP*). Such communication is carried out by uploading an additional form in the system (*Modello S5*).

**Procedure 6\*. Notify the Labor Office of the employment of workers**

**Time:** 1 day

**Cost:** No cost

**Comments:** The employer notifies the provincial Labor Office about the hiring of personnel at least 24 hours before the start of employment.

## STARTING A BUSINESS

**L'Aquila**

Standard company legal form: *Società a Responsabilità Limitata*

Minimum capital requirement: EUR 2,500 (US\$ 3,419)

Data as of: June 2012

**Procedure 1. Deposit of at least 25% of the start-up capital in a bank account**

**Time:** 1 day

**Cost:** Nominal (bank commission)

**Comments:** At incorporation, 25% of the company's capital contributed in cash must be deposited in a bank account. The payment of the capital may be replaced by an insurance policy or by a bank guarantee for at least the same amount, though it is possible for the shareholders to pay in the due amount at any time. If the company capital is not wholly paid in at incorporation, the company has a credit against the founding shareholders for payment of the outstanding portion of the capital. The directors have power to claim the payment at any time.

**Procedure 2\*. Execute a public deed of incorporation and company bylaws before a notary public**

**Time:** 1 day

**Cost:** EUR 2,724 (EUR 168 for registration tax + EUR 156 for stamp duty + notary costs)

**Comments:** A public deed of incorporation (*atto costitutivo*), including the company's bylaws (*statuto*), must be drafted and executed before a notary public by the shareholders or their authorized representatives.

**Procedure 3\*. Buy corporate books and accounting books**

**Time:** 1 day

**Cost:** EUR 119 [EUR 14.62 stamp fee for each 100 pages (3 books) + EUR 25.00 registration fee per book (3 books)]

**Comments:** According to Article 2478 of the Italian Civil Code, a limited liability company must keep the following corporate books: minute book of shareholders' meetings, minute book of board of directors' meetings, and minute book of board of auditors' meetings (the last one is mandatory for companies with capital of EUR 120,000 and above).

**Procedure 4\*. Pay government grant tax (Tassa di Concessione Governativa)**

**Time:** 1 day

**Cost:** EUR 310 (government grant tax)

**Comments:** The government grant tax is due to the Office of Revenue every year. For companies with capital below EUR 516,456.90, the amount is EUR 309.87. For companies with capital exceeding EUR 516,456.90, the amount is EUR 516.46.

**Procedure 5. Register online with ComUnica**

**Time:** 9 days (5 days for Chamber of Commerce, Agenzia delle Entrate, INAIL, SUAP + 4 days for INPS)

**Cost:** EUR 290 (EUR 90 for registration fee + EUR 200 for annual membership with the Register of Companies of the Chambers of Commerce)

**Comments:** As of April 1, 2010, the applicant must electronically file a single notice (*Comunicazione Unica*, or *ComUnica*) with the Register of Companies. This includes issuance of the tax identification and VAT numbers, as well as registration with Social Security Administration (*INPS*) and Accident Insurance Office (*INAIL*). The applicant must attach the forms requested by (i) the Register of Companies for the registration, (ii) the Italian tax authorities for the immediate start of business, and (iii) by *INPS* and *INAIL* for the registration with these administrations. Since March 29, 2011 (D.P.R. 160/2010), *ComUnica* is used also to communicate the beginning of operations (*Segnalazione Certificata di Inizio Attività*) to the municipality's one-stop shop for productive activities (*SUAP*). Such communication is carried out by uploading an additional form in the system (*Modello S5*).

**Procedure 6\*. Notify the labor office of the employment of workers**

**Time:** 1 day

**Cost:** No cost

**Comments:** The employer notifies the provincial Labor Office about the hiring of personnel at least 24 hours before the start of employment.

\* This procedure can be completed simultaneously with previous procedures.

## STARTING A BUSINESS

**Milan**

Standard company legal form: *Società a Responsabilità Limitata*

Minimum capital requirement: EUR 2,500 (US\$ 3,419)

Data as of: June 2012

**Procedure 1. Deposit of at least 25% of the start-up capital in a bank account**

**Time:** 1 day

**Cost:** Nominal (bank commission)

**Comments:** At incorporation, 25% of the company's capital contributed in cash must be deposited in a bank account. The payment of the capital may be replaced by an insurance policy or by a bank guarantee for at least the same amount, though it is possible for the shareholders to pay in the due amount at any time. If the company capital is not wholly paid in at incorporation, the company has a credit against the founding shareholders for payment of the outstanding portion of the capital. The directors have power to claim the payment at any time.

**Procedure 2\*. Execute a public deed of incorporation and company bylaws before a notary public**

**Time:** 1 day

**Cost:** EUR 3,624 (EUR 168 for registration tax + EUR 156 for stamp duty + notary costs)

**Comments:** A public deed of incorporation (*atto costitutivo*), including the company's bylaws (*statuto*), must be drafted and executed before a notary public by the shareholders or their authorized representatives.

**Procedure 3\*. Buy corporate books and accounting books**

**Time:** 1 day

**Cost:** EUR 119 [EUR 14.62 stamp fee for each 100 pages (3 books) + EUR 25.00 registration fee per book (3 books)]

**Comments:** According to Article 2478 of the Italian Civil Code, a limited liability company must keep the following corporate books: minute book of shareholders' meetings, minute book of board of directors' meetings, and minute book of board of auditors' meetings (the last one is mandatory for companies with capital of EUR 120,000 and above).

**Procedure 4\*. Pay government grant tax (Tassa di Concessione Governativa)**

**Time:** 1 day

**Cost:** EUR 310 (government grant tax)

**Comments:** The government grant tax is due to the Office of Revenue every year. For companies with capital below EUR 516,456.90, the amount is EUR 309.87. For companies with capital exceeding EUR 516,456.90, the amount is EUR 516.46.

**Procedure 5. Register online with ComUnica**

**Time:** 2 days (1 day for Chamber of Commerce, INAIL, Agenzia delle Entrate, SUAP + 1 day for INPS)

**Cost:** EUR 290 (EUR 90 for registration fee + EUR 200 for annual membership with the Register of Companies of the Chambers of Commerce)

**Comments:** As of April 1, 2010, the applicant must electronically file a single notice (*Comunicazione Unica*, or *ComUnica*) with the Register of Companies. This includes issuance of the tax identification and VAT numbers, as well as registration with Social Security Administration (*INPS*) and Accident Insurance Office (*INAIL*). The applicant must attach the forms requested by (i) the Register of Companies for the registration, (ii) the Italian tax authorities for the immediate start of business, and (iii) by *INPS* and *INAIL* for the registration with these administrations. Since March 29, 2011 (D.P.R. 160/2010), *ComUnica* is used also to communicate the beginning of operations (*Segnalazione Certificata di Inizio Attività*) to the municipality's one-stop shop for productive activities (*SUAP*). Such communication is carried out by uploading an additional form in the system (*Modello SS*).

**Procedure 6\*. Notify the Labor Office of the employment of workers**

**Time:** 1 day

**Cost:** No cost

**Comments:** The employer notifies the provincial Labor Office about the hiring of personnel at least 24 hours before the start of employment.

## STARTING A BUSINESS

**Naples**

Standard company legal form: *Società a Responsabilità Limitata*

Minimum capital requirement: EUR 2,500 (US\$ 3,419)

Data as of: June 2012

**Procedure 1. Deposit of at least 25% of the start-up capital in a bank account**

**Time:** 1 day

**Cost:** Nominal (bank commission)

**Comments:** At incorporation, 25% of the company's capital contributed in cash must be deposited in a bank account. The payment of the capital may be replaced by an insurance policy or by a bank guarantee for at least the same amount, though it is possible for the shareholders to pay in the due amount at any time. If the company capital is not wholly paid in at incorporation, the company has a credit against the founding shareholders for payment of the outstanding portion of the capital. The directors have power to claim the payment at any time.

**Procedure 2\*. Execute a public deed of incorporation and company bylaws before a notary public**

**Time:** 1 day

**Cost:** EUR 3,424 (EUR 168 for registration tax + EUR 156 for stamp duty + notary costs)

**Comments:** A public deed of incorporation (*atto costitutivo*), including the company's bylaws (*statuto*), must be drafted and executed before a notary public by the shareholders or their authorized representatives.

**Procedure 3\*. Buy corporate books and accounting books**

**Time:** 1 day

**Cost:** EUR 119 [EUR 14.62 stamp fee for each 100 pages (3 books) + EUR 25.00 registration fee per book (3 books)]

**Comments:** According to Article 2478 of the Italian Civil Code, a limited liability company must keep the following corporate books: minute book of shareholders' meetings, minute book of board of directors' meetings, and minute book of board of auditors' meetings (the last one is mandatory for companies with capital of EUR 120,000 and above).

**Procedure 4\*. Pay government grant tax (Tassa di Concessione Governativa)**

**Time:** 1 day

**Cost:** EUR 310 (government grant tax)

**Comments:** The government grant tax is due to the Office of Revenue every year. For companies with capital below EUR 516,456.90, the amount is EUR 309.87. For companies with capital exceeding EUR 516,456.90, the amount is EUR 516.46.

**Procedure 5. Register online with ComUnica**

**Time:** 12 days (5 days for Chamber of Commerce, INAIL, Agenzia delle Entrate, SUAP + 7 days for INPS)

**Cost:** EUR 290 (EUR 90 for registration fee + EUR 200 for annual membership with the Register of Companies of the Chambers of Commerce)

**Comments:** As of April 1, 2010, the applicant must electronically file a single notice (*Comunicazione Unica*, or *ComUnica*) with the Register of Companies. This includes issuance of the tax identification and VAT numbers, as well as registration with Social Security Administration (*INPS*) and Accident Insurance Office (*INAIL*). The applicant must attach the forms requested by (i) the Register of Companies for the registration, (ii) the Italian tax authorities for the immediate start of business, and (iii) by *INPS* and *INAIL* for the registration with these administrations. Since March 29, 2011 (D.P.R. 160/2010), *ComUnica* is used also to communicate the beginning of operations (*Segnalazione Certificata di Inizio Attività*) to the municipality's one-stop shop for productive activities (*SUAP*). Such communication is carried out by uploading an additional form in the system (*Modello SS*).

**Procedure 6\*. Notify the Labor Office of the employment of workers**

**Time:** 1 day

**Cost:** No cost

**Comments:** The employer notifies the provincial Labor Office about the hiring of personnel at least 24 hours before the start of employment.

\* This procedure can be completed simultaneously with previous procedures.



## STARTING A BUSINESS

**Padua**

*Standard company legal form: Società a Responsabilità Limitata*

*Minimum capital requirement: EUR 2,500 (US\$ 3,419)*

*Data as of: June 2012*

**Procedure 1. Deposit of at least 25% of the start-up capital in a bank account**

**Time:** 1 day

**Cost:** Nominal (bank commission)

**Comments:** At incorporation, 25% of the company's capital contributed in cash must be deposited in a bank account. The payment of the capital may be replaced by an insurance policy or by a bank guarantee for at least the same amount, though it is possible for the shareholders to pay in the due amount at any time. If the company capital is not wholly paid in at incorporation, the company has a credit against the founding shareholders for payment of the outstanding portion of the capital. The directors have power to claim the payment at any time.

**Procedure 2\*. Execute a public deed of incorporation and company bylaws before a notary public**

**Time:** 1 day

**Cost:** EUR 3,024 (EUR 168 for registration tax + EUR 156 for stamp duty + notary costs)

**Comments:** A public deed of incorporation (*atto costitutivo*), including the company's bylaws (*statuto*), must be drafted and executed before a notary public by the shareholders or their authorized representatives.

**Procedure 3\*. Buy corporate books and accounting books**

**Time:** 1 day

**Cost:** EUR 119 [EUR 14.62 stamp fee for each 100 pages (3 books) + EUR 25.00 registration fee per book (3 books)]

**Comments:** According to Article 2478 of the Italian Civil Code, a limited liability company must keep the following corporate books: minute book of shareholders' meetings, minute book of board of directors' meetings, and minute book of board of auditors' meetings (the last one is mandatory for companies with capital of EUR 120,000 and above).

**Procedure 4\*. Pay government grant tax (Tassa di Concessione Governativa)**

**Time:** 1 day

**Cost:** EUR 310 (government grant tax)

**Comments:** The government grant tax is due to the Office of Revenue every year. For companies with capital below EUR 516,456.90, the amount is EUR 309.87. For companies with capital exceeding EUR 516,456.90, the amount is EUR 516.46.

**Procedure 5. Register online with ComUnica**

**Time:** 2 days (1 day for Chamber of Commerce, INAIL, Agenzia delle Entrate, SUAP + 1 day for INPS)

**Cost:** EUR 290 (EUR 90 for registration fee + EUR 200 for annual membership with the Register of Companies of the Chambers of Commerce)

**Comments:** As of April 1, 2010, the applicant must electronically file a single notice (*Comunicazione Unica*, or *ComUnica*) with the Register of Companies. This includes issuance of the tax identification and VAT numbers, as well as registration with Social Security Administration (*INPS*) and Accident Insurance Office (*INAIL*). The applicant must attach the forms requested by (i) the Register of Companies for the registration, (ii) the Italian tax authorities for the immediate start of business, and (iii) by *INPS* and *INAIL* for the registration with these administrations. Since March 29, 2011 (D.P.R. 160/2010), *ComUnica* is used also to communicate the beginning of operations (*Segnalazione Certificata di Inizio Attività*) to the municipality's one-stop shop for productive activities (*SUAP*). Such communication is carried out by uploading an additional form in the system (*Modello S5*).

**Procedure 6\*. Notify the Labor Office of the employment of workers**

**Time:** 1 day

**Cost:** No cost

**Comments:** The employer notifies the provincial Labor Office about the hiring of personnel at least 24 hours before the start of employment.

## STARTING A BUSINESS

**Palermo**

*Standard company legal form: Società a Responsabilità Limitata*

*Minimum capital requirement: EUR 2,500 (US\$ 3,419)*

*Data as of: June 2012*

**Procedure 1. Deposit of at least 25% of the start-up capital in a bank account**

**Time:** 1 day

**Cost:** Nominal (bank commission)

**Comments:** At incorporation, 25% of the company's capital contributed in cash must be deposited in a bank account. The payment of the capital may be replaced by an insurance policy or by a bank guarantee for at least the same amount, though it is possible for the shareholders to pay in the due amount at any time. If the company capital is not wholly paid in at incorporation, the company has a credit against the founding shareholders for payment of the outstanding portion of the capital. The directors have power to claim the payment at any time.

**Procedure 2\*. Execute a public deed of incorporation and company bylaws before a notary public**

**Time:** 1 day

**Cost:** EUR 2,774 (EUR 168 for registration tax + EUR 156 for stamp duty + notary costs)

**Comments:** A public deed of incorporation (*atto costitutivo*), including the company's bylaws (*statuto*), must be drafted and executed before a notary public by the shareholders or their authorized representatives.

**Procedure 3\*. Buy corporate books and accounting books**

**Time:** 1 day

**Cost:** EUR 119 [EUR 14.62 stamp fee for each 100 pages (3 books) + EUR 25.00 registration fee per book (3 books)]

**Comments:** According to Article 2478 of the Italian Civil Code, a limited liability company must keep the following corporate books: minute book of shareholders' meetings, minute book of board of directors' meetings, and minute book of board of auditors' meetings (the last one is mandatory for companies with capital of EUR 120,000 and above).

**Procedure 4\*. Pay government grant tax (Tassa di Concessione Governativa)**

**Time:** 1 day

**Cost:** EUR 310 (government grant tax)

**Comments:** The government grant tax is due to the Office of Revenue every year. For companies with capital below EUR 516,456.90, the amount is EUR 309.87. For companies with capital exceeding EUR 516,456.90, the amount is EUR 516.46.

**Procedure 5. Register online with ComUnica**

**Time:** 4 days (2 days for Chamber of Commerce, INAIL, Agenzia delle Entrate, SUAP + 2 days for INPS)

**Cost:** EUR 290 (EUR 90 for registration fee + EUR 200 for annual membership with the Register of Companies of the Chambers of Commerce)

**Comments:** As of April 1, 2010, the applicant must electronically file a single notice (*Comunicazione Unica*, or *ComUnica*) with the Register of Companies. This includes issuance of the tax identification and VAT numbers, as well as registration with Social Security Administration (*INPS*) and Accident Insurance Office (*INAIL*). The applicant must attach the forms requested by (i) the Register of Companies for the registration, (ii) the Italian tax authorities for the immediate start of business, and (iii) by *INPS* and *INAIL* for the registration with these administrations. Since March 29, 2011 (D.P.R. 160/2010), *ComUnica* is used also to communicate the beginning of operations (*Segnalazione Certificata di Inizio Attività*) to the municipality's one-stop shop for productive activities (*SUAP*). Such communication is carried out by uploading an additional form in the system (*Modello S5*).

**Procedure 6\*. Notify the Labor Office of the employment of workers**

**Time:** 1 day

**Cost:** No cost

**Comments:** The employer notifies the provincial Labor Office about the hiring of personnel at least 24 hours before the start of employment.

\* This procedure can be completed simultaneously with previous procedures.



## STARTING A BUSINESS

**Potenza**

Standard company legal form: Società a Responsabilità Limitata

Minimum capital requirement: EUR 2,500 (US\$ 3,419)

Data as of: June 2012

**Procedure 1. Deposit of at least 25% of the start-up capital in a bank account**

**Time:** 1 day

**Cost:** Nominal (bank commission)

**Comments:** At incorporation, 25% of the company's capital contributed in cash must be deposited in a bank account. The payment of the capital may be replaced by an insurance policy or by a bank guarantee for at least the same amount, though it is possible for the shareholders to pay in the due amount at any time. If the company capital is not wholly paid in at incorporation, the company has a credit against the founding shareholders for payment of the outstanding portion of the capital. The directors have power to claim the payment at any time.

**Procedure 2\*. Execute a public deed of incorporation and company bylaws before a notary public**

**Time:** 1 day

**Cost:** EUR 2,524 (EUR 168 for registration tax + EUR 156 for stamp duty + notary costs)

**Comments:** A public deed of incorporation (*atto costitutivo*), including the company's bylaws (*statuto*), must be drafted and executed before a notary public by the shareholders or their authorized representatives.

**Procedure 3\*. Buy corporate books and accounting books**

**Time:** 1 day

**Cost:** EUR 119 [EUR 14.62 stamp fee for each 100 pages (3 books) + EUR 25.00 registration fee per book (3 books)]

**Comments:** According to Article 2478 of the Italian Civil Code, a limited liability company must keep the following corporate books: minute book of shareholders' meetings, minute book of board of directors' meetings, and minute book of board of auditors' meetings (the last one is mandatory for companies with capital of EUR 120,000 and above).

**Procedure 4\*. Pay government grant tax (Tassa di Concessione Governativa)**

**Time:** 1 day

**Cost:** EUR 310 (government grant tax)

**Comments:** The government grant tax is due to the Office of Revenue every year. For companies with capital below EUR 516,456.90, the amount is EUR 309.87. For companies with capital exceeding EUR 516,456.90, the amount is EUR 516.46.

**Procedure 5. Register online with ComUnica**

**Time:** 4 days (2 days for Chamber of Commerce, INAIL, Agenzia delle Entrate, SUAP + 2 days for INPS)

**Cost:** EUR 290 (EUR 90 for registration fee + EUR 200 for annual membership with the Register of Companies of the Chambers of Commerce)

**Comments:** As of April 1, 2010, the applicant must electronically file a single notice (*Comunicazione Unica*, or *ComUnica*) with the Register of Companies. This includes issuance of the tax identification and VAT numbers, as well as registration with Social Security Administration (*INPS*) and Accident Insurance Office (*INAIL*). The applicant must attach the forms requested by (i) the Register of Companies for the registration, (ii) the Italian tax authorities for the immediate start of business, and (iii) by *INPS* and *INAIL* for the registration with these administrations. Since March 29, 2011 (D.P.R. 160/2010), *ComUnica* is used also to communicate the beginning of operations (*Segnalazione Certificata di Inizio Attività*) to the municipality's one-stop shop for productive activities (*SUAP*). Such communication is carried out by uploading an additional form in the system (*Modello S5*).

**Procedure 6\*. Notify the Labor Office of the employment of workers**

**Time:** 1 day

**Cost:** No cost

**Comments:** The employer notifies the provincial Labor Office about the hiring of personnel at least 24 hours before the start of employment.

## STARTING A BUSINESS

**Rome**

Standard company legal form: Società a Responsabilità Limitata

Minimum capital requirement: EUR 2,500 (US\$ 3,419)

Data as of: June 2012

**Procedure 1. Deposit of at least 25% of the start-up capital in a bank account**

**Time:** 1 day

**Cost:** Nominal (bank commission)

**Comments:** At incorporation, 25% of the company's capital contributed in cash must be deposited in a bank account. The payment of the capital may be replaced by an insurance policy or by a bank guarantee for at least the same amount, though it is possible for the shareholders to pay in the due amount at any time. If the company capital is not wholly paid in at incorporation, the company has a credit against the founding shareholders for payment of the outstanding portion of the capital. The directors have power to claim the payment at any time.

**Procedure 2\*. Execute a public deed of incorporation and company bylaws before a notary public**

**Time:** 1 day

**Cost:** EUR 3,544 (EUR 168 for registration tax + EUR 156 for stamp duty + notary costs)

**Comments:** A public deed of incorporation (*atto costitutivo*), including the company's bylaws (*statuto*), must be drafted and executed before a notary public by the shareholders or their authorized representatives.

**Procedure 3\*. Buy corporate books and accounting books**

**Time:** 1 day

**Cost:** EUR 119 [EUR 14.62 stamp fee for each 100 pages (3 books) + EUR 25.00 registration fee per book (3 books)]

**Comments:** According to Article 2478 of the Italian Civil Code, a limited liability company must keep the following corporate books: minute book of shareholders' meetings, minute book of board of directors' meetings, and minute book of board of auditors' meetings (the last one is mandatory for companies with capital of EUR 120,000 and above).

**Procedure 4\*. Pay government grant tax (Tassa di Concessione Governativa)**

**Time:** 1 day

**Cost:** EUR 310 (government grant tax)

**Comments:** The government grant tax is due to the Office of Revenue every year. For companies with capital below EUR 516,456.90, the amount is EUR 309.87. For companies with capital exceeding EUR 516,456.90, the amount is EUR 516.46.

**Procedure 5. Register online with ComUnica**

**Time:** 2 days (1 day for Chamber of Commerce, Agenzia delle Entrate, INAIL, SUAP + 1 day for INPS)

**Cost:** EUR 290 (EUR 90 for registration fee + EUR 200 for annual membership with the Register of Companies of the Chambers of Commerce)

**Comments:** As of April 1, 2010, the applicant must electronically file a single notice (*Comunicazione Unica*, or *ComUnica*) with the Register of Companies. This includes issuance of the tax identification and VAT numbers, as well as registration with Social Security Administration (*INPS*) and Accident Insurance Office (*INAIL*). The applicant must attach the forms requested by (i) the Register of Companies for the registration, (ii) the Italian tax authorities for the immediate start of business, and (iii) by *INPS* and *INAIL* for the registration with these administrations. Since March 29, 2011 (D.P.R. 160/2010), *ComUnica* is used also to communicate the beginning of operations (*Segnalazione Certificata di Inizio Attività*) to the municipality's one-stop shop for productive activities (*SUAP*). Such communication is carried out by uploading an additional form in the system (*Modello S5*).

**Procedure 6\*. Notify the Labor Office of the employment of workers**

**Time:** 1 day

**Cost:** No cost

**Comments:** The employer notifies the provincial Labor Office about the hiring of personnel at least 24 hours before the start of employment.

## STARTING A BUSINESS

## Turin

Standard company legal form: *Società a Responsabilità Limitata*

Minimum capital requirement: EUR 2,500 (US\$ 3,419)

Data as of: June 2012

### Procedure 1. Deposit of at least 25% of the start-up capital in a bank account

**Time:** 1 day

**Cost:** Nominal (bank commission)

**Comments:** At incorporation, 25% of the company's capital contributed in cash must be deposited in a bank account. The payment of the capital may be replaced by an insurance policy or by a bank guarantee for at least the same amount, though it is possible for the shareholders to pay in the due amount at any time. If the company capital is not wholly paid in at incorporation, the company has a credit against the founding shareholders for payment of the outstanding portion of the capital. The directors have power to claim the payment at any time.

### Procedure 2\*. Execute a public deed of incorporation and company bylaws before a notary public

**Time:** 1 day

**Cost:** EUR 3,424 (EUR 168 for registration tax + EUR 156 for stamp duty + notary costs)

**Comments:** A public deed of incorporation (*atto costitutivo*), including the company's bylaws (*statuto*), must be drafted and executed before a notary public by the shareholders or their authorized representatives.

### Procedure 3\*. Buy corporate books and accounting books

**Time:** 1 day

**Cost:** EUR 119 [EUR 14.62 stamp fee for each 100 pages (3 books) + EUR 25.00 registration fee per book (3 books)]

**Comments:** According to Article 2478 of the Italian Civil Code, a limited liability company must keep the following corporate books: minute book of shareholders' meetings, minute book of board of directors' meetings, and minute book of board of auditors' meetings (the last one is mandatory for companies with capital of EUR 120,000 and above).

### Procedure 4\*. Pay government grant tax (Tassa di Concessione Governativa)

**Time:** 1 day

**Cost:** EUR 310 (government grant tax)

**Comments:** The government grant tax is due to the Office of Revenue every year. For companies with capital below EUR 516,456.90, the amount is EUR 309.87. For companies with capital exceeding EUR 516,456.90, the amount is EUR 516.46.

### Procedure 5. Register online with ComUnica

**Time:** 4 days (2 days for Chamber of Commerce, Agenzia delle Entrate, INAIL, SUAP + 2 days for INPS)

**Cost:** EUR 290 (EUR 90 for registration fee + EUR 200 for annual membership with the Register of Companies of the Chambers of Commerce)

**Comments:** As of April 1, 2010, the applicant must electronically file a single notice (*ComUnicazione Unica*, or *ComUnica*) with the

Register of Companies. This includes issuance of the tax identification and VAT numbers, as well as registration with Social Security Administration (INPS) and Accident Insurance Office (INAIL). The applicant must attach the forms requested by (i) the Register of Companies for the registration, (ii) the Italian tax authorities for the immediate start of business, and (iii) by INPS and INAIL for the registration with these administrations. Since March 29, 2011 (D.P.R. 160/2010), *ComUnica* is used also to communicate the beginning of operations (*Segnalazione Certificata di Inizio Attività*) to the municipality's one-stop shop for productive activities (SUAP). Such communication is carried out by uploading an additional form in the system (*Modello S5*).

### Procedure 6\*. Notify the Labor Office of the employment of workers

**Time:** 1 day

**Cost:** No cost

**Comments:** The employer notifies the provincial Labor Office about the hiring of personnel at least 24 hours before the start of employment.

\* This procedure can be completed simultaneously with previous procedures.

## LIST OF PROCEDURES

DEALING WITH  
CONSTRUCTION PERMITS

## Bari

Warehouse value: EUR 1,040,000 (US\$ 1,446,663)  
Data as of: June 2012

**Procedure 1. Obtain clearance by the fire department**

**Time:** 60 days

**Cost:** EUR 150

**Comments:** BuildCo must present a request for clearance (“*Parere di conformità*”) to the provincial fire department. The fire department verifies the conformity of the project to the fire legislation and issues its response within 60 days. Clearance is needed to obtain the building permit. Registered professionals can apply through the fire department website.

The procedure is regulated by a recent reform (Presidential Decree 151/11 of August 1st, 2011—“D.P.R. 151/11”). The reform has introduced a simplified procedure. Building occupancies have been divided into 3 categories with different approval procedures. Category A (low risk, standard) no longer requires clearance by the fire department. For Category B (medium risk) and C (high risk) clearance is still required. The present case is under Category B.

The reform was introduced to conform with the “Small Business Act” adopted by the European Community.

**Procedure 2\*. Obtain clearance by the public health agency**

**Time:** 45 days

**Cost:** EUR 1,000

**Comments:** As per the requirements of article 20, paragraph 1, of Presidential Decree 380/2001—on Construction (“*Testo Unico Edilizia*”), in order to obtain a building permit, it is necessary to obtain clearance from the public health agency.

**Procedure 3\*. Obtain a building permit from the municipal office “Sportello Unico per l’Edilizia”**

**Time:** 135 days

**Cost:** EUR 33,530 [EUR 33,000.00 for fees related to the obtaining of the construction permit + EUR 515.00 for administration fees + EUR 14.62 for 1 stamp]

**Comments:** Applications to the city of Bari for building permits must carry a EUR 14.62 stamp and be filed on forms that can be downloaded from the township’s website.

As per article 20, paragraph 1, of Presidential Decree 380/2001 on Construction, the following documents must be attached to the application form:

- A copy of the title of ownership of the property for which the building permit is requested;
- A declaration of consistency with the city planning instruments and the building regulations;
- The calculation of the building tax;

d. The project and the related documents, including clearance by the fire department and the public health agency.

Within 120 days from the date in which the application is filed, the municipal agency evaluates the consistency of the project with the regulations. The 120-day term can be interrupted to request modifications to the project, and, within the first 60 days, only once, to request additional documents.

After the 120-day term, within the following 30 days the municipal agency issues the final approval (“*Provvedimento finale*”).

Since July 2011, a Decree for Development (“*Decreto Sviluppo*”) introduced a “silence-is-consent” principle on national scale, meaning that no response by the municipality equals final approval, once the time limit has expired.

BuildCo must file all structural projects at the “*Sportello Unico per l’Edilizia*” once the building permit is obtained and before structural construction starts.

The building permit is released after the related fees have been paid.

**Procedure 4. File the structural projects at municipal office “Sportello Unico per l’Edilizia”**

**Time:** 1 day

**Cost:** EUR 148 [EUR 90.00 for administration fees + EUR 58.48 for 4 stamps]

**Comments:** Before structural construction starts, BuildCo must file all structural projects at the “*Sportello Unico per l’Edilizia*.” Required documents include the engineer’s certification that his project implements all government enforced Technical Regulations for Construction (Ministry Decree, January 14, 2008) and whatever antiseismic requirements are prescribed by the territorial and town planning instruments. Also included are the geological and geotechnical reports.

Together with the filing of the structural project, BuildCo appoints the engineering inspector. The municipal office transmits all the documentation to the province.

Since the territory where the warehouse could be built is rated as “mildly seismic,” preventive authorization for antiseismic structures is not required.

The filed projects are subjected to random inspections.

**Procedure 5. Hire an independent professional to test the structure**

**Time:** 1 day

**Cost:** EUR 6,000

**Comments:** As established by Art. 67 of Presidential Decree 380/2001—on Construction (“*Testo Unico Edilizia*”), BuildCo must hire an independent structural engineering inspector, who is a registered civil engineer (or architect) not directly involved in the project, to make the final tests on completed structures (“*collaudo statico*”). This professional, called “*collaudatore statico*,” is appointed at the same time of the deposit of the structural project.

Chapter 9 of the Technical Regulations for Construction (“*Norme Tecniche per le Costruzioni*”—2008) regulates this procedure.

Structural engineering inspection entails the assessment of the behavior and performance of all load-bearing parts of the building. During construction the inspector will control any structural components bound to debar testing after completion. The director of structural works communicates to the “*collaudatore statico*” that the structure has been completed. The “*collaudatore*” has 60 days to make the test. He has to issue a test certificate (“*Certificato di collaudo*”) and send it to the municipal office “*Sportello Unico per l’Edilizia*.” To issue the certificate, the inspector has to examine:

- The test results for the materials used to build the structure, previously sent to the laboratories by the director of structural works (chapter 11 of the Technical Regulations for Construction). In case of reinforced concrete structures, the tests are done on a minimum of 3 specimens of concrete and 3 of steel.
- The report on completed structures (“*Relazione a strutture ultimate*”) that is written by the director of structural works and filed at the municipal office “*Sportello Unico per l’Edilizia*.”

**Procedure 6. File the Certified Notification of Starting Activity (“SCIA”) at the fire department**

**Time:** 1 day

**Cost:** EUR 216

**Comments:** The Presidential Decree No. 11 of August, 2011 (“D.P.R. 151/11”) divides building occupancies into 3 groups with different approval procedures.

For activities of Category B (medium risk), BuildCo files a Certified Notification of Starting Activity (“SCIA”) at the fire department. This document is a declaration produced by the company that states the compliance of the building with the fire safety rules. The cost of the procedure depends on the type of construction and activity. A random on-site inspection by the fire department can occur within the following 60 days.

**Procedure 7\*. Register the building at the cadastre (“Agenzia del Territorio”)**

**Time:** 5 days

**Cost:** EUR 159 [EUR 44.00 to obtain the extract digital map + EUR 65.00 to register the building in the land registry (“*Catasto Terreni*”) + EUR 50.00 to register the building in the building registry (“*Catasto Fabbricati*”)]

**Comments:** Art. 25 of Presidential Decree 380/2001—on Construction (“*Testo Unico Edilizia*”) requires BuildCo to register the building at the land and building registry at the agency called “*Agenzia del Territorio*.” This is preliminary to the obtainment of the occupancy certificate. The application is carried out by a registered professional.

The registration of a new building entails a 2-step procedure:

- Updating the Land Registry:

Updating the Land Registry is an online procedure (or, one can also go personally to the local office

\* This procedure can be completed simultaneously with previous procedures.

of the "Agenzia del Territorio") that consists in producing an updated map of the built lot by means of "Pregeo" software. The cost of this procedure is EUR 65.00.

b. Updating the Buildings Registry:

Once the Land Registry is updated, the Buildings Registry must be updated as well. The new building must be notified by a registered professional by means of a standard procedure called "DOCFA," that can be filed on line or at the local Land Registry Office, within 30 days after completion of the building's windows. This procedure costs EUR 50.00 for each real estate unit. The filing procedure also determines the taxable revenue value of the property, which is a necessary reference for tax returns and ownership changes.

The Buildings Registry Office releases a copy of the documents and a filing certificate at the end of the same update session.

After registering, the land registry office has 1 year to verify the classification attributed by the professional to the building.

The "Agenzia del Territorio" (the government revenue agency for taxing real estate property) provides complete procedure information to registered professionals at its website ("Sister" platform).

### Procedure 8. Apply for the occupancy certificate ("Certificato di agibilità") at the municipal office "Sportello Unico per l'Edilizia"

**Time:** 30 days

**Cost:** EUR 120 [EUR 105.00 for administration fees + EUR 14.62 for 1 stamp]

**Comments:** The request for an occupancy certificate must be filed at the municipal office "Sportello Unico per l'Edilizia" within 15 days from completion of construction. The municipal office has 30 days from the date of filing to issue the occupancy certificate, after which the silence-is-consent formula is applied. The 30-day term can be interrupted to request modifications to the project and, within the first 15 days, only once, to request additional documents.

Filed requests are randomly selected for further control.

The application must include, as attachments: the land registry documentation; installation certificates; the structure certificate; the declaration of conformity to the approved project, to the draining of the walls, and to healthy environments; the declaration of conformity of works to existing legislation on accessibility and on elimination of architectural barriers; the energy performance certification finalized to the containment of fuel consumption.

### Procedure 9. Receive on-site inspection by the fire department

**Time:** 1 day

**Cost:** No cost

**Comments:** Once the SCIA is filed, a random on-site inspection by the fire department can occur within the following 60 days.

### Procedure 10\*. Apply for water and sewerage connection at Azienda Acquedotto Pugliese (AQP)

**Time:** 1 day

**Cost:** No cost

**Comments:** BuildCo should contact the water authority to obtain the water and sewerage connection.

### Procedure 11\*. Receive an on-site inspection and an estimate of installation costs by Azienda Acquedotto Pugliese (AQP)

**Time:** 1 day

**Cost:** No cost

**Comments:** The inspection is necessary to estimate the cost of the connection works.

### Procedure 12\*. Obtain water and sewerage installation from Azienda Acquedotto Pugliese (AQP)

**Time:** 60 days

**Cost:** EUR 1,100

**Comments:** Once the estimates are accepted by the client, connection works are carried.

### Procedure 13\*. Obtain a telephone connection by Telecom Italia S.p.a.

**Time:** 15 days

**Cost:** EUR 200

**Comments:** The company should contact the telecommunication provider to obtain a telephone connection.

## DEALING WITH CONSTRUCTION PERMITS

### Bologna

Warehouse value: EUR 1,040,000 (US\$ 1,446,663)  
Data as of: June 2012

### Procedure 1. Obtain clearance by the fire department

**Time:** 60 days

**Cost:** EUR 150

**Comments:** BuildCo must present a request for clearance ("Parere di conformità") to the provincial fire department. The fire department verifies the conformity of the project to the fire legislation and issues its response within 60 days. Clearance is needed to obtain the building permit. Registered professionals can apply through the fire department website.

The procedure is regulated by a recent reform (Presidential Decree 151/11 of August 1st, 2011—"D.P.R. 151/11"). The reform has introduced a simplified procedure. Building occupancies have been divided into 3 categories with different approval procedures. Category A (low risk, standard) no longer requires clearance by the fire department. For Category B (medium risk) and C (high risk) clearance is still required. The present case is under Category B.

The reform was introduced to conform with the "Small Business Act" adopted by the European Community.

### Procedure 2\*. Obtain clearance by the public health agency

**Time:** 30 days

**Cost:** EUR 274 [EUR 259.25 for cost of the procedure + EUR 14.62 for 1 stamp]

**Comments:** As per the requirements of article 20, paragraph 1, of Presidential Decree 380/2001—on Construction ("Testo Unico Edilizia"), in order to obtain a building permit it is necessary to obtain clearance from the public health agency.

BuildCo applies to the local public health agency ("AUSL") to obtain clearance. The cost of the procedure depends on the number of employee that will work in the warehouse. It costs 259.25 for less than 10 employees, 1,155.50 for more than 10 employees. Once obtained clearance, BuildCo can apply for the building permit.

### Procedure 3\*. Obtain a building permit from the municipal office "Sportello Unico per l'Edilizia"

**Time:** 120 days

**Cost:** EUR 36,156 [EUR 10,443.82 for fees related to the 1st type of urbanization costs sustained by the municipality ("Oneri di urbanizzazione primaria") + EUR 4,968.29 for fees related to the 2nd type of urbanization costs sustained by the municipality ("Oneri di urbanizzazione secondaria") + EUR 20,081.26 for fees related to cost to sustained the construction of public parking ("Monetizzazione parcheggi pubblici") + EUR 647.60 for administration fees for the building permit application ("Diritti di segreteria") + EUR 14.62 for 1 stamp.]

**Comments:** Applications to the city of Bologna for building permits must carry a EUR 14.62 stamp and be filed on forms that can be downloaded from the township's website.

As per article 20, paragraph 1, of Presidential Decree 380/2001 on Construction, the following documents must be attached to the application form:

- A copy of the title of ownership of the property for which the building permit is requested;
- A declaration of consistency with the city planning instruments and the building regulations;
- The calculation of the building tax, that can be done online;
- The project and the related documents, including clearance by the fire department and the public health agency.

Project documents of electrical and mechanical installations must be filed at the municipality (office for building procedures "Sportello Unico per l'Edilizia") prior to construction.

Within 120 days from the date in which the application is filed, the municipal agency evaluates the consistency of the project with the regulations. The 120-day term can be interrupted to request modifications to the project, and, within the first 60 days, only once, to request additional documents.

After the 120-day term, within the following 30 days the municipal agency issues the final approval ("Provvedimento finale").

Since July 2011, a Decree for development ("Decreto Sviluppo") introduced a

\* This procedure can be completed simultaneously with previous procedures.



"silence-is-consent" principle on national scale, meaning that no response by the municipality equals final approval, once the time limit has expired. This is not an innovation for Bologna, nor for the Emilia-Romagna Region, since the regional code already contains the "silence-is-consent" principle.

The building permit is released after the related fees have been paid.

#### **Procedure 4. File the structural projects at the municipal office "Sportello Unico per l'Edilizia"**

**Time:** 1 day

**Cost:** EUR 214 [EUR 63.60 for administration fees for the deposit of the structural project + EUR 150.00 for a lump-sum refund for the deposit of the structural project ("rimborso forfettario per deposito strutturale")]

**Comments:** According to Regional Law 19/2008, article 13, BuildCo must file all structural projects at the "Sportello Unico per l'Edilizia" before structural construction starts. Required documents include the engineer's certification that his project implements all government enforced Technical Regulations for Construction (Ministry Decree, January 14, 2008) and whatever antiseismic requirements are prescribed by the territorial and town planning instruments. Also included are the geological and geotechnical reports.

Since the territory of Bologna is rated as "mildly seismic," preventive authorization for antiseismic structures is not required. BuildCo must pay a EUR 63.60 administration fee as well as a EUR 150.00 lump-sum reimbursement. The municipality of Bologna retains an in-house antiseismic engineering office that performs random inspections on filed projects.

#### **Procedure 5. Hire an independent professional to test the structure**

**Time:** 1 day

**Cost:** EUR 6,000

**Comments:** As established by Art. 67 of Presidential Decree 380/2001—on Construction ("Testo Unico Edilizia"), BuildCo must hire an independent structural engineering inspector, who is a registered civil engineer (or architect) not directly involved in the project, to make the final tests on completed structures ("collaudo statico"). This professional, called "collaudatore statico," is appointed at the same time of the deposit of the structural project.

Chapter 9 of the Technical Regulations for Construction ("Norme Tecniche per le Costruzioni"—2008) regulates this procedure.

Structural engineering inspection entails the assessment of the behavior and performance of all load-bearing parts of the building. During construction the inspector will control any structural components bound to debar testing after completion. The director of structural works communicates to the "collaudatore statico" that the structure has been completed. The "collaudatore" has 60 days to make the test. He has to issue a test certificate ("Certificato di collaudo") and send it to the municipal office "Sportello Unico per l'Edilizia." To issue the certificate, the inspector has to examine:

a. The test results for the materials used to build the structure, previously sent to the laboratories by the director of structural works (chapter 11 of the Technical Regulations for Construction). In case of reinforced concrete structures, the tests are done on a minimum of 3 specimens of concrete and 3 of steel.

b. The report on completed structures ("Relazione a strutture ultimate") that is written by the director of structural works and filed at the municipal office "Sportello Unico per l'Edilizia."

#### **Procedure 6. File the Certified Notification of Starting Activity ("SCIA") at the fire department**

**Time:** 1 day

**Cost:** EUR 216

**Comments:** The Presidential Decree No. 11 of August, 2011 ("D.P.R. 151/11") divides building occupancies into 3 groups with different approval procedures.

For activities of Category B (medium risk), BuildCo files a Certified Notification of Starting Activity ("SCIA") at the fire department. This document is a declaration produced by the company that states the compliance of the building with the fire safety rules. The cost of the procedure depends on the type of construction and activity. A random on-site inspection by the fire department can occur within the following 60 days.

#### **Procedure 7\*. Register the building at the cadastre ("Agenzia del Territorio")**

**Time:** 5 days

**Cost:** EUR 159 [EUR 44.00 to obtain the extract digital map + 65.00 to register the building in the land registry—"Catasto Terreni" + EUR 50.00 to register the building in the building registry ("Catasto Fabbricati")]

**Comments:** Art. 25 of Presidential Decree 380/2001—on Construction ("Testo Unico Edilizia") requires BuildCo to register the building at the land and building registry at the agency called "Agenzia del Territorio."

This is preliminary to the obtaining of the occupancy certificate.

The application is carried out by a registered professional.

The registration of a new building entails a 2-step procedure:

a. Updating the Land Registry:

Updating the Land Registry is an online procedure (or, one can also go personally to the local office of the "Agenzia del Territorio") that consists in producing an updated map of the built lot by means of "Pregeo" software. The cost of this procedure is EUR 65.00.

b. Updating the Buildings Registry:

Once the Land Registry is updated, the Buildings Registry must be updated as well. The new building must be notified by a registered professional by means of a standard procedure called "DOCFA," that can be filed on line or at the local Land Registry Office, within 30 days after completion of the building's windows. This procedure costs EUR 50.00 for each real estate unit. The filing procedure also determines the

taxable revenue value of the property, which is a necessary reference for tax returns and ownership changes.

The Buildings Registry Office releases a copy of the documents and a filing certificate at the end of the same update session.

After registering, the land registry office has 1 year to verify the classification attributed by the professional to the building.

The "Agenzia del Territorio" (the government revenue agency for taxing real estate property) provides complete procedure information to registered professionals at its website ("Sister" platform).

#### **Procedure 8. Deposit the occupancy certificate ("Certificato di conformità edilizia e agibilità") at the municipal office "Sportello Unico per l'Edilizia"**

**Time:** 1 day

**Cost:** EUR 170

**Comments:** The request for an occupancy certificate must be filed at the municipal office "Sportello Unico per l'Edilizia" within 15 days from completion of construction. The municipal office has 90 days from the date of filing to issue the occupancy certificate, after which a "silence-is-consent" formula is considered operating.

If the required documents are in order and complete, clearance for occupancy is granted immediately. Documents must be produced directly to a municipal inspection officer upon appointment. The appointment can be made online.

Filed documents are randomly selected for further control, with the help of AUSL (the public health agency), with which the city of Bologna has signed a collaboration contract.

The application must include, as attachments: the land registry documentation, installation certificates, the explanatory report on compliance with statutory requirements under the Building and City Planning Regulation ("Regolamento Urbanistico Edilizio").

#### **Procedure 9. Receive on-site inspection by the fire department**

**Time:** 1 day

**Cost:** No cost

**Comments:** Once the SCIA is filed, a random on-site inspection by the fire department can occur within the following 60 days.

#### **Procedure 10\*. Apply for water and sewerage connection at Hera S.p.a.**

**Time:** 1 day

**Cost:** No cost

**Comments:** BuildCo should contact the water authority to obtain the water and sewerage connection.

#### **Procedure 11\*. Receive an on-site inspection and an estimate of installation costs by Hera S.p.a.**

**Time:** 1 day

**Cost:** No cost

**Comments:** The inspection is necessary to estimate the cost of the connection works.

\* This procedure can be completed simultaneously with previous procedures.

### Procedure 12\*. Obtain water and sewerage installation from Hera S.p.a.

**Time:** 30 days

**Cost:** EUR 2,000

**Comments:** Once the estimates are accepted by the client, connection works are carried.

### Procedure 13\*. Obtain a telephone connection by Telecom Italia S.p.a.

**Time:** 15 days

**Cost:** EUR 400

**Comments:** The company should contact the telecommunication provider to obtain a telephone connection.

#### DEALING WITH CONSTRUCTION PERMITS

### Cagliari

Warehouse value: EUR 1,040,000 (US\$ 1,446,663)  
Data as of: June 2012

### Procedure 1. Obtain the permission to build ("DUAAP") from to the one-stop shop for business activities "SUAP"

**Time:** 180 days

**Cost:** EUR 26,885 [EUR 14.62 for 1 stamp + EUR 1,600.00 for administration fees + EUR 150.00 to obtain clearance by the fire department + EUR 25,120.00 for fees related to costs sustained by the municipality ("Contributo di costruzione")]

**Comments:** BuildCo sends electronically a "DUAAP" (a self-declaration to start construction related to productive activities) to the one-stop shop for business activities "SUAP" ("Sportello Unico per le Attività Produttive"). BuildCo must also send all the documents required to start the construction, including ownership proof, the demonstration that the project complies with the building norms, and the architectural and structural drawings and documents. "SUAP" then distributes the documents to all the agencies involved in the procedure.

In case technical discretionary judgments ("giudizi tecnico-discrezionali") are needed, within 30 days from the application date, "SUAP" calls for an "agencies conference" ("Conferenza dei servizi"), gathering all the agencies that are responsible for issuing an approval. In our specific case, which does not consider special limitations (e.g., landscape or hydrogeological protection), the agencies involved are listed below:

- Building Permits Office of the City of Cagliari;
- Fire department;
- Abbanoa S.p.a. (the city's water and waste systems management company);
- Technical Services Office of the City of Cagliari;
- Transportation Services Office of the City of Cagliari;
- Commercial Activities Office of the City of Cagliari;
- Environment and Ecology Office of the City of Cagliari.

If any convened agency does not attend the meeting without a justification, their approval is assumed. At the end of the meeting, any proposed additions to the documents that were produced are evaluated. If all approvals are

granted, the building permit is issued to BuildCo upon payment of the construction fees due. In practice, this procedure is rarely completed in 1 meeting.

### Procedure 2. File the structural projects at the regional office "Genio Civile"

**Time:** 1 day

**Cost:** EUR 15

**Comments:** BuildCo must file all structural projects at the "Genio Civile" before structural construction starts. Required documents include the engineer's certification that his project implements all government enforced Technical Regulations for Construction (Ministry Decree, January 14, 2008) and whatever antiseismic requirements are prescribed by the territorial and town planning instruments. Also included are the geological and geotechnical reports.

Since the territory of Cagliari is rated as "mildly seismic," preventive authorization for antiseismic structures is not required.

### Procedure 3. Hire an independent professional to test the structure

**Time:** 1 day

**Cost:** EUR 5,000

**Comments:** As established by Art. 67 of Presidential Decree 380/2001—on Construction ("Testo Unico Edilizia"), BuildCo must hire an independent structural engineering inspector, who is a registered civil engineer (or architect) not directly involved in the project, to make the final tests on completed structures ("collaudo statico"). This professional, called "collaudatore statico," is appointed at the same time of the deposit of the structural project.

Chapter 9 of the Technical Regulations for Construction ("Norme Tecniche per le Costruzioni"—2008) regulates this procedure.

Structural engineering inspection entails the assessment of the behavior and performance of all load-bearing parts of the building. During construction the inspector will control any structural components bound to debar testing after completion. The director of structural works communicates to the "collaudatore statico" that the structure has been completed. The "collaudatore" has 60 days to make the test. He has to issue a test certificate ("Certificato di collaudo") and send it to the one-stop shop for business activities "SUAP." To issue the certificate, the inspector has to examine:

- The test results for the materials used to build the structure, previously sent to the laboratories by the director of structural works (chapter 11 of the Technical Regulations for Construction). In case of reinforced concrete structures, the tests are done on a minimum of 3 specimens of concrete and 3 of steel.
- The report on completed structures ("Relazione a strutture ultimate"), which is written by the director of structural works and filed at the one-stop shop for business activities "SUAP."

### Procedure 4. File the Certified Notification of Starting Activity ("SCIA") at the fire department

**Time:** 1 day

**Cost:** EUR 216

**Comments:** The Presidential Decree No. 11 of August, 2011 ("D.P.R. 151/11") divides building occupancies into 3 groups with different approval procedures.

For activities of Category B (medium risk), BuildCo files a Certified Notification of Starting Activity ("SCIA") at the fire department. This document is a declaration produced by the company that states the compliance of the building with the fire safety rules. The cost of the procedure depends on the type of construction and activity. A random on-site inspection by the fire department can occur within the following 60 days.

### Procedure 5\*. Register the building at the cadastre ("Agenzia del Territorio")

**Time:** 5 days

**Cost:** EUR 159 [EUR 44.00 to obtain the extract digital map + EUR 65.00 to register the building in the land registry ("Catasto Terreni") + EUR 50.00 to register the building in the building registry ("Catasto Fabbricati")]

**Comments:** Art. 25 of Presidential Decree 380/2001—on Construction ("Testo Unico Edilizia") requires BuildCo to register the building at the land and building registry at the agency called "Agenzia del Territorio."

This is preliminary to the obtainment of the occupancy certificate.

The application is carried out by a registered professional.

The registration of a new building entails a 2-step procedure:

- Updating the Land Registry:

Updating the Land Registry is an online procedure (or, one can also go personally to the local office of the "Agenzia del Territorio") that consists in producing an updated map of the built lot by means of "Pregeo" software. The cost of this procedure is EUR 65.00.

- Updating the Buildings Registry:

Once the Land Registry is updated, the Buildings Registry must be updated as well. The new building must be notified by a registered professional by means of a standard procedure called "DOCFA," that can be filed on line or at the local Land Registry Office, within 30 days after completion of the building's windows. This procedure costs EUR 50.00 for each real estate unit. The filing procedure also determines the taxable revenue value of the property, which is a necessary reference for tax returns and ownership changes.

The Buildings Registry Office releases a copy of the documents and a filing certificate at the end of the same update session.

After registering, the land registry office has 1 year to verify the classification attributed by the professional to the building.

The "Agenzia del Territorio" (the government revenue agency for taxing real estate property) provides complete procedure information to registered professionals at its website ("Sister" platform).

\* This procedure can be completed simultaneously with previous procedures.

### Procedure 6. Deposit the occupancy certificate ("Certificato di agibilità") at the one-stop shop for business activities "SUAP"

**Time:** 1 day

**Cost:** EUR 344 [EUR 328.89 for administration fees + EUR 14.62 for 1 stamp]

**Comments:** The deposit of occupancy certificate must be filed at the one-stop shop for business activities "SUAP" within 15 days from completion of construction.

If the required documents are in order and complete, clearance for occupancy is granted immediately.

Filed requests are randomly selected for further control.

The application must include, as attachments: the land registry documentation, installation certificates, the structure certificate, the declaration of conformity to the approved project, to the draining of the walls, and to healthy environments, the compliance certification for sewer connections and the related disposal authorizations.

### Procedure 7. Receive on-site inspection by the fire department

**Time:** 1 day

**Cost:** No cost

**Comments:** Once the SCIA is filed, a random on-site inspection by the fire department can occur within the following 60 days.

### Procedure 8\*. Apply for water and sewerage connection at Abbanoa S.p.a.

**Time:** 1 day

**Cost:** No cost

**Comments:** BuildCo should contact the water authority to obtain the water and sewerage connection.

### Procedure 9\*. Receive an on-site inspection and an estimate of installation costs by Abbanoa S.p.a.

**Time:** 1 day

**Cost:** No cost

**Comments:** The inspection is necessary to estimate the cost of the connection works.

### Procedure 10\*. Obtain water and sewerage installation from Abbanoa S.p.a.

**Time:** 60 days

**Cost:** EUR 1,400

**Comments:** Once the estimates are accepted by the client, connection works are carried.

### Procedure 11\*. Obtain a telephone connection by Telecom Italia S.p.a.

**Time:** 30 days

**Cost:** EUR 200

**Comments:** The company should contact the telecommunication provider to obtain a telephone connection.

## DEALING WITH CONSTRUCTION PERMITS

### Campobasso

Warehouse value: EUR 1,040,000 (US\$ 1,446,663)  
Data as of: June 2012

### Procedure 1. Obtain clearance by the fire department

**Time:** 60 days

**Cost:** EUR 150

**Comments:** BuildCo must present a request for clearance ("Parere di conformità") to the provincial fire department. The fire department verifies the conformity of the project to the fire legislation and issues its response within 60 days. Clearance is needed to obtain the building permit. Registered professionals can apply through the fire department website.

The procedure is regulated by a recent reform (Presidential Decree 151/11 of August 1st, 2011—"D.P.R. 151/11"). The reform has introduced a simplified procedure. Building occupancies have been divided into 3 categories with different approval procedures. Category A (low risk, standard) no longer requires clearance by the fire department. For Category B (medium risk) and C (high risk) clearance is still required. The present case is under Category B.

The reform was introduced to conform with the "Small Business Act" adopted by the European Community.

### Procedure 2\*. Obtain clearance by the public health agency

**Time:** 30 days

**Cost:** EUR 325 [EUR 0.25 per square meters (0.25\*1,300)]

**Comments:** As per the requirements of article 20, paragraph 1, of Presidential Decree 380/2001—on Construction ("Testo Unico Edilizia"), in order to obtain a building permit it is necessary to obtain clearance from the public health agency.

### Procedure 3\*. Obtain a building permit from the municipal office "Sportello Unico Edilizia"

**Time:** 90 days

**Cost:** EUR 34,776 [EUR 780.00 for the administration fees + EUR 13.40\*929 for fees related to the first type of urbanization costs sustained by the municipality ("oneri di urbanizzazione primaria") + EUR 7.03\*929 for fees related to the second type of urbanization costs sustained by the municipality ("oneri di urbanizzazione secondaria") + EUR 11.54\*1,300 for fees related to the cost of construction ("Costo di costruzione") + EUR 14.62 for 1 stamp.] The fees are calculated on the basis of the extension of the plot of land and of size of the construction.

**Comments:** Applications to the city of Campobasso for building permits must carry a EUR 14.62 stamp.

As per article 20, paragraph 1, of Presidential Decree 380/2001 on Construction, the following documents must be attached to the application form:

a. A copy of the title of ownership of the property for which the building permit is requested;

b. A declaration of consistency with the city planning instruments and the building regulations;

c. The calculation of the building tax;

d. The project and the related documents, including clearance by the fire department and the public health agency.

To obtain the building permit BuildCo has to present the structural project to the "Sezione Comuni Sismici," a regional office.

For the obtainment of building permits, the national law sets shorter terms for cities with less than 100,000 inhabitants, like Campobasso.

Within 60 days from the date in which the application is filed, the municipal agency evaluates the consistency of the project with the regulations. The 60-day term can be interrupted to request modifications to the project and, within the first 30 days, only once, to request additional documents.

After the 60-day term, within the following 30 days the municipal agency issues the final approval ("Provvedimento finale").

Since July 2011, a Decree for development ("Decreto Sviluppo") introduced a "silence-is-consent" principle on national scale, meaning that no response by the municipality equals final approval, once the time limit has expired.

Project documents of electrical and mechanical installations must be filed at the municipality (office for building procedures "Sportello Unico Edilizia") prior to construction.

The building permit is released once the related fees have been paid.

### Procedure 4. File the structural project at the municipal office "Sportello Unico Edilizia"

**Time:** 7 days

**Cost:** EUR 15

**Comments:** BuildCo must present the structural project at the municipal office "Sportello Unico Edilizia."

### Procedure 5. File the structural project at the regional office "Sezione Comuni Sismici"

**Time:** 8 days

**Cost:** EUR 29.24 for 2 stamps (EUR 14.62 each).

**Comments:** This procedure is regulated by national (Presidential Decree 380/2001—On Construction) and regional laws. Regional Law 20/1996 states that, in cities with the level of seismic risk seen in Campobasso, BuildCo, after the obtainment of the building permit, must file the structural project at the regional office "Sezione Comuni Sismici." After the deposit the regional office issue a certificate that states that the filing has been done correctly ("certificato di avvenuto deposito"). At that point construction can start. Together with the filing of the structural project, BuildCo appoints the engineering inspector.

\* This procedure can be completed simultaneously with previous procedures.



### Procedure 6. Hire an independent professional to test the structure

**Time:** 1 day

**Cost:** EUR 5,000

**Comments:** As established by Art. 67 of Presidential Decree 380/2001—on Construction (“*Testo Unico Edilizia*”), BuildCo must hire an independent structural engineering inspector, who is a registered civil engineer (or architect) not directly involved in the project, to make the final tests on completed structures (“*collaudo statico*”). This professional, called “*collaudatore statico*,” is appointed at the same time of the deposit of the structural project.

Chapter 9 of the Technical Regulations for Construction (“*Norme Tecniche per le Costruzioni*”—2008) regulates this procedure.

Structural engineering inspection entails the assessment of the behavior and performance of all load-bearing parts of the building. During construction the inspector will control any structural components bound to debar testing after completion. The director of structural works communicates to the “*collaudatore statico*” that the structure has been completed. The “*collaudatore*” has 60 days to make the test. He has to issue a test certificate (“*Certificato di collaudo*”) and send it to the regional office “*Sezione Comuni Sismici*.” To issue the certificate, the inspector has to examine:

a. The test results for the materials used to build the structure, previously sent to the laboratories by the director of structural works (chapter 11 of the Technical Regulations for Construction). In case of reinforced concrete structures, the tests are done on a minimum of 3 specimens of concrete and 3 of steel.

b. The report on completed structures (“*Relazione a strutture ultimate*”) that is written by the director of structural works and filed at the regional office “*Sezione Comuni Sismici*.”

### Procedure 7. File the Certified Notification of Starting Activity (“SCIA”) at the fire department

**Time:** 1 day

**Cost:** EUR 216

**Comments:** The Presidential Decree No. 11 of August, 2011 (“D.P.R. 151/11”) divides building occupancies into 3 groups with different approval procedures.

For activities of Category B (medium risk), BuildCo files a Certified Notification of Starting Activity (“SCIA”) at the fire department. This document is a declaration produced by the company that states the compliance of the building with the fire safety rules. The cost of the procedure depends on the type of construction and activity. A random on-site inspection by the fire department can occur within the following 60 days.

### Procedure 8\*. Register the building at the cadastre (“Agenzia del Territorio”)

**Time:** 5 days

**Cost:** EUR 159 [EUR 44.00 to obtain the extract digital map + EUR 65.00 to register the building in the land registry (“*Catasto Terreni*”) + EUR 50.00

to register the building in the building registry (“*Catasto Fabbricati*”)]

**Comments:** Art. 25 of Presidential Decree 380/2001—on Construction (“*Testo Unico Edilizia*”) requires BuildCo to register the building at the land and building registry at the agency called “*Agenzia del Territorio*.”

This is preliminary to the obtainment of the occupancy certificate.

The application is carried out by a registered professional.

The registration of a new building entails a 2-step procedure:

a. Updating the Land Registry:

Updating the Land Registry is an online procedure (or, one can also go personally to the local office of the “*Agenzia del Territorio*”) that consists in producing an updated map of the built lot by means of “*Pregeo*” software. The cost of this procedure is EUR 65.00.

b. Updating the Buildings Registry:

Once the Land Registry is updated, the Buildings Registry must be updated as well. The new building must be notified by a registered professional by means of a standard procedure called “*DOCFA*,” that can be filed on line or at the local Land Registry Office, within 30 days after completion of the building’s windows. This procedure costs EUR 50.00 for each real estate unit. The filing procedure also determines the taxable revenue value of the property, which is a necessary reference for tax returns and ownership changes.

The Buildings Registry Office releases a copy of the documents and a filing certificate at the end of the same update session.

After registering, the land registry office has 1 year to verify the classification attributed by the professional to the building.

The “*Agenzia del Territorio*” (the government revenue agency for taxing real estate property) provides complete procedure information to registered professionals at its website (“*Sister*” platform).

### Procedure 9. Apply for the occupancy certificate (“Certificato di agibilità”) at the municipal office “Sportello Unico Edilizia”

**Time:** 30 days

**Cost:** EUR 54

**Comments:** The request for an occupancy certificate must be filed at the municipal office “*Sportello Unico dell’Edilizia*” within 15 days from completion of construction. The municipal office has 30 days from the date of filing to issue the occupancy certificate, after which the silence-is-consent formula is applied. The 30-day term can be interrupted to request modifications to the project and, within the first 15 days, only once, to request additional documents.

Filed requests are randomly selected for further control.

The application must include, as attachments: the land registry documentation, installation certificates, the structure certificate, the declaration of conformity to the approved project, to the draining of the walls, and to healthy environments, the

compliance certification for sewer connections and the related disposal authorizations.

### Procedure 10. Receive on-site inspection by the fire department

**Time:** 1 day

**Cost:** No cost

**Comments:** Once the SCIA is filed, a random on-site inspection by the fire department can occur within the following 60 days.

### Procedure 11\*. Apply for water and sewerage connection at the municipality

**Time:** 1 day

**Cost:** No cost

**Comments:** The water system is controlled directly by the City of Campobasso. The user must present an application together with a drawing showing the distance between the building and the connection point.

### Procedure 12\*. Receive an on-site inspection and an estimate of installation costs by the municipality

**Time:** 1 day

**Cost:** No cost

**Comments:** The inspection is necessary to estimate the cost of the connection works.

### Procedure 13\*. Obtain water and sewerage installation from the municipality

**Time:** 60 days

**Cost:** EUR 600

**Comments:** Once the estimates are accepted by the client, connection works are carried.

### Procedure 14\*. Obtain a telephone connection by Telecom Italia S.p.a.

**Time:** 15 days

**Cost:** EUR 250

**Comments:** The company should contact the telecommunication provider to obtain a telephone connection.

## DEALING WITH CONSTRUCTION PERMITS

### Catanzaro

Warehouse value: EUR 1,040,000 (US\$ 1,446,663)  
Data as of: June 2012

### Procedure 1. Obtain clearance by the fire department

**Time:** 60 days

**Cost:** EUR 150

**Comments:** BuildCo must present a request for clearance (“*Parere di conformità*”) to the provincial fire department. The fire department verifies the conformity of the project to the fire legislation and issues its response within 60 days. Clearance is needed to obtain the building permit. Registered professionals can apply through the fire department website.

The procedure is regulated by a recent reform (Presidential Decree 151/11 of August 1st, 2011—“D.P.R. 151/11”). The reform has introduced a simplified procedure. Building occupancies have been divided into 3 categories with different approval procedures. Category A (low risk,

\* This procedure can be completed simultaneously with previous procedures.

standard) no longer requires clearance by the fire department. For Category B (medium risk) and C (high risk) clearance is still required. The present case is under Category B.

The reform was introduced to conform with the "Small Business Act" adopted by the European Community.

### Procedure 2\*. Obtain clearance by the public health agency

**Time:** 15 days

**Cost:** EUR 600

**Comments:** As per the requirements of article 20, paragraph 1, of Presidential Decree 380/2001—on Construction ("*Testo Unico Edilizia*"), in order to obtain a building permit it is necessary to obtain clearance from the public health agency.

### Procedure 3\*. Obtain a building permit from the Municipal Technical Office

**Time:** 200 days

**Cost:** EUR 4,505 [2,112.00 for fees related to the urbanization costs ("*Oneri di urbanizzazione*") sustained by the municipality + 2,112.00 for fees related to waste disposal—"Smaltimento rifiuti" + 266 for administration fees + 14.62 for 1 stamp]

**Comments:** Applications to the city of Catanzaro for building permits must carry a EUR 14.62 stamp.

As per article 20, paragraph 1, of Presidential Decree 380/2001 on Construction, the following documents must be attached to the application form:

- A copy of the title of ownership of the property for which the building permit is requested;
- A declaration of consistency with the city planning instruments and the building regulations;
- The calculation of the building tax;
- The project and the related documents, including clearance by the fire department and the public health agency.

To obtain the building permit BuildCo has to present the structural project to the Regional Technical Office for seismic authorization.

For the obtainment of building permits, the national law sets shorter terms for cities with less than 100,000 inhabitants, like Catanzaro.

Within 60 days from the date in which the application is filed, the municipal office evaluates the consistency of the project with the regulations. The 60-day term can be interrupted to request modifications to the project and, within the first 30 days, only once, to request additional documents.

After the 60-day term, within the following 30 days the municipal office issues the final approval ("*Provvedimento finale*").

Since July 2011, a Decree for development ("*Decreto Sviluppo*") introduced a "silence-is-consent" principle on national scale, meaning that no response by the municipality equals final approval, once the time limit has expired.

Project documents of electrical and mechanical installations must be filed at the municipality prior to construction.

The building permit is released once the related fees have been paid.

### Procedure 4\*. Obtain seismic authorization from the Regional Technical Office

**Time:** 30 days

**Cost:** EUR 15

**Comments:** As per article 94, paragraph 1, of Presidential Decree 380/2001—on Construction ("*Testo Unico Edilizia*"), in places subject to seismic risk the structural project must be filed with the Regional Technical Office before starting construction.

This procedure is regulated by national and regional laws. In Catanzaro it has to be filed prior to obtaining the building permit, while in many other cities of the country it has to be obtained subsequently to the building permit.

In Catanzaro, BuildCo, after requesting the building permit, transmits the static project electronically through the telematics regional system "SI-ERC." Usually this procedure takes place once that BuildCo has been formally or informally assured that the building permit will be released.

BuildCo prints out from the "SI-ERC" 3 copies of the documents that contain all the data that has been transmitted. The copies are brought 1 to the municipality, 1 to the Regional Technical Office (with a EUR 14,62 stamp), and 1 to the construction site.

The Regional Technical Service has 60 days to approve the practice.

### Procedure 5. Hire an independent professional to test the structure

**Time:** 1 day

**Cost:** EUR 6,000

**Comments:** As established by Art. 67 of Presidential Decree 380/2001—on Construction ("*Testo Unico Edilizia*"), BuildCo must hire an independent structural engineering inspector, who is a registered civil engineer (or architect) not directly involved in the project, to make the final tests on completed structures ("*collaudo statico*"). This professional, called "collaudatore statico," is appointed at the same time of the deposit of the structural project.

Chapter 9 of the Technical Regulations for Construction ("*Norme Tecniche per le Costruzioni*"—2008) regulates this procedure. Structural engineering inspection entails the assessment of the behavior and performance of all load-bearing parts of the building. During construction the inspector will control any structural components bound to debar testing after completion. The director of structural works communicates to the "collaudatore statico" that the structure has been completed. The "collaudatore" has 60 days to make the test. He has to issue a test certificate ("*Certificato di collaudo*") and send it to the Regional Technical Office. To issue the certificate, the inspector has to examine:

- The test results for the materials used to build the structure, previously sent to the laboratories by the director of structural works (chapter 11 of the Technical Regulations for Construction). In case of reinforced concrete structures, the tests are done on a minimum of 3 specimens of concrete and 3 of steel.

- The report on completed structures ("*Relazione a strutture ultimate*") that is written by the director of structural works and filed at the Regional Technical Office.

### Procedure 6. File the Certified Notification of Starting Activity ("SCIA") at the fire department

**Time:** 1 day

**Cost:** EUR 216

**Comments:** The Presidential Decree No. 11 of August, 2011 ("D.P.R. 151/11") divides building occupancies into 3 groups with different approval procedures.

For activities of Category B (medium risk), BuildCo files a Certified Notification of Starting Activity ("SCIA") at the fire department. This document is a declaration produced by the company that states the compliance of the building with the fire safety rules. The cost of the procedure depends on the type of construction and activity. A random on-site inspection by the fire department can occur within the following 60 days.

### Procedure 7\*. Deposit the documents for the cadastral registration at the Municipal Technical Office

**Time:** 7 days

**Cost:** EUR 33

**Comments:** In order to check illegal construction, within the first 30 days after completion of the building, updating documents must be filed at the Municipal Technical Office for clearance before registering them at the "Agenzia del Territorio" (cadastral agency). The municipal office will approve and return the documents that can then be forwarded to the cadastral agency. This procedure is also preparatory for the occupancy certificate.

### Procedure 8. Register the building at the cadastre ("Agenzia del Territorio")

**Time:** 5 days

**Cost:** EUR 159 [EUR 44.00 to obtain the extract digital map + EUR 65.00 to register the building in the land registry ("*Catasto Terreni*") + EUR 50.00 to register the building in the building registry ("*Catasto Fabbricati*")]

**Comments:** Art. 25 of Presidential Decree 380/2001—on Construction ("*Testo Unico Edilizia*") requires BuildCo to register the building at the land and building registry at the agency called "Agenzia del Territorio."

This is preliminary to the obtainment of the occupancy certificate.

The application is carried out by a registered professional.

The registration of a new building entails a 2-step procedure:

- Updating the Land Registry:

Updating the Land Registry is an online procedure (or, one can also go personally to the local office of the "Agenzia del Territorio") that consists in producing an updated map of the built lot by means of "Pregeo" software. The cost of this procedure is EUR 65.00.

- Updating the Buildings Registry:

\* This procedure can be completed simultaneously with previous procedures.

Once the Land Registry is updated, the Buildings Registry must be updated as well. The new building must be notified by a registered professional by means of a standard procedure called "DOCFA," that can be filed on line or at the local Land Registry Office, within 30 days after completion of the building's windows. This procedure costs EUR 50.00 for each real estate unit. The filing procedure also determines the taxable revenue value of the property, which is a necessary reference for tax returns and ownership changes.

The Buildings Registry Office releases a copy of the documents and a filing certificate at the end of the same update session.

After registering, the land registry office has 1 year to verify the classification attributed by the professional to the building.

The "Agenzia del Territorio" (the government revenue agency for taxing real estate property) provides complete procedure information to registered professionals at its website ("Sister" platform).

#### Procedure 9. Apply for the occupancy certificate ("Certificato di agibilità") at the Municipal Technical Office

**Time:** 30 days

**Cost:** EUR 210 [EUR 195.00 for administration fees ("Diritti disegreteria") for the deposit + EUR 14.62 for 1 stamp]

**Comments:** The request for an occupancy certificate must be filed at the municipal office "Ufficio Tecnico del Comune" within 15 days from completion of construction. The municipal office has 30 days from the date of filing to issue the occupancy certificate, after which the silence-is-consent formula is applied. The 30-day term can be interrupted to request modifications to the project and, within the first 15 days, only once, to request additional documents.

Filed requests are randomly selected for further control.

The application must include, as attachments: the land registry documentation; installation certificates; the structure certificate; the declaration of conformity to the approved project, to the draining of the walls, and to healthy environments; the declaration of conformity of works to existing legislation on accessibility and on elimination of architectural barriers; the energy performance certification finalized to the containment of fuel consumption.

#### Procedure 10. Receive on-site inspection by the fire department

**Time:** 1 day

**Cost:** No cost

**Comments:** Once the SCIA is filed, a random on-site inspection by the fire department can occur within the following 60 days.

#### Procedure 11\*. Apply for water and sewerage connection at the municipality

**Time:** 1 day

**Cost:** No cost

**Comments:** The water system is controlled directly by the City of Catanzaro. The user must

present an application together with a drawing showing the distance between the building and the connection point.

#### Procedure 12\*. Receive an on-site inspection and an estimate of installation costs by a private company

**Time:** 1 day

**Cost:** No cost

**Comments:** The inspection is necessary to estimate the cost of the connection works.

#### Procedure 13\*. Obtain water and sewerage installation from a private company

**Time:** 60 days

**Cost:** EUR 350

**Comments:** Once the estimates are accepted by the client, connection works are carried.

#### Procedure 14\*. Obtain a telephone connection by Telecom Italia S.p.a.

**Time:** 30 days

**Cost:** EUR 200

**Comments:** The company should contact the telecommunication provider to obtain a telephone connection.

#### DEALING WITH CONSTRUCTION PERMITS

##### L'Aquila

Warehouse value: EUR 1,040,000 (US\$ 1,446,663)  
Data as of: June 2012

#### Procedure 1. Obtain clearance by the fire department

**Time:** 60 days

**Cost:** EUR 150

**Comments:** BuildCo must present a request for clearance ("Parere di conformità") to the provincial fire department. The fire department verifies the conformity of the project to the fire legislation and issues its response within 60 days. Clearance is needed to obtain the building permit. Registered professionals can apply through the fire department website.

The procedure is regulated by a recent reform (Presidential Decree 151/11 of August 1st, 2011—"D.P.R. 151/11"). The reform has introduced a simplified procedure. Building occupancies have been divided into 3 categories with different approval procedures. Category A (low risk, standard) no longer requires clearance by the fire department. For Category B (medium risk) and C (high risk) clearance is still required. The present case is under Category B.

The reform was introduced to conform with the "Small Business Act" adopted by the European Community.

#### Procedure 2\*. Obtain clearance by the public health agency

**Time:** 20 days

**Cost:** EUR 60

**Comments:** As per the requirements of article 20, paragraph 1, of Presidential Decree 380/2001—on Construction ("Testo Unico Edilizia"), in order to

obtain a building permit it is necessary to obtain clearance from the public health agency.

#### Procedure 3\*. Obtain a building permit from the municipal office "Sportello Unico Edilizia"

**Time:** 150 days

**Cost:** EUR 19,998 [EUR 19,823.70 for the fees related to the building permit + EUR 160 for the administration fees + 14.62 for 1 stamp]

**Comments:** Applications to the city of L'Aquila for building permits must carry a EUR 14.62 stamp.

As per article 20, paragraph 1, of Presidential Decree 380/2001 on Construction, the following documents must be attached to the application form:

- A copy of the title of ownership of the property for which the building permit is requested;
- A declaration of consistency with the city planning instruments and the building regulations;
- The calculation of the building tax;
- The project and the related documents, including clearance by the fire department and the public health agency.

To obtain the building permit BuildCo has to present the structural project to the "Genio Civile," a provincial office.

For the obtainment of building permits, the national law sets shorter terms for cities with less than 100,000 inhabitants, like L'Aquila.

Within 60 days from the date in which the application is filed, the municipal agency evaluates the consistency of the project with the regulations. The 60-day term can be interrupted to request modifications to the project and, within the first 30 days, only once, to request additional documents.

After the 60-day term, within the following 30 days the municipal agency issues the final approval ("Provvedimento finale").

Since July 2011, a Decree for development ("Decreto Sviluppo") introduced a "silence-is-consent" principle on national scale, meaning that no response by the municipality equals final approval, once the time limit has expired.

Project documents of electrical and mechanical installations must be filed at the municipality (office for building procedures "Sportello Unico Edilizia") prior to construction.

The building permit is released after the related fees have been paid.

#### Procedure 4. File the structural project at the provincial office "Genio Civile"

**Time:** 15 days

**Cost:** EUR 15

**Comments:** This procedure is regulated by national (Presidential Decree 380/2001—on Construction) and regional laws. BuildCo, after the obtainment of the building permit, must file the structural project at the provincial office "Genio Civile." The provincial office issues a certificate that states that the filing has been done correctly ("certificato di avvenuto deposito"). At that point construction can start. The regional Law sets a time limit of 15 days from the filing

\* This procedure can be completed simultaneously with previous procedures.

by which the provincial office has to issue the certificate stating the filing has been done. Together with the filing of the structural project, BuildCo appoints the engineering inspector

### Procedure 5. Hire an independent professional to test the structure

**Time:** 1 day

**Cost:** EUR 6,000

**Comments:** As established by Art. 67 of Presidential Decree 380/2001—on Construction (“*Testo Unico Edilizia*”), BuildCo must hire an independent structural engineering inspector, who is a registered civil engineer (or architect) not directly involved in the project, to make the final tests on completed structures (“*collaudo statico*”). This professional, called “*collaudatore statico*,” is appointed at the same time of the deposit of the structural project.

Chapter 9 of the Technical Regulations for Construction (“*Norme Tecniche per le Costruzioni*”—2008) regulates this procedure.

Structural engineering inspection entails the assessment of the behavior and performance of all load-bearing parts of the building. During construction the inspector will control any structural components bound to debar testing after completion. The director of structural works communicates to the “*collaudatore statico*” that the structure has been completed. The “*collaudatore*” has 60 days to make the test. He has to issue a test certificate (“*Certificato di collaudo*”) and send it to the provincial office “*Genio Civile*.” To issue the certificate, the inspector has to examine:

a. The test results for the materials used to build the structure, previously sent to the laboratories by the director of structural works (chapter 11 of the Technical Regulations for Construction). In case of reinforced concrete structures, the tests are done on a minimum of 3 specimens of concrete and 3 of steel.

b. The report on completed structures (“*Relazione a strutture ultimate*”) that is written by the director of structural works and filed at the provincial office “*Genio Civile*.”

### Procedure 6. File the Certified Notification of Starting Activity (“SCIA”) at the fire department

**Time:** 1 day

**Cost:** EUR 216

**Comments:** The Presidential Decree No. 11 of August, 2011 (“D.P.R. 151/11”) divides building occupancies into 3 groups with different approval procedures.

For activities of Category B (medium risk), BuildCo files a Certified Notification of Starting Activity (“SCIA”) at the fire department. This document is a declaration produced by the company that states the compliance of the building with the fire safety rules. The cost of the procedure depends on the type of construction and activity. A random on-site inspection by the

fire department can occur within the following 60 days.

### Procedure 7\*. Register the building at the cadastre (“Agenzia del Territorio”)

**Time:** 5 days

**Cost:** EUR 159 [EUR 44.00 to obtain the extract digital map + EUR 65.00 to register the building in the land registry (“*Catasto Terreni*”) + EUR 50.00 to register the building in the building registry (“*Catasto Fabbricati*”)]

**Comments:** Art. 25 of Presidential Decree 380/2001—on Construction (“*Testo Unico Edilizia*”) requires BuildCo to register the building at the land and building registry at the agency called “*Agenzia del Territorio*.”

This is preliminary to the obtainment of the occupancy certificate.

The application is carried out by a registered professional.

The registration of a new building entails a 2-step procedure:

a. Updating the Land Registry:

Updating the Land Registry is an online procedure (or, one can also go personally to the local office of the “*Agenzia del Territorio*”) that consists in producing an updated map of the built lot by means of “*Pregeo*” software. The cost of this procedure is EUR 65.00.

b. Updating the Buildings Registry:

Once the Land Registry is updated, the Buildings Registry must be updated as well. The new building must be notified by a registered professional by means of a standard procedure called “*DOCFA*,” that can be filed on line or at the local Land Registry Office, within 30 days after completion of the building’s windows. This procedure costs EUR 50.00 for each real estate unit. The filing procedure also determines the taxable revenue value of the property, which is a necessary reference for tax returns and ownership changes.

The Buildings Registry Office releases a copy of the documents and a filing certificate at the end of the same update session.

After registering, the land registry office has 1 year to verify the classification attributed by the professional to the building.

The “*Agenzia del Territorio*” (the government revenue agency for taxing real estate property) provides complete procedure information to registered professionals at its website (“*Sister*” platform).

### Procedure 8. Apply for the occupancy certificate (“Certificato di agibilità”) at the municipal office “Sportello Unico Edilizia”

**Time:** 30 days

**Cost:** EUR 40 [EUR 25.00 for administration fees + EUR 14.62 for 1 stamp]

**Comments:** The request for an occupancy certificate must be filed at the municipal office “*Sportello Unico Edilizia*” within 15 days from

completion of construction. The municipal office has 30 days from the date of filing to issue the occupancy certificate, after which the silence-is-consent formula is applied. The 30-day term can be interrupted to request modifications to the project and, within the first 15 days, only once, to request additional documents.

The application must include, as attachments: the land registry documentation; installation certificates; the structure certificate; the declaration of conformity to the approved project, to the draining of the walls, and to healthy environments; the declaration of conformity of works to existing legislation on accessibility and on elimination of architectural barriers; the energy performance certification finalized to the containment of fuel consumption.

### Procedure 9. Receive on-site inspection by the fire department

**Time:** 1 day

**Cost:** No cost

**Comments:** Once the SCIA is filed, a random on-site inspection by the fire department can occur within the following 60 days.

### Procedure 10\*. Apply for water and sewerage connection at Gran Sasso Acqua S.p.a

**Time:** 1 day

**Cost:** No cost

**Comments:** BuildCo should contact the water authority to obtain the water and sewerage connection.

### Procedure 11\*. Receive an on-site inspection and an estimate of installation costs by Gran Sasso Acqua S.p.a

**Time:** 1 day

**Cost:** No cost

**Comments:** The inspection is necessary to estimate the cost of the connection works.

### Procedure 12\*. Obtain water and sewerage installation from Gran Sasso Acqua S.p.a

**Time:** 20 days

**Cost:** EUR 600

**Comments:** Once the estimates are accepted by the client, connection works are carried.

### Procedure 13\*. Obtain a telephone connection by Telecom Italia S.p.a.

**Time:** 30 days

**Cost:** EUR 450

**Comments:** The company should contact the telecommunication provider to obtain a telephone connection.

\* This procedure can be completed simultaneously with previous procedures.



## DEALING WITH CONSTRUCTION PERMITS

**Milan**

Warehouse value: EUR 1,040,000 (US\$ 1,446,663)  
Data as of: June 2012

**Procedure 1. Obtain clearance by the fire department**

**Time:** 60 days

**Cost:** EUR 150

**Comments:** BuildCo must present a request for clearance (“*Parere di conformità*”) to the provincial fire department. The fire department verifies the conformity of the project to the fire legislation and issues its response within 60 days. Clearance is needed to obtain the building permit. Registered professionals can apply through the fire department website.

The procedure is regulated by a recent reform (Presidential Decree 151/11 of August 1st, 2011—“D.P.R. 151/11”). The reform has introduced a simplified procedure. Building occupancies have been divided into 3 categories with different approval procedures. Category A (low risk, standard) no longer requires clearance by the fire department. For Category B (medium risk) and C (high risk) clearance is still required. The present case is under Category B.

The reform was introduced to conform with the “Small Business Act” adopted by the European Community.

**Procedure 2\*. Present a Starting Activity Declaration (“Super-D.I.A.”) to the municipal office “Sportello Unico per l’Edilizia”**

**Time:** 30 days

**Cost:** EUR 242,254 [1st type of urbanization cost (“*Oneri di urbanizzazione primaria*”): EUR 115,570 + 2nd type of urbanization cost (“*Oneri di urbanizzazione secondaria*”): EUR 66,742 + Fees related to waste disposal (“*Smaltimento rifiuti*”): EUR 59,592 + Administrative fees: EUR 335.70 + Stamp: EUR 14.62].

**Comments:** BuildCo carries out preliminary surveys that involve excavating and drilling to check the presence of contaminant agents in the soil (e.g., percolated chemicals, buried materials). Thirty days before starting construction, BuildCo must file a “Starting Activity Declaration” (“super-D.I.A.,” *Denuncia di Inizio Attività*), which substitutes the building permit, to the City Building Office. Attached documents must include official proof of ownership, construction drawings, a report signed by a registered architect or engineer asseverating compliance of the planned building with the town planning rules, construction regulations, safety norms, public health requirements, plus sufficient technical documentation to allow proper evaluation of the impact on the landscape. BuildCo must also submit to the municipality the structural engineering project (together with the related geological and geotechnical reports), the heating systems and energy saving projects, and urbanization and construction fees calculations. Urbanization fees are payable to the municipality within 30 days after filing the “super-D.I.A.” Payment can also be made in installments.

Within 30 days from the filing of a “super-D.I.A.,” the municipality will verify all documents for formal compliance and completeness, and check the urbanization and construction fees calculations.

In 2007 the City Council approved updated urbanization fees and refuse disposal taxes for industrial constructions, together with a reduction on the same taxes when implementing energy saving or social housing projects.

**Procedure 3. File the structural projects at the municipal office “Sportello Unico per l’Edilizia”**

**Time:** 1 day

**Cost:** EUR 15

**Comments:** BuildCo must file all structural projects at the “*Sportello Unico per l’Edilizia*” before structural construction starts. Required documents include the engineer’s certification that his project implements all government enforced Technical Regulations for Construction (Ministry Decree, January 14, 2008) and whatever antisismic requirements are prescribed by the territorial and town planning instruments. Also included are the geological and geotechnical reports.

Since the territory of Milan is rated as “mildly seismic,” preventive authorization for antisismic structures is not required.

**Procedure 4. Hire an independent professional to test the structure**

**Time:** 1 day

**Cost:** EUR 6,000

**Comments:** As established by Art. 67 of Presidential Decree 380/2001—on Construction (“*Testo Unico Edilizia*”), BuildCo must hire an independent structural engineering inspector, who is a registered civil engineer (or architect) not directly involved in the project, to make the final tests on completed structures (“*collaudo statico*”). This professional, called “*collaudatore statico*,” is appointed at the same time of the deposit of the structural project.

Chapter 9 of the Technical Regulations for Construction (“*Norme Tecniche per le Costruzioni*”—2008) regulates this procedure.

Structural engineering inspection entails the assessment of the behavior and performance of all load-bearing parts of the building. During construction the inspector will control any structural components bound to debar testing after completion. The director of structural works communicates to the “*collaudatore statico*” that the structure has been completed. The “*collaudatore*” has 60 days to make the test. He has to issue a test certificate (“*Certificato di collaudo*”) and send it to the municipal office “*Sportello Unico per l’Edilizia*.” To issue the certificate, the inspector has to examine:

a. The test results for the materials used to build the structure, previously sent to the laboratories by the director of structural works (chapter 11 of the Technical Regulations for Construction). In case of reinforced concrete structures, the tests are done on a minimum of 3 specimens of concrete and 3 of steel.

b. The report on completed structures (“*Relazione a strutture ultimate*”) that is written by the director of structural works and filed at the municipal office “*Sportello Unico per l’Edilizia*.”

**Procedure 5. File the Certified Notification of Starting Activity (“SCIA”) at the fire department**

**Time:** 1 day

**Cost:** EUR 216

**Comments:** The Presidential Decree No. 11 of August, 2011 (“D.P.R. 151/11”) divides building occupancies into 3 groups with different approval procedures.

For activities of Category B (medium risk), BuildCo files a Certified Notification of Starting Activity (“SCIA”) at the fire department. This document is a declaration produced by the company that states the compliance of the building with the fire safety rules. The cost of the procedure depends on the type of construction and activity. A random on-site inspection by the fire department can occur within the following 60 days.

**Procedure 6\*. Register the building at the cadastre (“Agenzia del Territorio”)**

**Time:** 5 days

**Cost:** EUR 159 [EUR 44.00 to obtain the extract digital map + EUR 65.00 to register the building in the land registry (“*Catasto Terreni*”) + EUR 50.00 to register the building in the building registry (“*Catasto Fabbricati*”)]

**Comments:** Art. 25 of Presidential Decree 380/2001—on Construction (“*Testo Unico Edilizia*”) requires BuildCo to register the building at the land and building registry at the agency called “*Agenzia del Territorio*.” This is preliminary to the obtainment of the occupancy certificate. The application is carried out by a registered professional.

The registration of a new building entails a 2-step procedure:

a. Updating the Land Registry:

Updating the Land Registry is an online procedure (or, one can also go personally to the local office of the “*Agenzia del Territorio*”) that consists in producing an updated map of the built lot by means of “Pregeo” software. The cost of this procedure is EUR 65.00.

b. Updating the Buildings Registry:

Once the Land Registry is updated, the Buildings Registry must be updated as well. The new building must be notified by a registered professional by means of a standard procedure called “DOCFA,” that can be filed on line or at the local Land Registry Office, within 30 days after completion of the building’s windows. This procedure costs EUR 50.00 for each real estate unit. The filing procedure also determines the taxable revenue value of the property, which is a necessary reference for tax returns and ownership changes.

The Buildings Registry Office releases a copy of the documents and a filing certificate at the end of the same update session.

After registering, the land registry office has 1 year to verify the classification attributed by the professional to the building.

\* This procedure can be completed simultaneously with previous procedures.

The "Agenzia del Territorio" (the government revenue agency for taxing real estate property) provides complete procedure information to registered professionals at its website ("Sister" platform).

### Procedure 7. Apply for the occupancy certificate ("Certificato di agibilità") at the municipal office "Sportello Unico per l'Edilizia"

**Time:** 60 days

**Cost:** EUR 15

**Comments:** The request for an occupancy certificate must be filed at the municipal office "Sportello Unico per l'Edilizia" within 15 days from completion of construction. The municipal office has 60 days from the date of filing to issue the occupancy certificate, after which the silence-is-consent formula is applied. The 60-day term can be interrupted to request modifications to the project and, within the first 15 days, only once, to request additional documents.

Filed requests are randomly selected for further control.

The application must include, as attachments: the land registry documentation; installation certificates; the structure certificate: the declaration of conformity to the approved project, to the draining of the walls, and to healthy environments; the declaration of conformity of works to existing legislation on accessibility and on elimination of architectural barriers; the energy performance certification finalized to the containment of fuel consumption.

### Procedure 8. Receive on-site inspection by the fire department

**Time:** 1 day

**Cost:** No cost

**Comments:** Once the SCIA is filed, a random on-site inspection by the fire department can occur within the following 60 days.

### Procedure 9\*. Apply for water and sewerage connection at MM-Metropolitana Milanese S.p.a.

**Time:** 1 day

**Cost:** No cost

**Comments:** BuildCo should contact the water authority to obtain the water and sewerage connection.

### Procedure 10\*. Receive an on-site inspection and an estimate of installation costs by MM-Metropolitana Milanese S.p.a.

**Time:** 1 day

**Cost:** No cost

**Comments:** The inspection is necessary to estimate the cost of the connection works.

### Procedure 11\*. Obtain water and sewerage installation from MM-Metropolitana Milanese S.p.a.

**Time:** 20 days

**Cost:** EUR 600

**Comments:** Once the estimates are accepted by the client, connection works are carried.

### Procedure 12\*. Obtain a telephone connection by Telecom Italia S.p.a.

**Time:** 15 days

**Cost:** EUR 200

**Comments:** The company should contact the telecommunication provider to obtain a telephone connection.

#### DEALING WITH CONSTRUCTION PERMITS

### Naples

Warehouse value: EUR 1,040,000 (US\$ 1,446,663)  
Data as of: June 2012

### Procedure 1. Obtain clearance by the fire department

**Time:** 60 days

**Cost:** EUR 150

**Comments:** BuildCo must present a request for clearance ("Parere di conformità") to the provincial fire department. The fire department verifies the conformity of the project to the fire legislation and issues its response within 60 days. Clearance is needed to obtain the building permit. Registered professionals can apply through the fire department website.

The procedure is regulated by a recent reform (Presidential Decree 151/11 of August 1st, 2011—"D.P.R. 151/11"). The reform has introduced a simplified procedure. Building occupancies have been divided into 3 categories with different approval procedures. Category A (low risk, standard) no longer requires clearance by the fire department. For Category B (medium risk) and C (high risk) clearance is still required. The present case is under Category B.

The reform was introduced to conform with the "Small Business Act" adopted by the European Community.

### Procedure 2\*. Obtain clearance by the public health agency

**Time:** 30 days

**Cost:** EUR 103

**Comments:** As per the requirements of article 20, paragraph 1, of Presidential Decree 380/2001—on Construction ("Testo Unico Edilizia"), in order to obtain a building permit it is necessary to obtain clearance from the public health agency. BuildCo apply to the local public health agency ("ASL") to obtain clearance. The cost of the procedure depends on the size of the warehouse: EUR 32.80 if less than 100 square meters, EUR 102.50 if bigger than 100 square meters. Once obtained clearance, BuildCo can apply for the building permit.

### Procedure 3\*. Obtain a building permit from the municipal office "Servizio edilizia privata e Sportello Unico dell'Edilizia"

**Time:** 85 days

**Cost:** EUR 1,974 [EUR 759.68 for fees related to the urbanization costs sustained by the municipality ("Oneri di urbanizzazione") + EUR 1,200.00 for administration fees ("Diritti di segreteria") + EUR 14,62 for 1 stamp]

**Comments:** Applications to the city of Napoli for building permits must carry a EUR 14.62 stamp and be filed on forms that can be downloaded from the township's website.

As per article 20, paragraph 1, of Presidential Decree 380/2001 on Construction, the following documents must be attached to the application form:

- A copy of the title of ownership of the property for which the building permit is requested;
- A declaration of consistency with the city planning instruments and the building regulations;
- The calculation of the building tax, that can be done online;
- The project and the related documents, including clearance by the fire department and the public health agency.

The procedure to obtain a building permit is regulated by the Presidential Decree 380/2011 on Construction (national law) and by the Regional Law 19/2001 (Article 1 in particular), modified by Regional Law 16/2004. The regional law establishes shorter terms for the release of the building permit compare to the national law:

- Within 60 days (national law sets a 120-day term for cities with more than 100,000 inhabitants) from the date in which the application is filed, the municipal agency evaluates the consistency of the project with the regulations. The 60-day term can be interrupted to request modifications to the project and, within the first 30 days, only once, to request additional documents.
- After the 60-day term, within the following 30 days the municipal agency issues the final approval ("Provvedimento finale").

Project documents of electrical and mechanical installations must be filed at the municipality (office for building procedures "Servizio edilizia privata e Sportello Unico dell'edilizia") prior to construction.

BuildCo must file all structural projects at the regional office "Genio Civile" once the building permit is obtained and before structural construction starts.

The building permit is released after the related fees have been paid.

### Procedure 4. Obtain seismic authorization from the regional office "Genio Civile"

**Time:** 66 days

**Cost:** EUR 100

**Comments:** As per article 94, paragraph 1, of Presidential Decree 380/2001—on Construction ("Testo Unico Edilizia"), in places subject to seismic risk the structural project must be filed with the regional office before starting construction.

National and regional laws regulate this procedure. In Napoli it has to be filed once the building permit is obtained. Together with the filing of the structural project, BuildCo appoints the engineering inspector.

The regional office "Genio Civile" has 60 days to approve the practice. If the public authority "Genio Civile" doesn't meet the 60-day term deadline, BuildCo, within 15 days, can submit a technical report written by the engineering inspector,

\* This procedure can be completed simultaneously with previous procedures.

who assumes the responsibility for checking the consistency of the project. Potentially, this can be done in 1 day. On the basis of this report, the regional office "Genio Civile" releases the seismic authorization in 15 days.

### Procedure 5. Hire an independent professional to test the structure

**Time:** 1 day

**Cost:** EUR 7,000

**Comments:** As established by Art. 67 of Presidential Decree 380/2001—on Construction ("Testo Unico Edilizia"), BuildCo must hire an independent structural engineering inspector, who is a registered civil engineer (or architect) not directly involved in the project, to make the final tests on completed structures ("collaudo statico"). This professional, called "collaudatore statico," is appointed at the same time of the deposit of the structural project.

Chapter 9 of the Technical Regulations for Construction ("Norme Tecniche per le Costruzioni"—2008) regulates this procedure.

Structural engineering inspection entails the assessment of the behavior and performance of all load-bearing parts of the building. During construction the inspector will control any structural components bound to debar testing after completion. The director of structural works communicates to the "collaudatore statico" that the structure has been completed. The "collaudatore" has 60 days to make the test. He has to issue a test certificate ("Certificato di collaudo") and send it to the regional office "Genio Civile." To issue the certificate, the inspector has to examine:

a. The test results for the materials used to build the structure, previously sent to the laboratories by the director of structural works (chapter 11 of the Technical Regulations for Construction). In case of reinforced concrete structures, the tests are done on a minimum of 3 specimens of concrete and 3 of steel.

b. The report on completed structures ("Relazione a strutture ultimate") that is written by the director of structural works and filed at the regional office "Genio Civile."

### Procedure 6. File the Certified Notification of Starting Activity ("SCIA") at the fire department

**Time:** 1 day

**Cost:** EUR 216

**Comments:** The Presidential Decree No. 11 of August, 2011 ("D.P.R. 151/11") divides building occupancies into 3 groups with different approval procedures.

For activities of Category B (medium risk), BuildCo files a Certified Notification of Starting Activity ("SCIA") at the fire department. This document is a declaration produced by the company that states the compliance of the building with the fire safety rules. The cost of the procedure depends on the type of construction and activity. A random on-site inspection by the fire department can occur within the following 60 days.

### Procedure 7\*. Register the building at the cadastre ("Agenzia del Territorio")

**Time:** 5 days

**Cost:** EUR 159 [EUR 44.00 to obtain the extract digital map + EUR 65.00 to register the building in the land registry ("Catasto Terreni") + EUR 50.00 to register the building in the building registry ("Catasto Fabbricati")]

**Comments:** Art. 25 of Presidential Decree 380/2001—on Construction ("Testo Unico Edilizia") requires BuildCo to register the building at the land and building registry at the agency called "Agenzia del Territorio."

This is preliminary to the obtaining of the occupancy certificate.

The application is carried out by a registered professional.

The registration of a new building entails a 2-step procedure:

a. Updating the Land Registry:

Updating the Land Registry is an online procedure (or, one can also go personally to the local office of the "Agenzia del Territorio") that consists in producing an updated map of the built lot by means of "Pregeo" software. The cost of this procedure is EUR 65.00.

b. Updating the Buildings Registry:

Once the Land Registry is updated, the Buildings Registry must be updated as well. The new building must be notified by a registered professional by means of a standard procedure called "DOCA," that can be filed on line or at the local Land Registry Office, within 30 days after completion of the building's windows. This procedure costs EUR 50.00 for each real estate unit. The filing procedure also determines the taxable revenue value of the property, which is a necessary reference for tax returns and ownership changes.

The Buildings Registry Office releases a copy of the documents and a filing certificate at the end of the same update session.

After registering, the land registry office has 1 year to verify the classification attributed by the professional to the building.

The "Agenzia del Territorio" (the government revenue agency for taxing real estate property) provides complete procedure information to registered professionals at its website ("Sister" platform).

### Procedure 8. Apply for the occupancy certificate ("Certificato di agibilità") at the municipal office "Sportello edilizia privata e Sportello Unico dell'Edilizia"

**Time:** 30 days

**Cost:** EUR 550 [EUR 14.62 for 1 stamp + EUR 535.00 for administration fees ("Diritti disegreteria")]

**Comments:** The request for an occupancy certificate must be filed at the municipal office "Sportello edilizia privata e Sportello Unico dell'Edilizia" within 15 days from completion of construction. The municipal office has 30 days from the date of filing to issue the occupancy certificate, after which the silence-is-consent

formula is applied. The 30-day term can be interrupted to request modifications to the project and, within the first 15 days, only once, to request additional documents.

Filed requests are randomly selected for further control.

The application must include, as attachments: the land registry documentation; installation certificates; the structure certificate; the declaration of conformity to the approved project, to the draining of the walls, and to healthy environments; the declaration of conformity of works to existing legislation on accessibility and on elimination of architectural barriers; the energy performance certification finalized to the containment of fuel consumption.

### Procedure 9. Receive on-site inspection by the fire department

**Time:** 1 day

**Cost:** No cost

**Comments:** Once the SCIA is filed, a random on-site inspection by the fire department can occur within the following 60 days.

### Procedure 10\*. Apply for water connection at Arin S.p.a.

**Time:** 1 day

**Cost:** No cost

**Comments:** BuildCo can mail, e-mail or phone ARIN to apply for a connection to the public water mains. Land/Building Registry data and a copy of the building permit are required.

### Procedure 11\*. Apply for sewerage connection at the "Servizio Fognature e impianti idrici" of the municipality

**Time:** 1 day

**Cost:** No cost

**Comments:** BuildCo must apply for authorization to the Water and Disposal Services Office of the municipality of Naples before actually building the connection. This office will authorize the work only after inspecting the area. This office will also obtain clearance by ATO2 Campania.

Application documents include registered technician's project in the form of a written description and a drawing of the area showing the conduits' route from the building to the public sewer.

### Procedure 12\*. Receive an on-site inspection and an estimate of installation costs from Arin S.p.a. and from the "Servizio Fognature e impianti idrici" of the municipality.

**Time:** 1 day

**Cost:** EUR 207 [EUR 103.29 for each on-site visits by the municipality—usually the minimum is 2 visits.]

**Comments:** The inspection is necessary to estimate the cost of the connection works.

### Procedure 13\*. Obtain water and sewerage installation

**Time:** 37 days

**Cost:** EUR 700

\* This procedure can be completed simultaneously with previous procedures.



**Comments:** Water connections must follow all recommendations issued during the site inspection.

Sewer connections must strictly comply with the municipal authorized project.

#### Procedure 14. Obtain a drain authorization from "A.T.O."

**Time:** 15 days

**Cost:** EUR 250

**Comments:** BuildCo requires the drain authorization to "A.T.O. 2 Campania." To obtain the authorization BuildCo carries out analysis on samples taken from a separate well. The cost of analysis varies from EUR 250 to EUR 500. Once the authorization has been obtained, BuildCo informs ARPAC—the Regional Agency for Environment Protection, that can perform its own analysis of waste water in order to verify the reports presented by BuildCo.

#### Procedure 15\*. Obtain a telephone connection by Telecom Italia S.p.a.

**Time:** 20 days

**Cost:** EUR 250

**Comments:** The company should contact the telecommunication provider to obtain a telephone connection.

### DEALING WITH CONSTRUCTION PERMITS

#### Padua

Warehouse value: EUR 1,040,000 (US\$ 1,446,663)

Data as of: June 2012

#### Procedure 1. Obtain clearance by the fire department

**Time:** 60 days

**Cost:** EUR 150

**Comments:** BuildCo must present a request for clearance ("*Parere di conformità*") to the provincial fire department. The fire department verifies the conformity of the project to the fire legislation and issues its response within 60 days. Clearance is needed to obtain the building permit. Registered professionals can apply through the fire department website.

The procedure is regulated by a recent reform (Presidential Decree 151/11 of August 1st, 2011—"D.P.R. 151/11"). The reform has introduced a simplified procedure. Building occupancies have been divided into 3 categories with different approval procedures. Category A (low risk, standard) no longer requires clearance by the fire department. For Category B (medium risk) and C (high risk) clearance is still required. The present case is under Category B.

The reform was introduced to conform with the "Small Business Act" adopted by the European Community.

#### Procedure 2\*. Obtain a building permit from the municipal office "Settore Edilizia Privata"

**Time:** 135 days

**Cost:** EUR 35,341 [EUR 16,907.80 for fees related to the 1st type of urbanization costs sustained by the municipality ("*Oneri di urbanizzazione*

*primaria*") + EUR 13,526.24 for fees related to the 2nd type of urbanization costs sustained by the municipality ("*Oneri di urbanizzazione secondaria*") + EUR 4,682.16 for fees related to waste disposal ("*Smaltimento rifiuti*") + EUR 210.00 for administration fees + EUR 14.62 for 1 stamp]

**Comments:** Applications to the city of Padova for building permits must carry a EUR 14.62 stamp and be filed on forms that can be downloaded from the township's website.

As per article 20, paragraph 1, of Presidential Decree 380/2001 on Construction, the following documents must be attached to the application form:

- A copy of the title of ownership of the property for which the building permit is requested;
- A declaration of consistency with the city planning instruments and the building regulations;
- The calculation of the building tax, that can be done online;
- The project and the related documents. These include clearance by the fire department and self-certification on the conformity of the project to health and hygiene rules.

Project documents of electrical and mechanical installations must be filed at the municipality prior to construction.

BuildCo must file all structural projects at the "Settore Edilizia Privata" at the same time as the application for the building permit, or, in any case, before structural construction starts. Required documents include the engineer's certification that his project implements all government enforced Technical Regulations for Construction (Ministry Decree, January 14, 2008) and whatever antiseismic requirements are prescribed by the territorial and town planning instruments. Also included are the geological and geotechnical reports.

Within 120 days from the date in which the application is filed, the municipal agency evaluates the consistency of the project with the regulations. The 120-day term can be interrupted to request modifications to the project, and, within the first 60 days, only once, to request additional documents.

After the 120-day term, within the following 30 days the municipal agency issues the final approval ("*Provvedimento finale*").

Since July 2011, a Decree for development ("*Decreto Sviluppo*") introduced a "silence-is-consent" principle on national scale, meaning that no response by the municipality equals final approval, once the time limit has expired.

The building permit is released after the related fees have been paid.

#### Procedure 3. File the structural projects at the municipal office "Settore Edilizia Privata"

**Time:** 1 day

**Cost:** EUR 15

**Comments:** Before structural construction starts, BuildCo must file all structural projects at the "Settore Edilizia Privata." Together with the filing of the structural project, BuildCo appoints the engineering inspector.

Since Padova is rated as "low seismic," preventive authorization for antiseismic structures is not required.

#### Procedure 4. Hire an independent professional to test the structure

**Time:** 1 day

**Cost:** EUR 6,875

**Comments:** As established by Art. 67 of Presidential Decree 380/2001—on Construction ("*Testo Unico Edilizia*"), BuildCo must hire an independent structural engineering inspector, who is a registered civil engineer (or architect) not directly involved in the project, to make the final tests on completed structures ("*collaudo statico*"). This professional, called "*collaudatore statico*," is appointed at the same time of the deposit of the structural project.

Chapter 9 of the Technical Regulations for Construction ("*Norme Tecniche per le Costruzioni*"—2008) regulates this procedure.

Structural engineering inspection entails the assessment of the behavior and performance of all load-bearing parts of the building. During construction the inspector will control any structural components bound to debar testing after completion. The director of structural works communicates to the "*collaudatore statico*" that the structure has been completed. The "*collaudatore*" has 60 days to make the test. He has to issue a test certificate ("*Certificato di collaudo*") and send it to the municipal office "*Sportello Edilizia Privata*." To issue the certificate, the inspector has to examine:

- The test results for the materials used to build the structure, previously sent to the laboratories by the director of structural works (chapter 11 of the Technical Regulations for Construction). In case of reinforced concrete structures, the tests are done on a minimum of 3 specimens of concrete and 3 of steel.
- The report on completed structures ("*Relazione a strutture ultimate*") that is written by the director of structural works and filed at the municipal office "*Sportello Edilizia Privata*."

#### Procedure 5. File the Certified Notification of Starting Activity ("SCIA") at the fire department

**Time:** 1 day

**Cost:** EUR 216

**Comments:** The Presidential Decree No. 11 of August, 2011 ("D.P.R. 151/11") divides building occupancies into 3 groups with different approval procedures.

For activities of Category B (medium risk), BuildCo files a Certified Notification of Starting Activity ("SCIA") at the fire department. This document is a declaration produced by the company that states the compliance of the building with the fire safety rules. The cost of the procedure depends on the type of construction and activity. A random on-site inspection by the fire department can occur within the following 60 days.

\* This procedure can be completed simultaneously with previous procedures.

### Procedure 6\*. Register the building at the cadastre ("Agenzia del Territorio")

**Time:** 5 days

**Cost:** EUR 159 [EUR 44.00 to obtain the extract digital map + EUR 65.00 to register the building in the land registry ("Catasto Terreni" + EUR 50.00 to register the building in the building registry ("Catasto Fabbricati")]

**Comments:** Art. 25 of Presidential Decree 380/2001—on Construction ("Testo Unico Edilizia") requires BuildCo to register the building at the land and building registry at the agency called "Agenzia del Territorio."

This is preliminary to the obtainment of the occupancy certificate.

The application is carried out by a registered professional.

The registration of a new building entails a 2-step procedure:

a. Updating the Land Registry:

Updating the Land Registry is an online procedure (or, one can also go personally to the local office of the "Agenzia del Territorio") that consists in producing an updated map of the built lot by means of "Pregeo" software. The cost of this procedure is EUR 65.00.

b. Updating the Buildings Registry:

Once the Land Registry is updated, the Buildings Registry must be updated as well. The new building must be notified by a registered professional by means of a standard procedure called "DOCFA," that can be filed on line or at the local Land Registry Office, within 30 days after completion of the building's windows. This procedure costs EUR 50.00 for each real estate unit. The filing procedure also determines the taxable revenue value of the property, which is a necessary reference for tax returns and ownership changes.

The Buildings Registry Office releases a copy of the documents and a filing certificate at the end of the same update session.

After registering, the land registry office has 1 year to verify the classification attributed by the professional to the building.

The "Agenzia del Territorio" (the government revenue agency for taxing real estate property) provides complete procedure information to registered professionals at its website ("Sister" platform).

### Procedure 7. Apply for the occupancy certificate ("Certificato di agibilità") at the municipal office "Settore edilizia privata"

**Time:** 30 days

**Cost:** EUR 75 [EUR 14.62 for 1 stamp + 60.00 for administration fees]

**Comments:** The request for an occupancy certificate must be filed at the municipal office "Settore Edilizia Privata" within 15 days from completion of construction. The municipal office has 30 days from the date of filing to issue the occupancy certificate, after which the silence-is-consent formula is applied. The 30-day term can be interrupted to request modifications to the

project and, within the first 15 days, only once, to request additional documents.

Filed requests are randomly selected for further control.

The application must include, as attachments: the land registry documentation; installation certificates; the structure certificate; the declaration of conformity to the approved project, to the draining of the walls, and to healthy environments; the declaration of conformity of works to existing legislation on accessibility and on elimination of architectural barriers; the energy performance certification finalized to the containment of fuel consumption.

### Procedure 8. Receive on-site inspection by the fire department

**Time:** 1 day

**Cost:** No cost

**Comments:** Once the SCIA is filed, a random on-site inspection by the fire department can occur within the following 60 days.

### Procedure 9\*. Apply for water and sewerage connection at Gruppo AcegasAps

**Time:** 1 day

**Cost:** No cost

**Comments:** BuildCo should contact the water authority to obtain the water and sewerage connection.

### Procedure 10\*. Receive an on-site inspection and an estimate of installation costs by Gruppo AcegasAps

**Time:** 1 day

**Cost:** No cost

**Comments:** The inspection is necessary to estimate the cost of the connection works.

### Procedure 11\*. Obtain water and sewerage installation from Gruppo AcegasAps

**Time:** 53 days

**Cost:** EUR 3,720

**Comments:** Once the estimates are accepted by the client, connection works are carried.

### Procedure 12\*. Obtain a telephone connection by Telecom Italia S.p.a.

**Time:** 15 days

**Cost:** EUR 480

**Comments:** The company should contact the telecommunication provider to obtain a telephone connection.

#### DEALING WITH CONSTRUCTION PERMITS

##### Palermo

Warehouse value: EUR 1,040,000

(US\$ 1,446,663)

Data as of: June 2012

### Procedure 1. Obtain clearance by the Fire Department fire department

**Time:** 60 days

**Cost:** EUR 150

**Comments:** BuildCo must present a request for clearance ("Parere di conformità") to the provincial fire department. The fire department verifies the conformity of the project to the fire legislation and issues its response within 60 days. Clearance is needed to obtain the building permit. Registered professionals can apply through the fire department website.

The procedure is regulated by a recent reform (Presidential Decree 151/11 of August 1st, 2011—"D.P.R. 151/11"). The reform has introduced a simplified procedure. Building occupancies have been divided into 3 categories with different approval procedures. Category A (low risk, standard) no longer requires clearance by the fire department. For Category B (medium risk) and C (high risk) clearance is still required. The present case is under Category B.

The reform was introduced to conform with the "Small Business Act" adopted by the European Community.

### Procedure 2\*. Obtain clearance by the public health agency

**Time:** 45 days

**Cost:** EUR 160

**Comments:** As per the requirements of article 20, paragraph 1, of Presidential Decree 380/2001—on Construction ("Testo Unico Edilizia"), in order to obtain a building permit it is necessary to obtain clearance from the public health agency.

### Procedure 3\*. Obtain a building permit from the municipal office "Sportello Unico Edilizia Privata"

**Time:** 200 days

**Cost:** EUR 13,827 [EUR 14.76 for each square meter (14.76\*929= EUR 13,712.04) for the fees related to the building permit + EUR 100.00 for administrative fees + EUR 14.62 for stamp].

**Comments:** Applications to the city of Palermo for building permits must carry a EUR 14.62 stamp and be filed on forms that can be downloaded from the township's website.

As per article 20, paragraph 1, of Presidential Decree 380/2001 on Construction, the following documents must be attached to the application form:

- A copy of the title of ownership of the property for which the building permit is requested;
- A declaration of consistency with the city planning instruments and the building regulations;
- The calculation of the building tax;
- The project and the related documents, including clearance by the fire department and the public health agency.

Project documents of electrical and mechanical installations must be filed at the municipality (office for building procedures "Sportello Unico Edilizia Privata" prior to construction).

Within 120 days from the date in which the application is filed, the municipal Agency evaluates the consistency of the project with the regulations. The 120-day term can be interrupted to request modifications to the project, and, within the first 60 days, only once, to request additional documents.

\* This procedure can be completed simultaneously with previous procedures.

After the 120-day term, within the following 30 days the municipal Agency issues the final approval ("*Provvedimento finale*").

Since July 2011, a Decree for development ("*Decreto Sviluppo*") introduced a "silence-is-consent" principle on national scale, meaning that no response by the municipality equals final approval, once the time limit has expired.

The building permit is released after the related fees have been paid.

#### **Procedure 4. File the structural project at the regional office "Genio Civile"**

**Time:** 1 day

**Cost:** EUR 329 [EUR 300.00 for administration fees + EUR 29.29 for 2 stamps]

**Comments:** As per article 94, paragraph 1, of Presidential Decree 380/2001—on Construction ("*Testo Unico Edilizia*"), in places subject to seismic risk the structural project must be filed with the regional office before starting construction.

This procedure is regulated by national and regional laws. The Sicilian Regional Law 7/2003 states that after the filing of the structural project, construction can start, with no need of waiting for a formal authorization. The authorization is issued within 60 days from the filing. In the meantime, all the responsibility for the structural works are on the professional who signed the project.

The structural project has to be filed once the building permit is obtained. Together with the filing of the structural project, BuildCo appoints the engineering inspector.

#### **Procedure 5. Hire an independent professional to test the structure**

**Time:** 1 day

**Cost:** EUR 6,000

**Comments:** As established by Art. 67 of Presidential Decree 380/2001—on Construction ("*Testo Unico Edilizia*"), BuildCo must hire an independent structural engineering inspector, who is a registered civil engineer (or architect) not directly involved in the project, to make the final tests on completed structures ("*collaudo statico*"). This professional, called "*collaudatore statico*," is appointed at the same time of the deposit of the structural project.

Chapter 9 of the Technical Regulations for Construction ("*Norme Tecniche per le Costruzioni*"—2008) regulates this procedure.

Structural engineering inspection entails the assessment of the behavior and performance of all load-bearing parts of the building. During construction the inspector will control any structural components bound to debar testing after completion. The director of structural works communicates to the "*collaudatore statico*" that the structure has been completed. The "*collaudatore*" has 60 days to make the test. He has to issue a test certificate ("*Certificato di collaudo*") and send it to the regional office "*Genio Civile*." To issue the certificate, the inspector has to examine:

a. The test results for the materials used to build the structure, previously sent to the laboratories by the director of structural works (chapter 11 of the Technical Regulations for Construction). In case of reinforced concrete structures, the

tests are done on a minimum of 3 specimens of concrete and 3 of steel.

b. The report on completed structures ("*Relazione a strutture ultimate*") that is written by the director of structural works and filed at the regional office "*Genio Civile*."

#### **Procedure 6. File the Certified Notification of Starting Activity ("SCIA") at the fire department**

**Time:** 1 day

**Cost:** EUR 216

**Comments:** The Presidential Decree No. 11 of August, 2011 ("D.P.R. 151/11") divides building occupancies into 3 groups with different approval procedures.

For activities of Category B (medium risk), BuildCo files a Certified Notification of Starting Activity ("SCIA") at the fire department. This document is a declaration produced by the company that states the compliance of the building with the fire safety rules. The cost of the procedure depends on the type of construction and activity. A random on-site inspection by the fire department can occur within the following 60 days.

#### **Procedure 7\*. Register the building at the cadastre ("Agenzia del Territorio")**

**Time:** 5 days

**Cost:** EUR 159 [EUR 44.00 to obtain the extract digital map + EUR 65.00 to register the building in the land registry ("*Catasto Terreni*") + EUR 50.00 to register the building in the building registry ("*Catasto Fabbricati*")]

**Comments:** Art. 25 of Presidential Decree 380/2001—on Construction ("*Testo Unico Edilizia*") requires BuildCo to register the building at the land and building registry at the agency called "*Agenzia del Territorio*." This is preliminary to the obtainment of the occupancy certificate. The application is carried out by a registered professional.

The registration of a new building entails a 2-step procedure:

a. Updating the Land Registry:

Updating the Land Registry is an online procedure (or, one can also go personally to the local office of the "*Agenzia del Territorio*") that consists in producing an updated map of the built lot by means of "Pregeo" software. The cost of this procedure is EUR 65.00.

b. Updating the Buildings Registry:

Once the Land Registry is updated, the Buildings Registry must be updated as well. The new building must be notified by a registered professional by means of a standard procedure called "DOCFA," that can be filed on line or at the local Land Registry Office, within 30 days after completion of the building's windows. This procedure costs EUR 50.00 for each real estate unit. The filing procedure also determines the taxable revenue value of the property, which is a necessary reference for tax returns and ownership changes.

The Buildings Registry Office releases a copy of the documents and a filing certificate at the end of the same update session.

After registering, the land registry office has 1 year to verify the classification attributed by the professional to the building.

The "*Agenzia del Territorio*" (the government revenue agency for taxing real estate property) provides complete procedure information to registered professionals at its website ("*Sister*" platform).

#### **Procedure 8. Apply for the occupancy certificate ("Certificato di agibilità") at the municipal office "Sportello Unico Edilizia Privata"**

**Time:** 30 days

**Cost:** EUR 45 [EUR 30.00 for administration fees + EUR 14.62 for 1 stamp]

**Comments:** The request for an occupancy certificate must be filed at the municipal office "*Sportello Unico Edilizia Privata*" within 15 days from completion of construction. The municipal office has 30 days from the date of filing to issue the occupancy certificate, after which the "silence-is-consent" formula is applied. The 30-day term can be interrupted to request modifications to the project and, within the first 15 days, only once, to request additional documents.

The application must include, as attachments: the land registry documentation; installation certificates; the structure certificate; the declaration of conformity to the approved project, to the draining of the walls, and to healthy environments; the declaration of conformity of works to existing legislation on accessibility and on elimination of architectural barriers; the energy performance certification finalized to the containment of fuel consumption.

#### **Procedure 9. Receive on-site inspection by the fire department**

**Time:** 1 day

**Cost:** No cost

**Comments:** Once the SCIA is filed, a random on-site inspection by the fire department can occur within the following 60 days.

#### **Procedure 10\*. Apply for water connection at AMAP**

**Time:** 1 day

**Cost:** No cost

**Comments:** BuildCo should contact the water authority to obtain the water and sewerage connection.

#### **Procedure 11\*. Apply for sewerage connection at the municipal office "Sportello Unico Edilizia Privata"**

**Time:** 1 day

**Cost:** EUR 90 [EUR 75.00 for administration cost + EUR 14.62 for 1 stamp]

**Comments:** BuildCo must file an application form with a duty-stamp together with a project for a connection authorization at the city of Palermo. The city of Palermo contacts AMAP, which provides a cost assessment.

\* This procedure can be completed simultaneously with previous procedures.

**Procedure 12\*. Receive an on-site inspection and an estimate of installation costs by AMAP****Time:** 1 day**Cost:** No cost**Comments:** The inspection is necessary to estimate the cost of the connection works.**Procedure 13\*. Obtain water and sewerage installation from AMAP****Time:** 72 days**Cost:** EUR 2,000**Comments:** Once the estimates are accepted by the client, connection works are carried out at the pace of 1 connection per day.**Procedure 14\*. Obtain a telephone connection by Telecom Italia S.p.a.****Time:** 15 days**Cost:** EUR 150**Comments:** The company should contact the telecommunication provider to obtain a telephone connection.

## DEALING WITH CONSTRUCTION PERMITS

**Potenza**Warehouse value: EUR 1,040,000 (US\$ 1,446,663)  
Data as of: June 2012**Procedure 1. Obtain clearance by the fire department****Time:** 60 days**Cost:** EUR 150**Comments:** BuildCo must present a request for clearance ("*Parere di conformità*") to the provincial fire department. The fire department verifies the conformity of the project to the fire legislation and issues its response within 60 days. Clearance is needed to obtain the building permit. Registered professionals can apply through the fire department website.

The procedure is regulated by a recent reform (Presidential Decree 151/11 of August 1st, 2011—"D.P.R. 151/11"). The reform has introduced a simplified procedure. Building occupancies have been divided into 3 categories with different approval procedures. Category A (low risk, standard) no longer requires clearance by the fire department. For Category B (medium risk) and C (high risk) clearance is still required. The present case is under Category B.

The reform was introduced to conform with the "Small Business Act" adopted by the European Community.

**Procedure 2\*. Obtain clearance by the public health agency****Time:** 30 days**Cost:** EUR 200**Comments:** As per the requirements of article 20, paragraph 1, of Presidential Decree 380/2001—on Construction ("*Testo Unico Edilizia*"), in order to obtain a building permit it is necessary to obtain clearance from the public health agency.**Procedure 3\*. Obtain a building permit from the municipal office "Sportello Unico per l'Edilizia"****Time:** 75 days**Cost:** EUR 179,977 [EUR 1,000.00 for administration fees + EUR 14.62 for 1 stamp + EUR 178,962.56 for fees related to the urbanization costs sustained by the municipality ("*Oneri di urbanizzazione primaria e secondaria*") and fees related to waste disposal ("*Smaltimento rifiuti*"). These fees are calculated on the basis of the square meters of the construction. The cost is EUR 137.60 for each square meter. Therefore:  $1,300.60 \times 137.60 = \text{EUR } 178,962.56$ ]**Comments:** Applications to the city of Potenza for building permits must carry a EUR 14.62 stamp.

As per article 20, paragraph 1, of Presidential Decree 380/2001 on Construction, the following documents must be attached to the application form:

- A copy of the title of ownership of the property for which the building permit is requested;
- A declaration of consistency with the city planning instruments and the building regulations;
- The calculation of the building tax;
- The project and the related documents, including clearance by the fire department and the public health agency.

To obtain the building permit BuildCo has to present the structural project to the regional office for seismic authorization.

For the obtaining of building permits, the national law sets shorter terms for cities with less than 100,000 inhabitants, like Potenza.

Within 60 days from the date in which the application is filed, the municipal office evaluates the consistency of the project with the regulations. The 60-day term can be interrupted to request modifications to the project and, within the first 30 days, only once, to request additional documents.

After the 60-day term, within the following 30 days the municipal office issues the final approval ("*Provvedimento finale*").Since July 2011, a Decree for development ("*Decreto Sviluppo*") introduced a "silence-is-consent" principle on national scale, meaning that no response by the municipality equals final approval, once the time limit has expired.Project documents of electrical and mechanical installations must be filed at the municipality (office for building procedures "*Sportello Unico per l'Edilizia*") prior to construction.

The building permit is released after the related fees have been paid.

**Procedure 4\*. File the structural project at the regional office "Dipartimento Infrastrutture e Opere Pubbliche"****Time:** 30 days**Cost:** EUR 15**Comments:** As per article 94, paragraph 1, of Presidential Decree 380/2001—on Construction ("*Testo Unico Edilizia*"), in places subject to seismic risk the structural project must be filedwith the regional office "*Dipartimento Infrastrutture e Opere Pubbliche*" before starting construction.

This procedure is regulated by national and regional laws. In Potenza it has to be filed prior to obtaining the building permit.

Together with the filing of the structural project, BuildCo appoints the engineering inspector.

**Procedure 5. Hire an independent professional to test the structure****Time:** 1 day**Cost:** EUR 4,000**Comments:** As established by Art. 67 of Presidential Decree 380/2001—on Construction ("*Testo Unico Edilizia*"), BuildCo must hire an independent structural engineering inspector, who is a registered civil engineer (or architect) not directly involved in the project, to make the final tests on completed structures ("*collaudo statico*"). This professional, called "*collaudatore statico*," is appointed at the same time of the deposit of the structural project.Chapter 9 of the Technical Regulations for Construction ("*Norme Tecniche per le Costruzioni*"—2008) regulates this procedure.Structural engineering inspection entails the assessment of the behavior and performance of all load-bearing parts of the building. During construction the inspector will control any structural components bound to debar testing after completion. The director of structural works communicates to the "collaudatore statico" that the structure has been completed. The "collaudatore" has 60 days to make the test. He has to issue a test certificate ("*Certificato di collaudo*") and send it to the regional office "*Dipartimento Infrastrutture e Opere Pubbliche*" and to the municipality. To issue the certificate, the inspector has to examine:

- The test results for the materials used to build the structure, previously sent to the laboratories by the director of structural works (chapter 11 of the Technical Regulations for Construction). In case of reinforced concrete structures, the tests are done on a minimum of 3 specimens of concrete and 3 of steel.
- The report on completed structures ("*Relazione a strutture ultimate*") that is written by the director of structural works and filed both at the regional office and the municipality.

**Procedure 6. File the Certified Notification of Starting Activity ("SCIA") at the fire department****Time:** 1 day**Cost:** EUR 216**Comments:** The Presidential Decree No. 11 of August, 2011 ("D.P.R. 151/11") divides building occupancies into 3 groups with different approval procedures.

For activities of Category B (medium risk), BuildCo files a Certified Notification of Starting Activity ("SCIA") at the fire department. This document is a declaration produced by the company that states the compliance of the building with the fire safety rules. The cost of the

\* This procedure can be completed simultaneously with previous procedures.



procedure depends on the type of construction and activity. A random on-site inspection by the fire department can occur within the following 60 days.

### Procedure 7\*. Register the building at the cadastre ("Agenzia del Territorio")

**Time:** 5 days

**Cost:** EUR 159 [EUR 44.00 to obtain the extract digital map + 65.00 to register the building in the land registry ("Catasto Terreni") + EUR 50.00 to register the building in the building registry ("Catasto Fabbricati")]

**Comments:** Art. 25 of Presidential Decree 380/2001—on Construction ("Testo Unico Edilizia") requires BuildCo to register the building at the land and building registry at the agency called "Agenzia del Territorio."

This is preliminary to the obtaining of the occupancy certificate.

The application is carried out by a registered professional.

The registration of a new building entails a 2-step procedure:

a. Updating the Land Registry:

Updating the Land Registry is an online procedure (or, one can also go personally to the local office of the "Agenzia del Territorio") that consists in producing an updated map of the built lot by means of "Pregeo" software. The cost of this procedure is EUR 65.00.

b. Updating the Buildings Registry:

Once the Land Registry is updated, the Buildings Registry must be updated as well. The new building must be notified by a registered professional by means of a standard procedure called "DOCFA," that can be filed on line or at the local Land Registry Office, within 30 days after completion of the building's windows. This procedure costs EUR 50.00 for each real estate unit. The filing procedure also determines the taxable revenue value of the property, which is a necessary reference for tax returns and ownership changes.

The Buildings Registry Office releases a copy of the documents and a filing certificate at the end of the same update session.

After registering, the land registry office has 1 year to verify the classification attributed by the professional to the building.

The "Agenzia del Territorio" (the government revenue agency for taxing real estate property) provides complete procedure information to registered professionals at its website ("Sister" platform).

### Procedure 8. Apply for the occupancy certificate ("Certificato di agibilità") at the municipal office "Sportello Unico per l'Edilizia"

**Time:** 30 days

**Cost:** EUR 45 [EUR 30.00 for administration fees + EUR 14.62 for 1 stamp]

**Comments:** The request for an occupancy certificate must be filed at the municipal office "Sportello Unico per l'Edilizia" within 15 days from completion of construction. The municipal office has 30 days from the date of filing to issue the

occupancy certificate, after which the silence-is-consent formula is applied. The 30-day term can be interrupted to request modifications to the project and, within the first 15 days, only once, to request additional documents.

Filed requests are randomly selected for further control.

The application must include, as attachments: the land registry documentation; installation certificates; the structure certificate; the declaration of conformity to the approved project, to the draining of the walls, and to healthy environments; the declaration of conformity of works to existing legislation on accessibility and on elimination of architectural barriers; the energy performance certification finalized to the containment of fuel consumption.

### Procedure 9. Receive on-site inspection by the fire department

**Time:** 1 day

**Cost:** No cost

**Comments:** Once the SCIA is filed, a random on-site inspection by the fire department can occur within the following 60 days.

### Procedure 10\*. Apply for water and sewerage connection at Acquedotto Lucano S.p.a.

**Time:** 1 day

**Cost:** EUR 30

**Comments:** BuildCo should contact the water authority to obtain the water and sewerage connection.

### Procedure 11\*. Apply for authorization to the excavation works at the municipality ("Ufficio Viabilità")

**Time:** 1 day

**Cost:** EUR 61

**Comments:** BuildCo must also apply to the municipality to have the authorization for the excavation work.

### Procedure 12\*. Receive an on-site inspection and an estimate of installation costs by Acquedotto Lucano S.p.a.

**Time:** 1 day

**Cost:** No cost

**Comments:** The inspection is necessary to estimate the cost of the connection works.

### Procedure 13\*. Obtain water and sewerage installation from Acquedotto Lucano S.p.a.

**Time:** 90 days

**Cost:** EUR 2,000

**Comments:** Once the estimates are accepted by the client, connection works are carried.

### Procedure 14\*. Obtain a telephone connection by Telecom Italia S.p.a.

**Time:** 30 days

**Cost:** EUR 450

**Comments:** The company should contact the telecommunication provider to obtain a telephone connection.

## DEALING WITH CONSTRUCTION PERMITS

### Rome

Warehouse value: EUR 1,040,000 (US\$ 1,446,663)  
Data as of: June 2012

### Procedure 1. Obtain nulla osta from the Regional Technical Office ("Genio Civile")

**Time:** 30 days

**Cost:** EUR 1,275 [EUR 90 for application fees ("diritti di segreteria") + EUR 14.62 for 1 stamp + EUR 1,170 for the examination and filing of a project for a 3,900 cubic meters warehouse]

**Comments:** The request for a building permit along with the technical details of the construction project must be preliminary filed with the one-stop shop (i.e. *Sportello Unico dell'Edilizia*). Then the *Sportello Unico dell'Edilizia* transmits the request and all the technical documentation to the *Genio Civile* where the internal control committee provides for checking the compliance of the project with the technical provisions set forth by the competent administration.

On March 6, 2008 the specific technical provisions were amended by the Ministry Decree no. 29581 of January 14, 2008.

The Regional Office "Genio Civile" gives the seismic authorization. This authorization is mandatory for the Building Permit to be valid.

Structural projects are randomly selected for control in the first ten days of the month following application. Projects that are not selected are automatically authorized. However, the applicant must wait until a formal letter of seismic approval is received. The letter arrives approximately within two weeks.

### Procedure 2. Obtain building permit

**Time:** 135 days

**Cost:** EUR 38,661 [EUR 1,000 for the application + EUR 150 for the project clearance from the fire department + EUR 600 for the project clearance from the public health agency. Building permit fee (primary + secondary urbanization) = EUR 36,911.35]

**Comments:** The application for a building permit is filed with the *Sportello Unico dell'Edilizia (SUAP)*. The company must file proof of title of ownership to the property for which the building permit is requested, as well as the project design drawings signed by an engineer or an architect, including the drawings relating to electric utilities, air conditioning systems, and fire protection devices. The *SUAP* will also request project clearance from the Fire Department and from the Public Health Agency. Within 120 days from the date in which the application is filed, the municipal agency evaluates the consistency of the project with the regulations. The 120-day term can be interrupted to request modifications to the project, and, within the first 60 days, only once, to request additional documents. After the 120-day term, within the following 30 days the municipal agency issues the final approval ("*Provvedimento finale*").

The fees for the issuance of the building permit are calculated based on the building value and on the urbanization costs sustained by the

\* This procedure can be completed simultaneously with previous procedures.

municipality. The fee based on building value must be paid no later than 60 days after the completion of the building; the fee based on urbanization costs must be paid upon issuance of the building permit.

Since July 2011, a Decree for Development ("Decreto Sviluppo") introduced a "silence-is-consent" principle on national scale, meaning that no response by the municipality equals final approval, once the time limit has expired.

### Procedure 3. Hire an independent professional to test the structure

**Time:** 1 day

**Cost:** EUR 6,000

**Comments:** The structure tests must be performed by an engineer or an architect who was not directly involved in the project. In addition to the final test on completed structures, the work site director must provide test results for the structural material used to build the structure. In the case of reinforced concrete, the testing must be done on three samples taken on each day that concrete is poured and on one sample for each steel per file used in the structure. The testing is based on per files traction and compression resistance and must be done by an authorized testing lab.

### Procedure 4. File Certified Notification of Starting Activity ("SCIA")

**Time:** 1 day

**Cost:** EUR 216

**Comments:** A Certified Notification of Starting Activity ("SCIA") is a declaration produced by the company that the building is in compliance with all fire safety regulations. For a warehouse containing books, the cost will be EUR 216.00 as per the D.P.R. 151/11 (Presidential Decree 151/11 of August 1, 2011. See activity No. 34.1.B for warehouses containing books).

### Procedure 5\*. Register the building

**Time:** 5 days

**Cost:** EUR 159 [EUR 44 to obtain the extract digital map + EUR 65 to register the building in the land registry ("Catasto Terreni") + EUR 50 to register the building in the building registry ("Catasto Fabbricati")]

**Comments:** Art. 25 of Presidential Decree 380/2001—on Construction ("Testo Unico Edilizia") requires BuildCo to register the building at the land and building registry at the agency called "Agenzia del Territorio." This is preliminary to the obtainment of the occupancy certificate. The application is carried out by a registered professional.

The registration of a new building entails a 2-step procedure:

a. Updating the Land Registry:

Updating the Land Registry is an online procedure (or, one can also go personally to the local office of the "Agenzia del Territorio") that consists in producing an updated map of the built lot by means of "Pregeo" software. The cost of this procedure is EUR 65.

b. Updating the Buildings Registry:

Once the Land Registry is updated, the Buildings Registry must be updated as well. The new

building must be notified by a registered professional by means of a standard procedure called "DOCFA," that can be filed on line or at the local Land Registry Office, within 30 days after completion of the building's windows. This procedure costs EUR 50 for each real estate unit. The filing procedure also determines the taxable revenue value of the property, which is a necessary reference for tax returns and ownership changes.

The Buildings Registry Office releases a copy of the documents and a filing certificate at the end of the same update session.

After registering, the land registry office has 1 year to verify the classification attributed by the professional to the building.

The "Agenzia del Territorio" (the government revenue agency for taxing real estate property) provides complete procedure information to registered professionals at its website ("Sister" platform).

### Procedure 6. Obtain occupancy certificate

**Time:** 30 days

**Cost:** EUR 468 [Municipal decision n. 68 of 28 July 2010, the fee will be equal to:

—EUR 0.20/cubic meter for building with a cubature up to 1,000 cubic meters;

—EUR 0.15/cubic meter for building with a cubature higher than 1,000 cubic meters and up to 2,000 cubic meters;

—EUR 0.12/cubic meter for building with a cubature higher than 2,000 cubic meters and up to 5,000 cubic meters;

—EUR 0.10/cubic meter for building with a cubature higher than 5,000 cubic meters and up to 20,000 cubic meters; and

—EUR 0.08/cubic meter for building with a cubature higher than 20,000 cubic meters.]

**Comments:** Within 15 days of the building's completion, the builder should file with the Municipal Agency an application for an occupancy certificate.

### Procedure 7. Receive on-site inspection by the fire department

**Time:** 1 day

**Cost:** No cost

**Comments:** Once the SCIA is filed, a random on-site inspection by the fire department can occur within the following 60 days.

### Procedure 8\*. Apply for water and sewerage connection

**Time:** 1 day

**Cost:** No cost

**Comments:** The company should contact the water authority to obtain the water and sewerage connection.

### Procedure 9. Receive on-site inspection and estimation of water and sewerage installation costs

**Time:** 1 day

**Cost:** No cost

**Comments:** The inspection is necessary to estimate the cost of the connection works.

### Procedure 10\*. Obtain water and sewerage installation

**Time:** 29 days

**Cost:** EUR 600

**Comments:** Once the estimates are accepted by the client, connection works are carried out.

### Procedure 11\*. Obtain telephone connection

**Time:** 15 days

**Cost:** EUR 200

**Comments:** The company should contact the telecommunication provider to obtain a telephone connection.

## DEALING WITH CONSTRUCTION PERMITS

### Turin

Warehouse value: EUR 1,040,000 (US\$ 1,446,663)  
Data as of: June 2012

### Procedure 1. Obtain clearance by the fire department

**Time:** 60 days

**Cost:** EUR 150

**Comments:** BuildCo must present a request for clearance ("Parere di conformità") to the provincial fire department. The fire department verifies the conformity of the project to the fire legislation and issues its response within 60 days. Clearance is needed to obtain the building permit. Registered professionals can apply through the fire department website.

The procedure is regulated by a recent reform (Presidential Decree 151/11 of August 1st, 2011—"D.P.R. 151/11"). The reform has introduced a simplified procedure. Building occupancies have been divided into 3 categories with different approval procedures. Category A (low risk, standard) no longer requires clearance by the fire department. For Category B (medium risk) and C (high risk) clearance is still required. The present case is under Category B.

The reform was introduced to conform with the "Small Business Act" adopted by the European Community.

### Procedure 2\*. Obtain clearance by the public health agency

**Time:** 30 days

**Cost:** EUR 300

**Comments:** As per the requirements of article 20, paragraph 1, of Presidential Decree 380/2001—on Construction ("Testo Unico Edilizia"), in order to obtain a building permit it is necessary to obtain clearance from the public health agency.

### Procedure 3\*. Obtain a building permit from the municipal office "Sportello per l'Edilizia"

**Time:** 120 days

**Cost:** EUR 74,029 [EUR 72,465 for fees related to waste disposal ("Smaltimento rifiuti") and fees related to the urbanization costs sustained by the municipality ("Oneri di urbanizzazione primaria e secondaria") + EUR 1,549.60 for administration fees + EUR 14.62 for 1 stamp]

\* This procedure can be completed simultaneously with previous procedures.

**Comments:** Applications to the city of Torino for building permits must carry a EUR 14.62 stamp and be filed on forms that can be downloaded from the township's website.

As per article 20, paragraph 1, of Presidential Decree 380/2001 on Construction, the following documents must be attached to the application form:

- a. A copy of the title of ownership of the property for which the building permit is requested;
- b. A declaration of consistency with the city planning instruments and the building regulations;
- c. The calculation of the building tax, that can be done online;
- d. The project and the related documents, including clearance by the fire department and the public health agency.

A form with a statement on the project of electrical and mechanical installations ("*Dichiarazione di progetto impianti*") must also be filed at the municipality.

Within 120 days from the date in which the application is filed, the municipal Agency evaluates the consistency of the project with the regulations. The 120-day term can be interrupted to request modifications to the project, and, within the first 60 days, only once, to request additional documents.

After the 120-day term, within the following 30 days the municipal agency issues the final approval ("*Provvedimento finale*").

Since July 2011, a Decree for development ("*Decreto Sviluppo*") introduced a "silence-is-consent" principle on national scale, meaning that no response by the municipality equals final approval, once the time limit has expired.

The building permit is released after the related fees have been paid.

#### **Procedure 4. File the structural projects at the municipal office "Sportello per l'Edilizia"**

**Time:** 1 day

**Cost:** EUR 39 [EUR 10.00 for administration fees + 29.24 for 2 stamps]

**Comments:** Before structural construction starts, BuildCo must file all structural projects at the "Sportello per l'Edilizia." Together with the filing of the structural project, BuildCo appoints the engineering inspector.

Since Torino is rated as "low seismic," preventive authorization for antiseismic structures is not required.

The filed projects are subjected to random inspections.

#### **Procedure 5. Hire an independent professional to test the structure**

**Time:** 1 day

**Cost:** EUR 5,000

**Comments:** As established by Art. 67 of Presidential Decree 380/2001—on Construction ("*Testo Unico Edilizia*"), BuildCo must hire an independent structural engineering inspector, who is a registered civil engineer (or architect) not directly involved in the project, to make the final tests on completed structures ("*collaudo statico*"). This professional, called "*collaudatore statico*," is

appointed at the same time of the deposit of the structural project.

Chapter 9 of the Technical Regulations for Construction ("*Norme Tecniche per le Costruzioni*")—2008) regulates this procedure.

Structural engineering inspection entails the assessment of the behavior and performance of all load-bearing parts of the building. During construction the inspector will control any structural components bound to debar testing after completion. The director of structural works communicates to the "*collaudatore statico*" that the structure has been completed. The "*collaudatore*" has 60 days to make the test. He has to issue a test certificate ("*Certificato di collaudo*") and send it to the municipal office "*Sportello per l'Edilizia*." To issue the certificate, the inspector has to examine:

- a. The test results for the materials used to build the structure, previously sent to the laboratories by the director of structural works (chapter 11 of the Technical Regulations for Construction). In case of reinforced concrete structures, the tests are done on a minimum of 3 specimens of concrete and 3 of steel.

- b. The report on completed structures ("*Relazione a strutture ultimate*") that is written by the director of structural works and filed at the municipal office "*Sportello per l'Edilizia*."

#### **Procedure 6. File the Certified Notification of Starting Activity ("SCIA") at the fire department**

**Time:** 1 day

**Cost:** EUR 216

**Comments:** The Presidential Decree No. 11 of August, 2011 ("D.P.R. 151/11") divides building occupancies into 3 groups with different approval procedures.

For activities of Category B (medium risk), BuildCo files a Certified Notification of Starting Activity ("SCIA") at the fire department. This document is a declaration produced by the company that states the compliance of the building with the fire safety rules. The cost of the procedure depends on the type of construction and activity. A random on-site inspection by the fire department can occur within the following 60 days.

#### **Procedure 7\*. Register the building at the cadastre ("Agenzia del Territorio")**

**Time:** 5 days

**Cost:** EUR 159 [EUR 44.00 to obtain the extract digital map + EUR 65.00 to register the building in the land registry ("*Catasto Terreni*") + EUR 50.00 to register the building in the building registry ("*Catasto Fabbricati*")]

**Comments:** Art. 25 of Presidential Decree 380/2001—on Construction ("*Testo Unico Edilizia*") requires BuildCo to register the building at the land and building registry at the agency called "*Agenzia del Territorio*." This is preliminary to the obtainment of the occupancy certificate. The application is carried out by a registered professional.

The registration of a new building entails a 2-step procedure:

- a. Updating the Land Registry:

Updating the Land Registry is an online procedure (or, one can also go personally to the local office of the "*Agenzia del Territorio*") that consists in producing an updated map of the built lot by means of "Pregeo" software. The cost of this procedure is EUR 65.00.

- b. Updating the Buildings Registry:

Once the Land Registry is updated, the Buildings Registry must be updated as well. The new building must be notified by a registered professional by means of a standard procedure called "DOCFA," that can be filed on line or at the local Land Registry Office, within 30 days after completion of the building's windows. This procedure costs EUR 50.00 for each real estate unit. The filing procedure also determines the taxable revenue value of the property, which is a necessary reference for tax returns and ownership changes.

The Buildings Registry Office releases a copy of the documents and a filing certificate at the end of the same update session.

After registering, the land registry office has 1 year to verify the classification attributed by the professional to the building.

The "*Agenzia del Territorio*" (the government revenue agency for taxing real estate property) provides complete procedure information to registered professionals at its website ("*Sister*" platform).

#### **Procedure 8. Apply for the occupancy certificate ("Certificato di agibilità") at the municipal office "Sportello per l'Edilizia"**

**Time:** 30 days

**Cost:** EUR 170 [EUR 154.95 for administration fees + EUR 14.62 for 1 stamp]

**Comments:** The request for an occupancy certificate must be filed at the municipal office "*Sportello per l'Edilizia*" within 15 days from completion of construction. The municipal office has 30 days from the date of filing to issue the occupancy certificate, after which the "silence-is-consent" formula is applied. The 30-day term can be interrupted to request modifications to the project and, within the first 15 days, only once, to request additional documents.

Filed requests are randomly selected for further control.

The application must include, as attachments: the land registry documentation; installation certificates; the structure certificate: the declaration of conformity to the approved project, to the draining of the walls, and to healthy environments; the declaration of conformity of works to existing legislation on accessibility and on elimination of architectural barriers; the energy performance certification finalized to the containment of fuel consumption.

#### **Procedure 9. Receive on-site inspection by the fire department**

**Time:** 1 day

**Cost:** No cost

**Comments:** Once the SCIA is filed, a random on-site inspection by the fire department can occur within the following 60 days.

\* This procedure can be completed simultaneously with previous procedures.



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**Procedure 10\*. Apply for water and sewerage connection at SMAT****Time:** 1 day**Cost:** No cost**Comments:** BuildCo should contact the water authority to obtain the water and sewerage connection.

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**Procedure 11\*. Receive an on-site inspection and an estimate of installation costs by SMAT****Time:** 1 day**Cost:** No cost**Comments:** The inspection is necessary to estimate the cost of the connection works.

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**Procedure 12\*. Obtain water and sewerage installation from SMAT****Time:** 35 days**Cost:** EUR 800**Comments:** Once the estimates are accepted by the client, connection works are carried.

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**Procedure 13\*. Obtain a telephone connection by Telecom Italia S.p.a.****Time:** 15 days**Cost:** EUR 150**Comments:** The company should contact the telecommunication provider to obtain a telephone connection.

## LIST OF PROCEDURES

## REGISTERING PROPERTY

## Bari

Property value: EUR 1,291,541 (US\$ 1,766,500)  
Data as of: June 2012

### Procedure 1. Obtain energy certificate (Attestato di Certificazione Energetica, ACE)

**Time:** 5 days

**Cost:** EUR 250

**Comments:** The *Attestato di Certificazione Energetica (ACE)* is a certification containing data regarding efficiency in energy use and it is valid for 10 years. According to art. 13 of Legislative Decree 28/2011, when the property is transferred, the buyers are required to explicitly declare, in a clause of the deed of sale, that they have received information and supporting documentation about energy use; there is no need to attach the documentation itself, a self-certification is enough. The following Regions have enacted Regional Laws requiring a copy of the ACE to be attached, and not just mentioned, in the deed of sale: Emilia-Romagna, Liguria, Lombardy, Piedmont, Friuli Venezia Giulia, Trentino Alto Adige, Valle d'Aosta, and Apulia.

### Procedure 2. A notary public obtains the necessary certificates for the transaction through Notartel; receives payment of all taxes and fees from the parties; and drafts and executes the deed of sale

**Time:** 4 days

**Cost:** EUR 55,744 (EUR 230 for *Imposta di Bollo* + EUR 168 for *Imposta di Registro* + 3% of property value for *Imposta Ipotecaria* + 1% of property value for *Imposta Catastale* + EUR 35 for *Tassa Ipotecaria* + EUR 55 for *Diritti Catastali per Voltura* + Notary costs without VAT)

**Comments:** Through the online platform *Notartel*, the notary carries out the following tasks:

- Checks the ownership status of the property over the past 20 years and whether the property is free of encumbrances (property registry database).
- Obtains the following documents from the cadastral database:
  - Cadastral situation certificate;
  - Planimetry (or, alternatively, cadastral map of the building);
  - Cadastral map for the plot of land.

(Since the *Decreto Legge 78/2010* has been implemented, the parties are required to declare to the notary the conformity of cadastral data and planimetries. The declaration is then mentioned in the deed of sale).
- Connects to the database of the company registry at the local Chamber of Commerce and verifies the existence of the 2 companies and the powers of the signatories.

(Should the by-laws of either company require that a resolution must be adopted by the Board of Directors or by the partners' General Assembly

to authorize the transaction, an extract of such resolution has to be provided to the notary and mentioned in the deed of sale).

Once the above-mentioned tasks have been performed (usually it takes only a few minutes), the notary drafts the deed of sale and executes it with the parties.

### Procedure 3. Register the deed of sale at the tax agency (Agenzia delle Entrate)

**Time:** 1 day

**Cost:** No cost

**Comments:** Within 30 days from the execution of the deed, the notary must file the deed of sale and the transcription note with the tax agency. The procedure is carried out online. Once the registration has taken place, the notary immediately receives a receipt with the date and the number of registration.

### Procedure 4\*. Register the deed of sale at the cadastre and property registry (Agenzia del Territorio)

**Time:** 7 days

**Cost:** No cost

**Comments:** The notary deposits the deed of sale at the property registry. The Italian property registry system is based on the principle of continuity of registrations (*continuità delle registrazioni*). This means that an individual or an entity may sell a property only if the relative deed of purchase has been registered beforehand in the property registry. The registration at the cadastre (*voltura catastale*) happens automatically after the deed of sale has been registered at the property registry.

## REGISTERING PROPERTY

## Bologna

Property value: EUR 1,291,541 (US\$ 1,766,500)  
Data as of: June 2012

### Procedure 1. Obtain energy certificate (Attestato di Certificazione Energetica, ACE)

**Time:** 6 days

**Cost:** EUR 450

**Comments:** The *Attestato di Certificazione Energetica (ACE)* is a certification containing data regarding efficiency in energy use and it is valid for 10 years. According to art. 13 of Legislative Decree 28/2011, when the property is transferred, the buyers are required to explicitly declare, in a clause of the deed of sale, that they have received information and supporting documentation about energy use; there is no need to attach the documentation itself, a self-certification is enough. The following Regions have enacted Regional Laws requiring a copy of the ACE to be attached, and not just mentioned, in the deed of sale: Emilia-Romagna, Liguria, Lombardy, Piedmont, Friuli Venezia Giulia, Trentino Alto Adige, Valle d'Aosta, and Apulia.

### Procedure 2. A notary public obtains the necessary certificates for the transaction through Notartel; receives payment of all taxes and fees from the parties; and drafts and executes the deed of sale

**Time:** 6 days

**Cost:** EUR 56,134 (EUR 230 for *Imposta di Bollo* + EUR 168 for *Imposta di Registro* + 3% of property value for *Imposta Ipotecaria* + 1% of property value for *Imposta Catastale* + EUR 35 for *Tassa Ipotecaria* + EUR 55 for *Diritti Catastali per Voltura* + Notary costs without VAT)

**Comments:** Through the online platform *Notartel*, the notary carries out the following tasks:

- Checks the ownership status of the property over the past 20 years and whether the property is free of encumbrances (property registry database).
- Obtains the following documents from the cadastral database:
  - Cadastral situation certificate;
  - Planimetry (or, alternatively, cadastral map of the building);
  - Cadastral map for the plot of land.

(Since the *Decreto Legge 78/2010* has been implemented, the parties are required to declare to the notary the conformity of cadastral data and planimetries. The declaration is then mentioned in the deed of sale).
- Connects to the database of the company registry at the local Chamber of Commerce and verifies the existence of the 2 companies and the powers of the signatories.

(Should the by-laws of either company require that a resolution must be adopted by the Board of Directors or by the partners' General Assembly to authorize the transaction, an extract of such resolution has to be provided to the notary and mentioned in the deed of sale).

Once the above-mentioned tasks have been performed (usually it takes only a few minutes), the notary drafts the deed of sale and executes it with the parties.

### Procedure 3. Register the deed of sale at the tax agency (Agenzia delle Entrate), at the cadastre and at the property registry (Agenzia del Territorio) through the "Adempimento Unico Telematico"

**Time:** 1 day

**Cost:** No cost

**Comments:** Since December 29, 2010, Bologna allows full-electronic registration of the deed of sale. Through the "*Adempimento Unico Telematico*", the notary can carry out all the steps to register the transfer of property with the tax agency, the property registry and the cadastre at once on-line. The following operations take place through 1 single electronic transmission:

- Taxes are paid to the tax agency through the reverse charge mechanism;
- The deed of sale is registered at the property registry and digitally signed by the *Conservatore* within 24 hours;

\* This procedure can be completed simultaneously with previous procedures.

c. Once the deed of sale has been registered at the property registry, it is automatically registered in the cadastre (*voltura catastale*).

#### REGISTERING PROPERTY

##### Cagliari

Property value: EUR 1,291,541 (US\$ 1,766,500)  
Data as of: June 2012

#### Procedure 1. Obtain energy certificate (Attestato di Certificazione Energetica, ACE)

**Time:** 7 days

**Cost:** EUR 600

**Comments:** The *Attestato di Certificazione Energetica (ACE)* is a certification containing data regarding efficiency in energy use and it is valid for 10 years. According to art. 13 of Legislative Decree 28/2011, when the property is transferred, the buyers are required to explicitly declare, in a clause of the deed of sale, that they have received information and supporting documentation about energy use; there is no need to attach the documentation itself, a self-certification is enough. The following Regions have enacted Regional Laws requiring a copy of the ACE to be attached, and not just mentioned, in the deed of sale: Emilia-Romagna, Liguria, Lombardy, Piedmont, Friuli Venezia Giulia, Trentino Alto Adige, Valle d'Aosta, and Apulia.

#### Procedure 2. A notary public obtains the necessary certificates for the transaction through Notartel; receives payment of all taxes and fees from the parties; and drafts and executes the deed of sale

**Time:** 6 days

**Cost:** EUR 55,846 (EUR 230 for *Imposta di Bollo* + EUR 168 for *Imposta di Registro* + 3% of property value for *Imposta Ipotecaria* + 1% of property value for *Imposta Catastale* + EUR 35 for *Tassa Ipotecaria* + EUR 55 for *Diritti Catastali per Voltura* + Notary costs without VAT)

**Comments:** Through the online platform *Notartel*, the notary carries out the following tasks:

- Checks the ownership status of the property over the past 20 years and whether the property is free of encumbrances (property registry database).
- Obtains the following documents from the cadastral database:
  - Cadastral situation certificate;
  - Planimetry (or, alternatively, cadastral map of the building);
  - Cadastral map for the plot of land.

(Since the *Decreto Legge 78/2010* has been implemented, the parties are required to declare to the notary the conformity of cadastral data and planimetries. The declaration is then mentioned in the deed of sale).

c. Connects to the database of the company registry at the local Chamber of Commerce and verifies the existence of the 2 companies and the powers of the signatories.

(Should the by-laws of either company require that a resolution must be adopted by the Board of Directors or by the partners' General Assembly

to authorize the transaction, an extract of such resolution has to be provided to the notary and mentioned in the deed of sale).

Once the above-mentioned tasks have been performed (usually it takes only a few minutes), the notary drafts the deed of sale and executes it with the parties.

#### Procedure 3. Register the deed of sale at the tax office (Agenzia delle Entrate)

**Time:** 1 day

**Cost:** No cost

**Comments:** Within 30 days from the execution of the deed, the notary must file the deed of sale and the transcription note with the tax agency. The procedure is carried out online. Once the registration has taken place, the notary immediately receives a receipt with the date and the number of registration.

#### Procedure 4\*. Register the deed of sale at the cadastre and property registry (Agenzia del Territorio)

**Time:** 2 days

**Cost:** No cost

**Comments:** The notary deposits the deed of sale at the property registry. The Italian property registry system is based on the principle of continuity of registrations (*continuità delle registrazioni*). This means that an individual or an entity may sell a property only if the relative deed of purchase has been registered beforehand in the property registry. The registration at the cadastre (*voltura catastale*) happens automatically after the deed of sale has been registered at the property registry.

#### REGISTERING PROPERTY

##### Campobasso

Property value: EUR 1,291,541 (US\$ 1,766,500)  
Data as of: June 2012

#### Procedure 1. Obtain energy certificate (Attestato di Certificazione Energetica, ACE)

**Time:** 7 days

**Cost:** EUR 600

**Comments:** The *Attestato di Certificazione Energetica (ACE)* is a certification containing data regarding efficiency in energy use and it is valid for 10 years. According to art. 13 of Legislative Decree 28/2011, when the property is transferred, the buyers are required to explicitly declare, in a clause of the deed of sale, that they have received information and supporting documentation about energy use; there is no need to attach the documentation itself, a self-certification is enough. The following Regions have enacted Regional Laws requiring a copy of the ACE to be attached, and not just mentioned, in the deed of sale: Emilia-Romagna, Liguria, Lombardy, Piedmont, Friuli Venezia Giulia, Trentino Alto Adige, Valle d'Aosta, and Apulia

#### Procedure 2. A notary public obtains the necessary certificates for the transaction through Notartel; receives payment of all taxes and fees from the parties; and drafts and executes the deed of sale

**Time:** 6 days

**Cost:** EUR 55,292 (EUR 230 for *Imposta di Bollo* + EUR 168 for *Imposta di Registro* + 3% of property value for *Imposta Ipotecaria* + 1% of property value for *Imposta Catastale* + EUR 35 for *Tassa Ipotecaria* + EUR 55 for *Diritti Catastali per Voltura* + Notary costs without VAT)

**Comments:** Through the online platform *Notartel*, the notary carries out the following tasks:

- Checks the ownership status of the property over the past 20 years and whether the property is free of encumbrances (property registry database).
  - Obtains the following documents from the cadastral database:
    - Cadastral situation certificate;
    - Planimetry (or, alternatively, cadastral map of the building);
    - Cadastral map for the plot of land.
- (Since the *Decreto Legge 78/2010* has been implemented, the parties are required to declare to the notary the conformity of cadastral data and planimetries. The declaration is then mentioned in the deed of sale).

c. Connects to the database of the company registry at the local Chamber of Commerce and verifies the existence of the 2 companies and the powers of the signatories.

(Should the by-laws of either company require that a resolution must be adopted by the Board of Directors or by the partners' General Assembly to authorize the transaction, an extract of such resolution has to be provided to the notary and mentioned in the deed of sale).

Once the above-mentioned tasks have been performed (usually it takes only a few minutes), the notary drafts the deed of sale and executes it with the parties.

#### Procedure 3. Register the deed of sale at the tax agency (Agenzia delle Entrate)

**Time:** 1 day

**Cost:** No cost

**Comments:** Within 30 days from the execution of the deed, the notary must file the deed of sale and the transcription note with the tax agency. The procedure is carried out online. Once the registration has taken place, the notary immediately receives a receipt with the date and the number of registration.

#### Procedure 4\*. Register the deed of sale at the cadastre and property registry (Agenzia del Territorio)

**Time:** 2 days

**Cost:** No cost

**Comments:** The notary deposits the deed of sale at the property registry. The Italian property registry system is based on the principle of continuity of registrations (*continuità delle registrazioni*). This means that an individual or an

\* This procedure can be completed simultaneously with previous procedures.

entity may sell a property only if the relative deed of purchase has been registered beforehand in the property registry. The registration at the cadastre (*voltura catastale*) happens automatically after the deed of sale has been registered at the property registry.

#### REGISTERING PROPERTY

##### Catanzaro

Property value: EUR 1,291,541 (US\$ 1,766,500)  
Data as of: June 2012

#### Procedure 1. Obtain energy certificate (Attestato di Certificazione Energetica, ACE)

**Time:** 10 days

**Cost:** EUR 600

**Comments:** The *Attestato di Certificazione Energetica (ACE)* is a certification containing data regarding efficiency in energy use and it is valid for 10 years. According to art. 13 of Legislative Decree 28/2011, when the property is transferred, the buyers are required to explicitly declare, in a clause of the deed of sale, that they have received information and supporting documentation about energy use; there is no need to attach the documentation itself, a self-certification is enough. The following Regions have enacted Regional Laws requiring a copy of the ACE to be attached, and not just mentioned, in the deed of sale: Emilia-Romagna, Liguria, Lombardy, Piedmont, Friuli Venezia Giulia, Trentino Alto Adige, Valle d'Aosta, and Apulia.

#### Procedure 2. A notary public obtains the necessary certificates for the transaction through Notartel; receives payment of all taxes and fees from the parties; and drafts and executes the deed of sale

**Time:** 6 days

**Cost:** EUR 55,279 (EUR 230 for *Imposta di Bollo* + EUR 168 for *Imposta di Registro* + 3% of property value for *Imposta Ipotecaria* + 1% of property value for *Imposta Catastale* + EUR 35 for *Tassa Ipotecaria* + EUR 55 for *Diritti Catastali per Voltura* + Notary costs without VAT)

**Comments:** Through the online platform *Notartel*, the notary carries out the following tasks:

- Checks the ownership status of the property over the past 20 years and whether the property is free of encumbrances (property registry database).
- Obtains the following documents from the cadastral database:
  - Cadastral situation certificate;
  - Planimetry (or, alternatively, cadastral map of the building);
  - Cadastral map for the plot of land.

(Since the *Decreto Legge* 78/2010 has been implemented, the parties are required to declare to the notary the conformity of cadastral data and planimetries. The declaration is then mentioned in the deed of sale).
- Connects to the database of the company registry at the local Chamber of Commerce and verifies the existence of the 2 companies and the powers of the signatories.

(Should the by-laws of either company require that a resolution must be adopted by the Board of Directors or by the partners' General Assembly to authorize the transaction, an extract of such resolution has to be provided to the notary and mentioned in the deed of sale).

Once the above-mentioned tasks have been performed (usually it takes only a few minutes), the notary drafts the deed of sale and executes it with the parties.

#### Procedure 3. Register the deed of sale at the tax agency (Agenzia delle Entrate)

**Time:** 1 day

**Cost:** No cost

**Comments:** Within 30 days from the execution of the deed, the notary must file the deed of sale and the transcription note with the tax agency. The procedure is carried out online. Once the registration has taken place, the notary immediately receives a receipt with the date and the number of registration.

#### Procedure 4\*. Register the deed of sale at the cadastre and property registry (Agenzia del Territorio)

**Time:** 2 days

**Cost:** No cost

**Comments:** The notary deposits the deed of sale at the property registry. The Italian property registry system is based on the principle of continuity of registrations (*continuità delle registrazioni*). This means that an individual or an entity may sell a property only if the relative deed of purchase has been registered beforehand in the property registry. The registration at the cadastre (*voltura catastale*) happens automatically after the deed of sale has been registered at the property registry.

#### REGISTERING PROPERTY

##### L'Aquila

Property value: EUR 1,291,541 (US\$ 1,766,500)  
Data as of: June 2012

#### Procedure 1. Obtain energy certificate (Attestato di Certificazione Energetica, ACE)

**Time:** 7 days

**Cost:** EUR 500

**Comments:** The *Attestato di Certificazione Energetica (ACE)* is a certification containing data regarding efficiency in energy use and it is valid for 10 years. According to art. 13 of Legislative Decree 28/2011, when the property is transferred, the buyers are required to explicitly declare, in a clause of the deed of sale, that they have received information and supporting documentation about energy use; there is no need to attach the documentation itself, a self-certification is enough. The following Regions have enacted Regional Laws requiring a copy of the ACE to be attached, and not just mentioned, in the deed of sale: Emilia-Romagna, Liguria, Lombardy, Piedmont, Friuli Venezia Giulia, Trentino Alto Adige, Valle d'Aosta, and Apulia.

#### Procedure 2. A notary public obtains the necessary certificates for the transaction through Notartel; receives payment of all taxes and fees from the parties; and drafts and executes the deed of sale

**Time:** 10 days

**Cost:** EUR 55,434 (EUR 230 for *Imposta di Bollo* + EUR 168 for *Imposta di Registro* + 3% of property value for *Imposta Ipotecaria* + 1% of property value for *Imposta Catastale* + EUR 35 for *Tassa Ipotecaria* + EUR 55 for *Diritti Catastali per Voltura* + Notary costs without VAT)

**Comments:** Through the online platform *Notartel*, the notary carries out the following tasks:

- Checks the ownership status of the property over the past 20 years and whether the property is free of encumbrances (property registry database).
  - Obtains the following documents from the cadastral database:
    - Cadastral situation certificate;
    - Planimetry (or, alternatively, cadastral map of the building);
    - Cadastral map for the plot of land.

(Since the *Decreto Legge* 78/2010 has been implemented, the parties are required to declare to the notary the conformity of cadastral data and planimetries. The declaration is then mentioned in the deed of sale).
  - Connects to the database of the company registry at the local Chamber of Commerce and verifies the existence of the 2 companies and the powers of the signatories.
- (Should the by-laws of either company require that a resolution must be adopted by the Board of Directors or by the partners' General Assembly to authorize the transaction, an extract of such resolution has to be provided to the notary and mentioned in the deed of sale).

Once the above-mentioned tasks have been performed (usually it takes only a few minutes), the notary drafts the deed of sale and executes it with the parties.

#### Procedure 3. Register the deed of sale at the tax agency (Agenzia delle Entrate)

**Time:** 1 day

**Cost:** No cost

**Comments:** Within 30 days from the execution of the deed, the notary must file the deed of sale and the transcription note with the tax agency. The procedure is carried out online. Once the registration has taken place, the notary immediately receives a receipt with the date and the number of registration.

#### Procedure 4\*. Register the deed of sale at the cadastre and property registry (Agenzia del Territorio)

**Time:** 2 days

**Cost:** No cost

**Comments:** The notary deposits the deed of sale at the property registry. The Italian property registry system is based on the principle of continuity of registrations (*continuità delle registrazioni*). This means that an individual or an

\* This procedure can be completed simultaneously with previous procedures.

entity may sell a property only if the relative deed of purchase has been registered beforehand in the property registry. The registration at the cadastre (*voltura catastale*) happens automatically after the deed of sale has been registered at the property registry.

#### REGISTERING PROPERTY

##### Milan

Property value: EUR 1,291,541 (US\$ 1,766,500)

Data as of: June 2012

#### Procedure 1. Obtain energy certificate (Attestato di Certificazione Energetica, ACE)

**Time:** 7 days

**Cost:** EUR 330

**Comments:** The *Attestato di Certificazione Energetica (ACE)* is a certification containing data regarding efficiency in energy use and it is valid for 10 years. According to art. 13 of Legislative Decree 28/2011, when the property is transferred, the buyers are required to explicitly declare, in a clause of the deed of sale, that they have received information and supporting documentation about energy use; there is no need to attach the documentation itself, a self-certification is enough. The following Regions have enacted Regional Laws requiring a copy of the ACE to be attached, and not just mentioned, in the deed of sale: Emilia-Romagna, Liguria, Lombardy, Piedmont, Friuli Venezia Giulia, Trentino Alto Adige, Valle d'Aosta, and Apulia.

#### Procedure 2. A notary public obtains the necessary certificates for the transaction through Notartel; receives payment of all taxes and fees from the parties; and drafts and executes the deed of sale

**Time:** 11 days

**Cost:** EUR 56,345 (EUR 230 for *Imposta di Bollo* + EUR 168 for *Imposta di Registro* + 3% of property value for *Imposta Ipotecaria* + 1% of property value for *Imposta Catastale* + EUR 35 for *Tassa Ipotecaria* + EUR 55 for *Diritti Catastali per Voltura* + Notary costs without VAT)

**Comments:** Through the online platform *Notartel*, the notary carries out the following tasks:

- Checks the ownership status of the property over the past 20 years and whether the property is free of encumbrances (property registry database).
- Obtains the following documents from the cadastral database:
  - Cadastral situation certificate;
  - Planimetry (or, alternatively, cadastral map of the building);
  - Cadastral map for the plot of land.

(Since the *Decreto Legge* 78/2010 has been implemented, the parties are required to declare to the notary the conformity of cadastral data and planimetries. The declaration is then mentioned in the deed of sale).

- Connects to the database of the company registry at the local Chamber of Commerce and verifies the existence of the 2 companies and the powers of the signatories.

(Should the by-laws of either company require that a resolution must be adopted by the Board of Directors or by the partners' General Assembly to authorize the transaction, an extract of such resolution has to be provided to the notary and mentioned in the deed of sale).

Once the above-mentioned tasks have been performed (usually it takes only a few minutes), the notary drafts the deed of sale and executes it with the parties.

#### Procedure 3. Register the deed of sale at the tax agency (Agenzia delle Entrate), at the cadastre and at the property registry (Agenzia del Territorio) through the "Adempimento Unico Telematico"

**Time:** 1 day

**Cost:** No cost

**Comments:** Since September 29, 2011, Milan allows full-electronic registration of the deed of sale. Through the "*Adempimento Unico Telematico*", the notary can carry out all the steps to register the transfer of property with the tax agency, the property registry and the cadastre at once on-line. The following operations take place through 1 single electronic transmission:

- Taxes are paid to the tax agency through the reverse charge mechanism;
- The deed of sale is registered at the property registry and digitally signed by the *Conservatore* within 24 hours;
- Once the deed of sale has been registered at the property registry, it is automatically registered in the cadastre (*voltura catastale*).

#### REGISTERING PROPERTY

##### Naples

Property value: EUR 1,291,541 (US\$ 1,766,500)

Data as of: June 2012

#### Procedure 1. Obtain energy certificate (Attestato di Certificazione Energetica, ACE)

**Time:** 5 days

**Cost:** EUR 400

**Comments:** The *Attestato di Certificazione Energetica (ACE)* is a certification containing data regarding efficiency in energy use and it is valid for 10 years. According to art. 13 of Legislative Decree 28/2011, when the property is transferred, the buyers are required to explicitly declare, in a clause of the deed of sale, that they have received information and supporting documentation about energy use; there is no need to attach the documentation itself, a self-certification is enough. The following Regions have enacted Regional Laws requiring a copy of the ACE to be attached, and not just mentioned, in the deed of sale: Emilia-Romagna, Liguria, Lombardy, Piedmont, Friuli Venezia Giulia, Trentino Alto Adige, Valle d'Aosta, and Apulia.

#### Procedure 2. A notary public obtains the necessary certificates for the transaction through Notartel; receives payment of all taxes and fees from the parties; and drafts and executes the deed of sale

**Time:** 7 days

**Cost:** EUR 56,900 (EUR 230 for *Imposta di Bollo* + EUR 168 for *Imposta di Registro* + 3% of property value for *Imposta Ipotecaria* + 1% of property value for *Imposta Catastale* + EUR 35 for *Tassa Ipotecaria* + EUR 55 for *Diritti Catastali per Voltura* + Notary costs without VAT)

**Comments:** Through the online platform *Notartel*, the notary carries out the following tasks:

- Checks the ownership status of the property over the past 20 years and whether the property is free of encumbrances (property registry database).
- Obtains the following documents from the cadastral database:
  - Cadastral situation certificate;
  - Planimetry (or, alternatively, cadastral map of the building);
  - Cadastral map for the plot of land.

(Since the *Decreto Legge* 78/2010 has been implemented, the parties are required to declare to the notary the conformity of cadastral data and planimetries. The declaration is then mentioned in the deed of sale).
- Connects to the database of the company registry at the local Chamber of Commerce and verifies the existence of the 2 companies and the powers of the signatories.

(Should the by-laws of either company require that a resolution must be adopted by the Board of Directors or by the partners' General Assembly to authorize the transaction, an extract of such resolution has to be provided to the notary and mentioned in the deed of sale).

Once the above-mentioned tasks have been performed (usually it takes only a few minutes), the notary drafts the deed of sale and executes it with the parties.

#### Procedure 3. Register the deed of sale at the tax agency (Agenzia delle Entrate), at the cadastre and at the property registry (Agenzia del Territorio) through the "Adempimento Unico Telematico"

**Time:** 1 day

**Cost:** No cost

**Comments:** Since September 29, 2011, Naples allows full-electronic registration of the deed of sale. Through the "*Adempimento Unico Telematico*", the notary can carry out all the steps to register the transfer of property with the tax agency, the property registry and the cadastre at once on-line. The following operations take place through 1 single electronic transmission:

- Taxes are paid to the tax agency through the reverse charge mechanism;
- The deed of sale is registered at the property registry and digitally signed by the *Conservatore* within 24 hours;
- Once the deed of sale has been registered at the property registry, it is automatically registered in the cadastre (*voltura catastale*).



## REGISTERING PROPERTY

**Padua**

Property value: EUR 1,291,541 (US\$ 1,766,500)  
Data as of: June 2012

**Procedure 1. Obtain energy certificate (Attestato di Certificazione Energetica, ACE)**

**Time:** 10 days

**Cost:** EUR 290

**Comments:** The *Attestato di Certificazione Energetica (ACE)* is a certification containing data regarding efficiency in energy use and it is valid for 10 years. According to art. 13 of Legislative Decree 28/2011, when the property is transferred, the buyers are required to explicitly declare, in a clause of the deed of sale, that they have received information and supporting documentation about energy use; there is no need to attach the documentation itself, a self-certification is enough. The following Regions have enacted Regional Laws requiring a copy of the ACE to be attached, and not just mentioned, in the deed of sale: Emilia-Romagna, Liguria, Lombardy, Piedmont, Friuli Venezia Giulia, Trentino Alto Adige, Valle d'Aosta, and Apulia.

**Procedure 2. A notary public obtains the necessary certificates for the transaction through Notartel; receives payment of all taxes and fees from the parties; and drafts and executes the deed of sale**

**Time:** 8 days

**Cost:** EUR 56,360 (EUR 230 for *Imposta di Bollo* + EUR 168 for *Imposta di Registro* + 3% of property value for *Imposta Ipotecaria* + 1% of property value for *Imposta Catastale* + EUR 35 for *Tassa Ipotecaria* + EUR 55 for *Diritti Catastali per Voltura* + Notary costs without VAT)

**Comments:** Through the online platform *Notartel*, the notary carries out the following tasks:

- Checks the ownership status of the property over the past 20 years and whether the property is free of encumbrances (property registry database).
- Obtains the following documents from the cadastral database:

- Cadastral situation certificate;
- Planimetry (or, alternatively, cadastral map of the building);
- Cadastral map for the plot of land.  
(Since the *Decreto Legge 78/2010* has been implemented, the parties are required to declare to the notary the conformity of cadastral data and planimetries. The declaration is then mentioned in the deed of sale).

- Connects to the database of the company registry at the local Chamber of Commerce and verifies the existence of the 2 companies and the powers of the signatories.

(Should the by-laws of either company require that a resolution must be adopted by the Board of Directors or by the partners' General Assembly to authorize the transaction, an extract of such resolution has to be provided to the notary and mentioned in the deed of sale).

Once the above-mentioned tasks have been performed (usually it takes only a few minutes), the notary drafts the deed of sale and executes it with the parties.

**Procedure 3. Register the deed of sale at the tax agency (Agenzia delle Entrate)**

**Time:** 1 day

**Cost:** No cost

**Comments:** Within 30 days from the execution of the deed, the notary must file the deed of sale and the transcription note with the tax agency. The procedure is carried out online. Once the registration has taken place, the notary immediately receives a receipt with the date and the number of registration.

**Procedure 4\*. Register the deed of sale at the cadastre and property registry (Agenzia del Territorio)**

**Time:** 4 days

**Cost:** No cost

**Comments:** The notary deposits the deed of sale at the property registry. The Italian property registry system is based on the principle of continuity of registrations (*continuità delle registrazioni*). This means that an individual or an entity may sell a property only if the relative deed of purchase has been registered beforehand in the property registry. The registration at the cadastre (*voltura catastale*) happens automatically after the deed of sale has been registered at the property registry.

## REGISTERING PROPERTY

**Palermo**

Property value: EUR 1,291,541 (US\$ 1,766,500)  
Data as of: June 2012

**Procedure 1. Obtain energy certificate (Attestato di Certificazione Energetica, ACE)**

**Time:** 3 days

**Cost:** EUR 800

**Comments:** The *Attestato di Certificazione Energetica (ACE)* is a certification containing data regarding efficiency in energy use and it is valid for 10 years. According to art. 13 of Legislative Decree 28/2011, when the property is transferred, the buyers are required to explicitly declare, in a clause of the deed of sale, that they have received information and supporting documentation about energy use; there is no need to attach the documentation itself, a self-certification is enough. The following Regions have enacted Regional Laws requiring a copy of the ACE to be attached, and not just mentioned, in the deed of sale: Emilia-Romagna, Liguria, Lombardy, Piedmont, Friuli Venezia Giulia, Trentino Alto Adige, Valle d'Aosta, and Apulia.

**Procedure 2. A notary public obtains the necessary certificates for the transaction through Notartel; receives payment of all taxes and fees from the parties; and drafts and executes the deed of sale**

**Time:** 9 days

**Cost:** EUR 56,000 (EUR 230 for *Imposta di Bollo* + EUR 168 for *Imposta di Registro* + 3% of property value for *Imposta Ipotecaria* + 1% of property value for *Imposta Catastale* + EUR 35 for *Tassa Ipotecaria* + EUR 55 for *Diritti Catastali per Voltura* + Notary costs without VAT)

**Comments:** Through the online platform *Notartel*, the notary carries out the following tasks:

- Checks the ownership status of the property over the past 20 years and whether the property is free of encumbrances (property registry database).
- Obtains the following documents from the cadastral database:
  - Cadastral situation certificate;
  - Planimetry (or, alternatively, cadastral map of the building);
  - Cadastral map for the plot of land.  
(Since the *Decreto Legge 78/2010* has been implemented, the parties are required to declare to the notary the conformity of cadastral data and planimetries. The declaration is then mentioned in the deed of sale).
- Connects to the database of the company registry at the local Chamber of Commerce and verifies the existence of the 2 companies and the powers of the signatories.  
(Should the by-laws of either company require that a resolution must be adopted by the Board of Directors or by the partners' General Assembly to authorize the transaction, an extract of such resolution has to be provided to the notary and mentioned in the deed of sale).

Once the above-mentioned tasks have been performed (usually it takes only a few minutes), the notary drafts the deed of sale and executes it with the parties.

**Procedure 3. Register the deed of sale at the tax agency (Agenzia delle Entrate), at the cadastre and at the property registry (Agenzia del Territorio) through the "Adempimento Unico Telematico"**

**Time:** 1 day

**Cost:** No cost

**Comments:** Since December 29, 2010, Palermo allows full-electronic registration of the deed of sale. Through the "*Adempimento Unico Telematico*", the notary can carry out all the steps to register the transfer of property with the tax agency, the property registry and the cadastre at once on-line. The following operations take place through 1 single electronic transmission:

- Taxes are paid to the tax agency through the reverse charge mechanism;
- The deed of sale is registered at the property registry and digitally signed by the *Conservatore* within 24 hours;
- Once the deed of sale has been registered at the property registry, it is automatically registered in the cadastre (*voltura catastale*).

\* This procedure can be completed simultaneously with previous procedures.



## REGISTERING PROPERTY

**Potenza**

Property value: EUR 1,291,541 (US\$ 1,766,500)  
Data as of: June 2012

**Procedure 1. Obtain energy certificate (Attestato di Certificazione Energetica, ACE)**

**Time:** 10 days

**Cost:** EUR 800

**Comments:** The *Attestato di Certificazione Energetica (ACE)* is a certification containing data regarding efficiency in energy use and it is valid for 10 years. According to art. 13 of Legislative Decree 28/2011, when the property is transferred, the buyers are required to explicitly declare, in a clause of the deed of sale, that they have received information and supporting documentation about energy use; there is no need to attach the documentation itself, a self-certification is enough. The following Regions have enacted Regional Laws requiring a copy of the ACE to be attached, and not just mentioned, in the deed of sale: Emilia-Romagna, Liguria, Lombardy, Piedmont, Friuli Venezia Giulia, Trentino Alto Adige, Valle d'Aosta, and Apulia.

**Procedure 2. A notary public obtains the necessary certificates for the transaction through Notartel; receives payment of all taxes and fees from the parties; and drafts and executes the deed of sale**

**Time:** 8 days

**Cost:** EUR 55,650 (EUR 230 for *Imposta di Bollo* + EUR 168 for *Imposta di Registro* + 3% of property value for *Imposta Ipotecaria* + 1% of property value for *Imposta Catastale* + EUR 35 for *Tassa Ipotecaria* + EUR 55 for *Diritti Catastali per Voltura* + Notary costs without VAT)

**Comments:** Through the online platform *Notartel*, the notary carries out the following tasks:

- Checks the ownership status of the property over the past 20 years and whether the property is free of encumbrances (property registry database).
- Obtains the following documents from the cadastral database:

- Cadastral situation certificate;
  - Planimetry (or, alternatively, cadastral map of the building);
  - Cadastral map for the plot of land.
- (Since the *Decreto Legge 78/2010* has been implemented, the parties are required to declare to the notary the conformity of cadastral data and planimetries. The declaration is then mentioned in the deed of sale).

- Connects to the database of the company registry at the local Chamber of Commerce and verifies the existence of the 2 companies and the powers of the signatories.

(Should the by-laws of either company require that a resolution must be adopted by the Board of Directors or by the partners' General Assembly to authorize the transaction, an extract of such resolution has to be provided to the notary and mentioned in the deed of sale).

Once the above-mentioned tasks have been performed (usually it takes only a few minutes), the notary drafts the deed of sale and executes it with the parties.

**Procedure 3. Register the deed of sale at the tax agency (Agenzia delle Entrate)**

**Time:** 1 day

**Cost:** No cost

**Comments:** Within 30 days from the execution of the deed, the notary must file the deed of sale and the transcription note with the tax agency. The procedure is carried out online. Once the registration has taken place, the notary immediately receives a receipt with the date and the number of registration.

**Procedure 4\*. Register the deed of sale at the cadastre and property registry (Agenzia del Territorio)**

**Time:** 3 days

**Cost:** No cost

**Comments:** The notary deposits the deed of sale at the property registry. The Italian property registry system is based on the principle of continuity of registrations (*continuità delle registrazioni*). This means that an individual or an entity may sell a property only if the relative deed of purchase has been registered beforehand in the property registry. The registration at the cadastre (*voltura catastale*) happens automatically after the deed of sale has been registered at the property registry.

## REGISTERING PROPERTY

**Rome**

Property value: EUR 1,291,541 (US\$ 1,766,500)  
Data as of: June 2012

**Procedure 1. Obtain energy certificate (Attestato di Certificazione Energetica, ACE)**

**Time:** 9 days

**Cost:** EUR 850

**Comments:** The *Attestato di Certificazione Energetica (ACE)* is a certification containing data regarding efficiency in energy use and it is valid for 10 years. According to art. 13 of Legislative Decree 28/2011, when the property is transferred, the buyers are required to explicitly declare, in a clause of the deed of sale, that they have received information and supporting documentation about energy use; there is no need to attach the documentation itself, a self-certification is enough. The following Regions have enacted Regional Laws requiring a copy of the ACE to be attached, and not just mentioned, in the deed of sale: Emilia-Romagna, Liguria, Lombardy, Piedmont, Friuli Venezia Giulia, Trentino Alto Adige, Valle d'Aosta, and Apulia.

**Procedure 2. A notary public obtains the necessary certificates for the transaction through Notartel; receives payment of all taxes and fees from the parties; and drafts and executes the deed of sale**

**Time:** 11 days

**Cost:** EUR 57,169 (EUR 230 for *Imposta di Bollo* + EUR 168 for *Imposta di Registro* + 3% of property value for *Imposta Ipotecaria* + 1% of property value for *Imposta Catastale* + EUR 35 for *Tassa Ipotecaria* + EUR 55 for *Diritti Catastali per Voltura* + Notary costs without VAT)

**Comments:** Through the online platform *Notartel*, the notary carries out the following tasks:

- Checks the ownership status of the property over the past 20 years and whether the property is free of encumbrances (property registry database).
- Obtains the following documents from the cadastral database:

- Cadastral situation certificate;
- Planimetry (or, alternatively, cadastral map of the building);
- Cadastral map for the plot of land.

(Since the *Decreto Legge 78/2010* has been implemented, the parties are required to declare to the notary the conformity of cadastral data and planimetries. The declaration is then mentioned in the deed of sale).

- Connects to the database of the company registry at the local Chamber of Commerce and verifies the existence of the 2 companies and the powers of the signatories.

(Should the by-laws of either company require that a resolution must be adopted by the Board of Directors or by the partners' General Assembly to authorize the transaction, an extract of such resolution has to be provided to the notary and mentioned in the deed of sale).

Once the above-mentioned tasks have been performed (usually it takes only a few minutes), the notary drafts the deed of sale and executes it with the parties.

**Procedure 3. Register the deed of sale at the tax agency (Agenzia delle Entrate), at the cadastre and at the property registry (Agenzia del Territorio) through the "Adempimento Unico Telematico"**

**Time:** 4 days

**Cost:** No cost

**Comments:** Since September 29th, 2011, Rome allows full-electronic registration of the deed of sale. Through the "*Adempimento Unico Telematico*", the notary can carry out all the steps to register the transfer of property with the tax agency, the property registry and the cadastre at once on-line. The following operations take place through 1 single electronic transmission:

- Taxes are paid to the tax agency through the reverse charge mechanism;
- The deed of sale is registered at the property registry and digitally signed by the *Conservatore*;
- Once the deed of sale has been registered at the property registry, it is automatically registered in the cadastre (*voltura catastale*).

\* This procedure can be completed simultaneously with previous procedures.

## REGISTERING PROPERTY

**Turin**

Property value: EUR 1,291,541 (US\$ 1,766,500)  
Data as of: June 2012

### Procedure 1. Obtain energy certificate (Attestato di Certificazione Energetica, ACE)

**Time:** 7 days

**Cost:** EUR 600

**Comments:** The *Attestato di Certificazione Energetica (ACE)* is a certification containing data regarding efficiency in energy use and it is valid for 10 years. According to art. 13 of Legislative Decree 28/2011, when the property is transferred, the buyers are required to explicitly declare, in a clause of the deed of sale, that they have received information and supporting documentation about energy use; there is no need to attach the documentation itself, a self-certification is enough. The following Regions have enacted Regional Laws requiring a copy of the ACE to be attached, and not just mentioned, in the deed of sale: Emilia-Romagna, Liguria, Lombardy, Piedmont, Friuli Venezia Giulia, Trentino Alto Adige, Valle d'Aosta, and Apulia.

### Procedure 2. A notary public obtains the necessary certificates for the transaction through Notartel; receives payment of all taxes and fees from the parties; and drafts and executes the deed of sale

**Time:** 10 days

**Cost:** EUR 57,234 (EUR 230 for *Imposta di Bollo* + EUR 168 for *Imposta di Registro* + 3% of property value for *Imposta Ipotecaria* + 1% of property value for *Imposta Catastale* + EUR 35 for *Tassa Ipotecaria* + EUR 55 for *Diritti Catastali per Voltura* + Notary costs without VAT)

**Comments:** Through the online platform *Notartel*, the notary carries out the following tasks:

- a. Checks the ownership status of the property over the past 20 years and whether the property is free of encumbrances (property registry database).
- b. Obtains the following documents from the cadastral database:
  1. Cadastral situation certificate;
  2. Planimetry (or, alternatively, cadastral map of the building);
  3. Cadastral map for the plot of land.
 (Since the *Decreto Legge 78/2010* has been implemented, the parties are required to declare to the notary the conformity of cadastral data and planimetries. The declaration is then mentioned in the deed of sale).

c. Connects to the database of the company registry at the local Chamber of Commerce and verifies the existence of the 2 companies and the powers of the signatories.

(Should the by-laws of either company require that a resolution must be adopted by the Board of Directors or by the partners' General Assembly to authorize the transaction, an extract of such resolution has to be provided to the notary and mentioned in the deed of sale).

Once the above-mentioned tasks have been performed (usually it takes only a few minutes), the notary drafts the deed of sale and executes it with the parties.

### Procedure 3. Register the deed of sale at the tax agency (Agenzia delle Entrate), at the cadastre and at the property registry (Agenzia del Territorio) through the "Adempimento Unico Telematico"

**Time:** 2 days

**Cost:** No cost

**Comments:** Since September 29, 2011, Turin allows full-electronic registration of the deed of sale. Through the "*Adempimento Unico Telematico*", the notary can carry out all the steps to register the transfer of property with the tax agency, the property registry and the cadastre at once on-line. The following operations take place through 1 single electronic transmission:

- a. Taxes are paid to the tax agency through the reverse charge mechanism;
- b. The deed of sale is registered at the property registry and digitally signed by the *Conservatore* within 48 hours;
- c. Once the deed of sale has been registered at the property registry, it is automatically registered in the cadastre (*voltura catastale*).

# Indicator details

ENFORCING CONTRACTS									
City	Procedures (number)	Time (days)				Cost (% of claim)			
		Filing	Judgment	Enforcement	Total	Attorney cost	Court cost	Enforcement cost	Total
Bari	41	25	1,427	570	2,022	24.2	6.1	3.8	34.1
Bologna	41	29	1,097	221	1,347	25.0	4.4	3.4	32.8
Cagliari	41	23	1,144	340	1,507	12.7	5.4	3.4	21.5
Campobasso	41	28	1,019	291	1,338	16.8	5.2	3.5	25.5
Catanzaro	41	26	1,055	346	1,427	14.6	4.5	5.0	24.1
L'Aquila	41	14	1,119	302	1,435	13.6	4.5	4.8	22.9
Milan	41	25	835	431	1,291	22.0	6.1	3.4	31.5
Naples	41	27	900	353	1,280	14.0	4.3	3.4	21.7
Padua	41	28	1,309	328	1,665	17.7	7.0	3.4	28.1
Palermo	41	40	798	527	1,366	16.2	4.5	4.5	25.2
Potenza	41	22	1,221	218	1,461	10.2	4.5	5.8	20.5
Rome	41	40	900	270	1,210	21.8	2.9	5.2	29.9
Turin	41	26	622	207	855	14.4	4.5	3.4	22.3

TRADING ACROSS BORDERS														
	Catania		Taranto		Gioia Tauro		Cagliari		Genoa		Trieste		Naples	
	Time (days)	Cost (US\$)	Time (days)	Cost (US\$)	Time (days)	Cost (US\$)	Time (days)	Cost (US\$)	Time (days)	Cost (US\$)	Time (days)	Cost (US\$)	Time (days)	Cost (US\$)
<b>EXPORT</b>	<b>19</b>	<b>1,020</b>	<b>18</b>	<b>1,025</b>	<b>20</b>	<b>1,035</b>	<b>19</b>	<b>1,040</b>	<b>18</b>	<b>940</b>	<b>18</b>	<b>980</b>	<b>20</b>	<b>1,000</b>
Document preparation	10	220	10	220	10	220	10	220	10	220	10	220	10	220
Inland transportation and handling	2	400	2	350	2	350	2	350	3	320	2	370	2	400
Customs	2	180	2	160	2	170	2	150	2	55	2	100	2	130
Port and terminal handling	5	220	4	295	6	295	5	320	3	345	4	290	6	250
<b>IMPORT</b>	<b>16</b>	<b>1,040</b>	<b>18</b>	<b>1,030</b>	<b>17</b>	<b>1,035</b>	<b>16</b>	<b>1,470</b>	<b>17</b>	<b>935</b>	<b>17</b>	<b>1,120</b>	<b>17</b>	<b>1,290</b>
Document preparation	10	220	10	220	10	220	10	220	10	220	10	220	10	220
Inland transportation and handling	2	220	4	295	3	295	2	350	3	345	3	290	3	230
Customs	2	200	2	165	2	170	2	150	2	55	2	160	2	170
Port and terminal handling	2	400	2	350	2	350	2	750	2	315	2	450	2	670

Export documents	Import documents
Bill of lading	Bill of lading
Commercial invoice	Certificate of origin
Customs export declaration	Commercial invoice
Technical standard certificate	Customs import declaration

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