

ESSENTIAL STEPS FOR SETTING UP A BUSINESS

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GLOBAL STARTUP



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Artigiani
Imprenditori
d'Italia

Roma - Area Metropolitana

With the contribution of:



**Camera di Commercio
Roma**

INDEX

	INTRODUCTION
5	Introduction
7	Non-Italian businesses in Rome
9	Starting one's own business
10	Can anyone become an entrepreneur?
11	<i>Suppliers</i>
12	Competition: business risk management
13	<i>Financial coverage</i>
14	Business organisation
15	<i>Business plan</i>
	LEGAL STATUS
16	Legal status
16	<i>Sole proprietorship</i>
18	Companies: partnerships
19	<i>Partnerships</i>
19	<i>Simple partnership</i>
20	<i>General partnership</i>
21	<i>Limited partnership</i>
22	Limited companies
22	<i>Limited liability company</i>
24	<i>Simplified limited liability company</i>
24	<i>Single-member limited liability company</i>
25	<i>Public limited company - Partnership limited by shares</i>
25	<i>Co-operative societies</i>
26	<i>Consortia</i>
27	Business start-up costs
28	<i>INPS</i>
29	<i>INAIL</i>
29	<i>SPID</i>
30	Single notice
31	<i>SCIA</i>
32	E-invoicing - Access to credit
32	<i>Access to credit</i>
33	<i>Confidi</i>
	BUSINESS COMMUNICATION
34	Business communication
35	<i>The Web</i>
	THE FUTURE
37	The future: the business sector
38	TABLES
42	CREDITS





INTRODUCTION

The statistics provided by the **Chambers of Commerce** confirm that many people are increasingly inclined to want to become entrepreneurs, and to start their **own business**.

In fact, becoming self-employed can lead to excellent prospects, such as the opportunity to develop your own ideas, organise your own time, and potentially earn good money. However, there are about half as many people who are forced to wind up their business within the **first five years**, often due to insufficient knowledge of the sector.

This guide has a two-fold objective: to encourage the establishment of **new, successful businesses**, and to support the future entrepreneur during the start-up phase. It is also aimed at all those who intend to re-enter the labour market either following previous experience as an employee, or after a period of unemployment. It also aims to highlight the nature of the problems that the future entrepreneur will have to tackle when setting up one's own company, providing a series of **useful tips** to help avoid mistakes, and information on the legal, financial and tax aspects of setting up a company.

However, it should be remembered that entrepreneurship is based on intuition, technical expertise and above all on the dedication of the business owner, in other words, on **one's professionalism**. Generally speaking, the requirement for professionalism also implies the

intention to make a profit, which, in a nutshell, is the aim of obtaining revenues higher than the costs incurred. There are basically two types of target audience:

Aspiring entrepreneurs: anyone who intends to start their own company based on a new business idea.

These include employees who wish to become entrepreneurs, students graduating from university or completing secondary education, as well as the unemployed.

New entrepreneurs: all those who have recently founded a business, or who are about to embark on their own project.

The aim of this publication, which is **freely available**, is essentially to support future entrepreneurs in starting up their own business and throughout the phases immediately following the foundation of their company. The purpose of this text is in no way to replace the work of specialised consultants, but only to provide a valuable **starting point** for guidance.

CNA ROMA (2025 april)



NON-ITALIAN BUSINESSES IN ROME



The historic headquarters of the Chamber of Commerce of Rome in Piazza di Pietra

Taking a closer look, in the Rome area approximately **437,000** (1) companies were registered with the Chamber of Commerce in **2024**, representing an exceptional wealth and well-being for the area, and contributing towards the prestige of *Made in Italy* worldwide. If the period impacted by the Covid-19 pandemic is not taken into consideration, the number of companies registered with the **Chamber of Commerce in Rome** has always shown a positive balance in the difference between closures and openings. Over the last ten years, there has been a significant increase in the number of companies set up by non-Italian owners, often of non-European origin. There

are now over **68,000** of these companies, representing over **15%** of the businesses in the Rome area, **2.5%** higher than the national average. According to an annual report compiled in 2024 by the **Fondazione Leone Moressa** (2), immigrant workers generate **8.8% of Italy's G.D.P.**, with peaks in the agricultural (16.4%) and construction (15.1%) sectors. With a workforce of **2.4 million**, foreign workers produce over **164 billion Euros** worth of goods.



There are a total of **2.4 million** foreign workers in Italy. Among qualified personnel, foreigners rise to **29.2%**, while among the professions they represent only **2.5%**, a sign once again of a strongly segmented labour market.



Foreign workers produce over 164 billion euros in value

If revenue for the State is compared with expenditure on *welfare services*, the balance for the immigrant component amounts to a **positive 1.2 billion Euros**. Indeed, immigrants have a low impact on the main items of public expenditure, such as health and pensions. The report also emphasises that immigration provides a contribution from a demographic and social point of view. In the province of Rome alone, there are over **511,000** foreign residents

out of a population of 4,200,000, **12.1%** of the entire population. The most interesting data reported in the report is the continuous expansion of foreign entrepreneurs. Over a ten-year period (from 2013 to 2023) the number of foreign entrepreneurs grew by **27.3%**, while the number of Italian entrepreneurs dropped by **6.4%**.

The highest figures were recorded in the **construction, commerce** and **catering sectors**. Therefore, foreign entrepreneurship is a key player in the production sector, on a par with youth and female entrepreneurship.

This guide aims to help new entrepreneurs understand all the **requirements** needed to set up a business.

(1) *Consistenza imprese, iscrizioni e cessazioni in provincia di Roma per attività economica e forma giuridica*. CCIAA Roma: Rapporto anno 2024.

(2) *Rapporto 2024 sull'economia dell'immigrazione. Le conseguenze economiche della recessione demografica*. Fondazione Leone Moressa. Edizioni Il Mulino, ottobre 2024.

STARTING ONE'S OWN BUSINESS

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 « *An **entrepreneur** is someone who professionally carries out an organised economic activity* »



Before delving deep into the technical aspects, first of all, it is necessary to clarify the meaning of *starting one's own business* and *becoming an entrepreneur*.

The term starting one's own business refers to all forms of self-employment: more simply, anyone who intends to start a business in a non-subordinate form is starting their own business. It is a little more complex to try to define the figure of the entrepreneur. Without going into too much detail as regards civil law, above all, it is important to define what is meant by **business activities** and **self-employment**. The **Italian Civil Code** does not provide a definition of a **business**, but simply that of an **entrepreneur**: « *an entrepreneur is someone who professionally carries out an organised economic activity for the purpose of producing or exchanging goods or services* ». Consequently, it is possible to define the business as the activity carried out by the entrepreneur in the exchange of goods and

services, and above all in the organisation of the commercial activity, for example through the use of specific machinery and equipment. However, in addition to the equipment, a business is also defined by its human resources, which are co-ordinated and directed by the owner. *On the other hand, what is meant by self-employment?* Once again referring to the Italian Civil Code, the business is deemed operational « *when a person undertakes to carry out a job or provide a service in exchange for payment, mainly using their own labour and without being subordinate to the client* ». Self-employment differs from business mainly in the absence of an organised structure, or rather, a business framework providing tools and equipment, suitable premises and, more generally, capital. Self-employment includes artistic, sports and entertainment-related careers, and **intellectual professions** (architects, lawyers, accountants).



« *The fundamental characteristic of a business plan must be its **feasibility*** »

CAN ANYONE BECOME AN ENTREPRENEUR?

Some people undoubtedly have traits that are more suitable when it comes to entrepreneurial talent, such as **creativity, determination** and a certain **propensity for risk**. Assessing one's own aptitude for starting a business is a fundamental aspect to be considered for any company to achieve success.

It is also true that by gaining experience and studying, it is possible to become an entrepreneur, gradually learning to interact with others and, from time to time, to assess **one's own know-how**.

However, to start a successful business, it is necessary to have the required skills. If this is not the case, it is advisable to undergo a period of training in an existing business, or to attend a specialisation course.

Behind every enterprise there's always a business idea, although the originality of such an idea isn't always what counts during the start-up phase, even if very often successful businesses are those that have introduced their own **innovative product** onto the market: for example, they could either improve something that has already been tried and tested or acquire a product that already exists in the form of a **franchise**. The fundamental characteristic of a business plan must be its **feasibility**: a potentially brilliant business idea that is not proposed to be applied in a concrete way, might not be given the recognition it deserves.

In fact, it is important to realise that a business exists within its own **micro-environment**, which

can be more or less wide-ranging, and more generally within a wider context that the entrepreneur cannot directly control, characterised, for example, by the national economic climate, known as the **macro-environment**. Some aspects of the macro-environment can, however, create opportunities for a business, such as a particularly favourable law or a tax incentive. The micro-environment basically concerns everything that the entrepreneur can control directly: customers, suppliers, transport, goods, running costs, and direct competitors. In short, it is a matter of analysing the elements that characterise the **lifecycle of a business**.

Nevertheless, according to research, few businesses set up an enterprise having a satisfactory degree of knowledge of the market they intend to target. The first analysis that the entrepreneur needs to carry out is to identify the client, based on thorough **market research**, according to the general principle that before producing something, it is best to understand exactly what the client needs.



SUPPLIERS

No company can totally provide for its **own needs**. In order to produce a service or a product, the owner will inevitably have to turn to **other companies** for the supply of **raw materials**, such as electricity, or the supply of semi-finished products that are essential for its production process. Right from the start-up phase, the choice of suppliers is of paramount importance for the success of the business plan. It is equally important to have a list of alternative suppliers available in case one or more of them are unavailable. It is also advisable to favour suppliers able to apply **advantageous payment terms**, for example that allow a 60 or 90-day window for payment: in fact, one of the main reasons why small businesses close down is a lack of liquidity.

COMPETITION: BUSINESS RISK MANAGEMENT

« *Is that **all businesses** are subject to **risk** »* »



Beyond the business idea of which product to offer, it is also necessary to consider the presence of **competitors** and the progress of their business activities. When the business plan is still in its early stages, the new entrepreneur might not have all the necessary data yet may still be able to identify a competitor. In Italy, there are a range of tools available to every citizen, such as the possibility to **consult the balance sheets** filed at the Chamber of Commerce by companies that carry out business activities similar to those the entrepreneur intends to start. Alternatively, it is possible to browse the official statistics provided by **ISTAT** (*the Italian National Institute of Statistics*) or find information through sector-related publications. In the case of a small-scale enterprise, it is advisable to seek **contacts**

with people who are involved in a similar line of business, or to directly observe a competitor, especially if the new entrepreneur intends to **self-produce** goods. The production capacity of the new business obviously depends on the context and the sector in which the future owner plans to work.

One thing that must be emphasised right from the beginning, is that all businesses are subject to **risk**, which varies depending on the sector they work in. Although it is not possible to eliminate this factor, it is at least possible to measure its impact. Before venturing onto the market, it is necessary to analyse the business idea itself, and to carry out an **initial assessment**, evaluating the weaknesses of the business plan and identifying any potential risk factors. It is advisable to

consider all the factors that could adversely affect the success of the business, such as competition from other companies in the area, the location of the business itself, as well as the **financial coverage** of the investments. When employing staff, it is worth considering whether the workers are easy to find and train, or whether it is necessary to select people who are already highly specialised and therefore difficult to recruit.



FINANCIAL COVERAGE

A business can be founded using the entrepreneur's **own resources** (cash, mortgageable assets, insurance policies), or by resorting to **bank loans**. In this second case, the business risk may be greater: the choice of a credit institution as a partner can, in any case, prove decisive for the success of the company itself. The

lack of capital certainly makes it more difficult to bring a business plan to fruition, yet it should not be a reason to abandon the business idea altogether. In some cases, it is possible to look into **financial incentives** that can partially cover the initial costs, such as equipment, machinery and the expenses of renovating a property. Determining the **initial requirements** is one of the main tasks of the company founder: a **realistic calculation** must be made, distinguishing between short and long-term capital needs. It should be emphasised that a new business rarely makes a profit in its first year of trading. **Leasing** or other forms of third-party financing can also prove to be valid alternatives. After having carried out an in-depth assessment of the business idea, the next marketing choices in relation to the product provided must be considered very carefully, analysing and focusing on understanding the client's needs. The product offer must essentially be a **balanced combination** of sales price, communication and promotion.



« *When starting a new business, it is necessary to adopt a **structured approach*** »

BUSINESS ORGANISATION

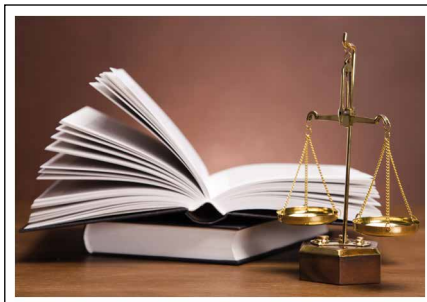
Once the product and potential clients have been identified, the entrepreneur has to decide how to organise the production process, or rather the **structure of the company itself**. During this phase, the business organisation must be defined according to four directives:

Financial: *capital*
Human Resources: *staff*
Materials: *property, equipment, raw materials*
Technological: *tools and training*

There are many choices to be made regarding the business structure, and, first of all, it is necessary to decide whether to set up a **new business** or to take over an existing one. On the one hand, it is necessary to decide upon where the business will be located, define its size, plan the production process, also making provisions for potential changes in

conditions. On the other hand, if an existing business is taken over, it will be easier to have access to **historical production data**, and to immediately use equipment, stock and qualified staff. In any case, the purchase may turn out to be disadvantageous if substantial improvements to the existing infrastructure are required.

The first step that the entrepreneur needs to take is to define the **legal status** of the business. There are many different ways in which the business can be structured, as shall be seen below.



BUSINESS PLAN

All too often a new business winds up after a few months, often simply because its founder took **too many risks**.

When starting a new business, it is necessary to adopt a **structured approach**: to this end, it is advisable for the entrepreneur to draw up a **business plan**, highlighting all the characteristics of said business in an operational manner.

The preparation of this guide represents a priority to achieve the established aims and to overcome any unforeseen circumstances. For this reason, the business plan must be mapped out right down to the finest detail. The document is basically divided into **three sections**:

Introduction: with a brief description of the business idea, paying particular attention to the promoter's aims and background (education, work experience, technical skills).

Operability: this section refers to technical and financial factors, such as the product and service provided, the price, the location, the equipment used, the staff, the administrative apparatus, as well as the entire

production process.

Cost estimating: in this third section, the choices described in the Operability section must be expressed in terms of quantity, by drawing up a series of economic forecast tables. In the short and medium term, these tables identify the amount of investment required, the resources needed, the allocation of the operating result, which can be either positive (profit) or negative (loss), as well as the

cash flow, in other words, the difference between income and expenditure recorded over a given period. The most effective way to draw up a reliable cost estimate is to define the figures by carrying out detailed simulations.



In the following section we will address the various legal forms

LEGAL STATUS

« *Each corporate structure depends on the business purpose to be achieved* »

Once the **business plan** has been drawn up, an operational choice of the utmost importance for the future of the business must be made: its **legal status**. Basically, the first question that the new entrepreneur must ask him/herself is whether to run the business alone, or to **join forces with other people**. When a business is founded, it is not always easy to understand which type of legal status is best suited to its needs. It can happen that you are misled by a business model that involves lower costs at the time of incorporation, yet which could later prove unsuitable for the intended business purposes and activities. It should be kept in mind that there is no ideal legal status, and that each corporate structure depends on the **business purpose** to be achieved.

SOLE PROPRIETORSHIP

The first decision regarding the legal status concerns the choice between working alone or in collaboration with others. In the first case, the legal status is that of a **sole proprietorship**.

It is a simple legal status in which the business is run by a single person, the **owner**, who assumes all responsibilities deriving from the business, and is the sole point of reference for customers, suppliers and financing providers. Since the sole proprietor cannot be separated from his/her business, the **risk** extends to **his/her personal assets**. Any debts incurred by the business can be paid off by seizing the entrepreneur's assets (property and money). It goes without saying that the entrepreneur is the only party to receive the profits generated by the business itself. A particular type of sole proprietorship is the **family-run business**. Enterprises in which the spouse, relatives up to the third degree, and in-laws up to the second degree collaborate are considered family-run businesses. The people involved in the business venture are not considered to be the entrepreneur's partners or employees, instead they are **simply considered collaborators**. The family business is established by means of a **notarial deed**. It is worth

pointing out that a person cannot be the owner of more than one sole proprietorship at the same time. A sole proprietorship is often chosen by those who wish to start a **small-scale business**, as it guarantees **lower costs** compared to a company structure: setting up a sole proprietorship does not require a minimum share capital, nor the drawing up of a public deed, except for the obligation to open a V.A.T. number. The procedure to set up a sole proprietorship is relatively simple. The first thing to do is choose the company name, that is, **the name** by which the business will be identified.



The **start-up costs** are relatively low and can be divided into two categories:

Fixed costs: *to be paid only once (revenue stamps, administration fees).*

Variable costs: *which change depending on the type of business (to be registered with SUAP (a one-stop business advisory centre)).*

The **advantages** and **disadvantages** of a **sole proprietorship** are listed below:

Advantages: *easy registration with the relevant authorities; low start-up costs: neither a public deed (except for a family-run business) nor a minimum share capital*

is required; accounting: it is not necessary to draw up a balance sheet; centralised decision-making: the entrepreneur is in control of the business.

Disadvantages: *unlimited liability towards creditors; contribution of the entrepreneur's economic resources alone; no partners to share the responsibility with; limited creditworthiness.*

When starting a sole proprietorship, as will be explained later, the first step is to **electronically submit** the **Comunicazione Unica** (the single notice filed for Companies' Register purposes).



« **Entrepreneurial activities** can also be carried out by a **group of people** »

COMPANIES: PARTNERSHIPS

Entrepreneurial activities can also be carried out by a **group of people**: two or more people who agree to carry out business activities with the aim of **sharing the profits**, form a **company**. Each member has the duty to **either** directly or indirectly contribute towards the running of the company by providing goods, equipment, premises and in some cases labour. All these activities are normally governed by the **deed of incorporation**, supplemented by a second document, the **articles of association**, which define the mutual rights and duties of the individual partners, as well as the company's **relations with third parties**. Unlike a sole proprietorship, a company allows you **to share risk** with others, and especially

to acquire capital and assets from multiple parties. The legal status of a company provides certain **tax incentives**: income is allocated among the partners according to **their shares** in the company, resulting in a reduction in the per capita tax rate. In the Italian legal system, there are **different types** of companies. The choice of one type over another can depend on many factors: it is therefore advisable to consult a **specialised consultant**. Companies can be either **società di persone** (partnerships) or **società di capitali** (limited companies):

Partnerships: *simple partnership, general partnership, limited partnership.*

Limited companies: *limited liability company,*

single-member limited liability company, simplified limited liability company, public limited company, partnership limited by shares).

Co-operative societies.

PARTNERSHIPS

In partnerships, the **quality of the partners** is more important than the assets transferred to the company: **expertise** and **labour** are the main means of supporting the enterprise. In this type of company, the number of partners is usually rather small, and the amount of capital invested is relatively low. Partnerships can be divided into the following types:

Simple partnership;
General partnership;
Limited partnership.

SIMPLE PARTNERSHIP

A **simple partnership** is the most basic form of a partnership. **Each partner** is responsible for its administration, in their own right. Basically, in order to act on behalf of the company, everyone's consent is required. Powers of administration

can also be vested in a single partner, known as the **sole administrator**. Profits and losses of the business are divided among the partners in proportion to their respective shareholdings. A simple partnership **cannot be used** in the case of an entrepreneurial business: indeed, this particular type of partnership is typical of the **agricultural sector**, of **amateur sports activities**, or for the management of real estate.



In order to set up a simple partnership, it is sufficient to apply to the Companies' Register at the Chamber of Commerce: there is no minimum capital requirement. With this legal status, creditors can assert their rights **not only** on the company assets: each partner who works in the name and on behalf of the company is liable with their own assets. Each of the partners

is liable for the amount owed by the company: and if one partner pays off the debt in full, he/she can make a claim of reimbursement against the others (unlimited joint and several liability).



However, it should be noted that in the case of amounts owed to third parties by the company, these must be paid primarily with the **share capital**, and only secondarily may the personal assets of the shareholders be used. On the contrary, the company cannot be held responsible for the personal debts of an individual shareholder: the shareholder's personal creditor cannot lay claim to the company's assets to settle his/her own debt. Simple partnerships **do not hold** a V.A.T. number, but only a tax code; this **exempts** them from the obligation to issue e-invoices, as it is sufficient, for

example, to certify the receipt of payment by means of a **tax receipt**.

GENERAL PARTNERSHIP

This is the most common form of partnership. Unlike a simple partnership, a general partnership **can operate within a commercial context**. A general partnership usually consists of two or more partners, who generally have to work in the company. The peculiarity of a general partnership is that the partners have **unlimited joint and several liability**, i.e. they are liable with all their company and personal assets. A general partnership is legally established by means of a notarial deed: the **company name** is derived from the name of one or more partners, and there is no minimum capital requirement. Unless otherwise agreed in the deed of incorporation, each partner is entitled to act in the name and on behalf of the company. Since the company assets belong to all the partners, business matters must be decided jointly. It is advisable to adopt this legal status if

all the partners **are skilled in carrying out** the relevant business activities. Also, for general partnerships, in the case of amounts due to third parties, debts will be settled primarily using the share capital, and only subsequently using personal finances.



Unlike what happens in a simple partnership, a partner's creditor cannot request the liquidation of the debtor partner's share.

LIMITED PARTNERSHIP

Limited partnerships usually consist of parties with **capital available** on one side, and entrepreneurial individuals without financial means on the other. Limited partnerships are characterised by the presence of **two categories** of partners: the **general partner** (socio accomandatario) and the **limited partner** (socio accomandante).

General partner (unlimited liability): *pledges to use his/her personal assets to cover the company's debts. The general partner is in charge of the administration and management of the company.*

Limited partners (limited liability): *these are liable only up to the amount of their capital contribution. Limited partners are entitled to inspect the company's accounts and receive a share of the profits in proportion to the shares they hold. The limited partner is not entitled to participate in the administration of the company.*

The share capital of the limited partnership is divided into **quota shares**, so that each partner has a share proportional to the **contributions they have made**. In the deed of incorporation of a limited partnership, it is necessary to indicate both the general partner(s) and the limited partner(s). Otherwise, the incorporation requirements are the same as those outlined for the general partnership company type.

LIMITED COMPANIES

« *The **capital** represents the main means* »



Unlike in **partnerships**, in **limited companies**, the **assets contributed** are of greater importance than the individual qualities of the partners: in this case, **the capital** represents the main means by which the partners contribute to the business. Limited companies have **a legal status** that is different from that of the partners, and the **liability is limited** to the extent of the paid-up capital. In limited companies, shares are more freely transferable than in partnerships. There are three types of limited companies:

- Limited liability company;**
- Public limited company;**
- Partnerships limited by shares.**

LIMITED LIABILITY COMPANY

Limited liability companies are one of the **most common business types**. The **partners' investments** in the company is represented by **shares**. The shareholder's rights are proportional to his/her shares, unless otherwise specified in the deed of incorporation. Generally speaking, the shares of a limited liability company **can be transferred freely**. In this legal status, any creditors who make claims can only act against the company's assets: each partner is liable to creditors with his/her own share(s). This legal status is particularly suitable for entrepreneurs who wish **to limit risk** without incurring personal liability.

To ensure creditors are protected, the law requires **a minimum payment of 10,000 Euros** when the company is founded.

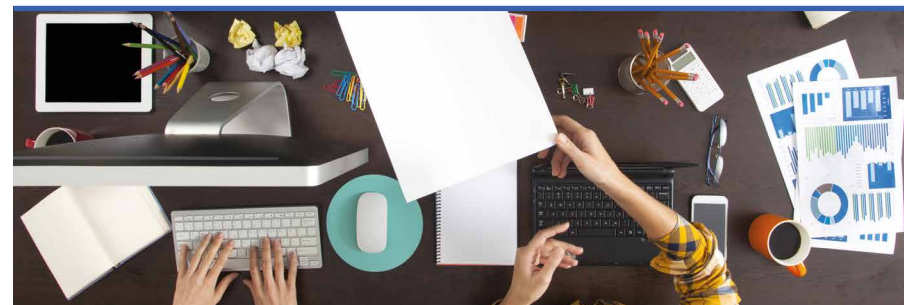
The establishment of a limited liability company requires the drawing up of **a deed of incorporation** by a notary, and subsequent registration in the Companies' Register. To achieve the objectives set, it is essential to draw up the deed of incorporation and the **relative articles of association** correctly: the latter regulate the rules of operation both among current partners and among those who will join the company in the future.

As a general rule, the administration of a limited liability company is entrusted to one

of the partners, although it is also possible to delegate control to a **board of directors** or an **external figure**. The director can be appointed for either a fixed or an indefinite period, according to the provisions set forth in the articles of association.

A limited liability company has advantages from both an **economic** and **organisational point** of view, as it is one of the company models that provides the most freedom in terms of how it operates.

Advantages: *limited liability: the partners' personal assets cannot be affected; the company model guarantees the option of adopting flexible*



articles of association; easier transfer of shares; possibility of operating in several commercial sectors, also through the opening of several companies; taxation based on shares held.

Disadvantages: *higher set-up costs compared to other types of company; more bureaucratic formalities required compared to other types of company; higher accounting costs during ordinary management; obligation to draw up a balance sheet; company organisation: possible appointment of a board of directors.*

Limited liability companies are legally obliged to keep company and accounting records, including a register of the minutes of meetings and resolutions of the shareholders' meeting. Both during the start-up phase and during operation, a limited liability company is **more expensive** than a partnership.

SIMPLIFIED LIMITED LIABILITY COMPANY

In some cases, it is possible to establish a minimum capital **amounting to 10,000 Euros**, but must not be under **1 Euro**, within the deed of incorporation of a limited liability company. These refer to **simplified limited liability companies**, introduced into the legal system in **2013**. Setting up a simplified limited liability company is easier and cheaper: the set-up costs amount to a few hundred Euros, and there are no particular notary fees.

SINGLE-MEMBER LIMITEES LIABILITY COMPANY

The characteristics of a **single-member** limited liability company are the same as those for an ordinary limited liability company. In this type of company, the sole founder limits the financial risk to the amount invested in the company's assets. The company is controlled by the

sole owner directly, without any interference from third parties.

PUBLIC LIMITED COMPANY - PARTNERSHIP LIMITED BY SHARES

These are legal statuses that are rarely chosen. The start-up costs for these legal statuses are extremely high: the minimum start-up capital amounts to approximately **50,000 Euros**.

The topic of public limited companies and partnerships limited by shares is not covered in depth in this publication.

CO-OPERATIVE SOCIETIES

Co-operative Societies are basically companies that carry out their activities primarily to **benefit their members**, and that rely on their labour to operate.

This **co-operation** ensures that members have access to **better conditions** than those that any single member could obtain on the market.

As a rule, there must be at **least nine members** in a co-operative society.



These, as well as being producers, are also consumers of part of the services and goods produced. Products not consumed by the members can still be sold **for profit**, which must remain purely of secondary importance.

A co-operative society is legally established by a public deed drawn up by a notary and filed with the Companies' Register. The company name must include the **word co-operative**. In the deed of incorporation of a co-operative society, it is mandatory to specify the conditions for a member to join or leave the society, as well as the procedures for allocating

profits. Although it is possible to allocate **profits** among its members, this is subject to certain **limits** and cannot exceed a certain percentage of the share capital.



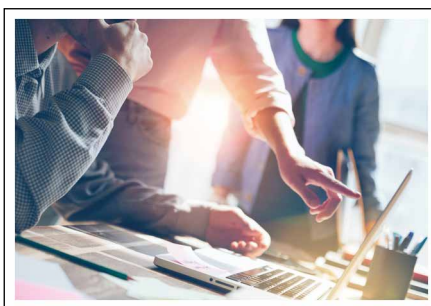
In a co-operative society, creditors **can only make claims** against the Society's assets: in the case of a co-operative society with unlimited liability, if the society is unable to honour its debts, the members are invited to respond with their own assets.

CONSORTIA

For the sake of completeness, basic information is also provided on **consortia**. This is a legal status whereby several companies set up a **joint venture** to carry out specific production phases within their

own company. Whereas the company has a single business purpose, a consortium is made up of several companies that work together **to share** services or resources, or to plan a common business activity.

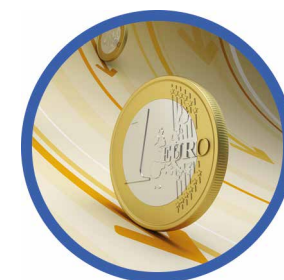
There are also società consortili (**consortium companies**), which, rather than being a consortium in the true sense of the word, act as companies set up to carry out activities with consortium-type business purposes. Consortium companies can be established either as public limited companies (s.p.a. - p.l.c.) or limited liability companies (s.r.l. - l.l.c.).



*In the last pages of this book, you can consult some summary tables about **legal forms** just described.*

BUSINESS START-UP COSTS

.....
*« The **administrative procedures** required to start a business vary from one place to another »*



Once the **legal status** of the enterprise has been established, it is necessary to examine the **legal requirements** to be fulfilled. The administrative procedures required to start a business vary from **one place to another**. The new entrepreneur must carefully verify all the information, beginning with the **formal documents** needed to register the business, such as the SCIA (Declaration of Commencement of Business), certificates of no impediment, and any other certifications required. It is also essential to check in advance the procedures to comply with: in some cases, certain formalities must be completed prior to launching the business, others must be fulfilled upon start-up, and others still at a later date. In addition to this, it is necessary to find **the forms** relating to the various documents to be submitted, verifying the procedures of the authorities to which the applications are to be addressed (Chamber of Commerce, Municipality, Regional Authority, or

Ministry). Taking all these aspects into consideration prior to starting the business will make it possible to accurately estimate **the costs** and **the time** needed to set up a given type of business. Costs can vary depending on a number of factors (legal status, administrative procedures, municipality where the business is located). For this reason, exhaustive information cannot be provided in this guide. Operating costs vary depending on the nature and size of the business. The main expenses include **tax** and **contributions**, which are mandatory for all companies. Tax basically include Personal Income Tax (**IRPEF**), Value Added Tax (**IVA**), and local tax (**IRAP** (Regional Tax on Productive Activities as well as municipal surcharges). Contributions include social security and welfare contributions. Given the complex nature of the subject matter, it is advisable to seek advice from a tax consultant or a trade association. However, in this guide, it is possible only to briefly mention the basics of tax management.

The **Italian tax system** basically distinguishes between **two types of tax**:

IRPEF (Personal Income Tax) which increases according to income, starting from a minimum rate of **23%** up to a maximum of **43%**. There are tax subsidies, known as flat-rate schemes, where instead of paying Personal Income Tax (IRPEF) a **15%** tax rate is paid, which can drop to

5% in the first five years of business. The flat-rate scheme does not, however, allow for the deduction of expenses incurred, but only those determined upon start-up.

Contributions paid to the INPS (Italian National Social Security Institute), generally increase as income increases.

The most important type of indirect tax is **IVA (V.A.T.)**. Except in rare cases, IVA is

not a cost item for the company, since it is paid by the end consumer. IVA is tax based on the added value, or rather on the **difference** between the purchase price and the selling price.

In Italy, tax is paid exclusively via the **F24 form**, which allows the settlement of most tax and social security contributions. Payments made via the F24 model can only be carried out through **home banking systems**.

INPS

Italian legislation requires entrepreneurs **to take out and pay** for their own **insurance and social security contributions**. In Italy, the competent authority is the **INPS**, the *Italian National Social Security Institute*. An entrepreneur who avails him/herself of services provided by employees will also have to pay **their social security contributions**. There are different reference regulations depending on the economic sectors and company types. As a general rule,

in the craft and trade sectors, company owners, family members and collaborators whose main occupation is providing services to the company must be insured through the INPS. Typically, social security contributions are paid to the INPS in **four fixed instalments**: on top of these are the payments of income-based contributions, known as **variable contributions**. Communication and registration with the INPS are carried out via the **Comunicazione Unica**.



machinery used. The insurance coverage must also be extended to family members working within the company. In short, INAIL provides services in the case of accidents that occur in the workplace and provides pensions in the case of **permanent disability** resulting from **occupational illnesses**. INAIL premium tariffs vary according to the risk factors at work and the type of business: the sector is assigned on the basis of the classification applied by INPS. For certain insurance categories, such as craftspeople, **subsidised rates** are applied.

INAIL

All those who work in a company and are exposed to **the risk of accidents** must be insured. The Declaration of Commencement of Business is submitted to INAIL (*Italian National Institute for Insurance Against Injuries*) electronically via the Comunicazione Unica (single notice) system: in addition to the company name, the declaration must include a brief description of the **work processes** and



SPID

In order to access services provided by almost all public offices, business owners must obtain a digital ID, the **SPID** (*Sistema Pubblico di Identità Digitale - Public Digital Identity System*).

Using a system based fundamentally on two passwords, the entrepreneur can directly access the various government websites. The SPID is **free** of charge and

the access data is valid for two years. The Public Digital Identity System (SPID) can be requested from the Chamber of Commerce or a trade association.



« *The **communication** is also valid for tax, social security and welfare purposes* »

SINGLE NOTICE

The **Comunicazione Unica** (single notice) has been in force since 2010. It is a procedure that simplifies interactions between companies and the Public Administration, through the use of a **single telematic submission** of all the necessary requirements required to set up a company. An entrepreneur interested in setting up a business can submit the Comunicazione Unica (single notice) to the Companies' Register at the Chamber of Commerce: if the necessary legal requirements are met, the communication is also valid for tax, social security and welfare purposes, and in particular for the fulfilment of obligations regarding:

Allocation of a **V.A.T. number** (Italian Revenue Agency);
registration in the Companies' Register; fulfilment of social security obligations (**INPS**);

fulfilment of insurance requirements (**INAIL**);
submitting the Declaration of Commencement of Business (**SCIA**) at SUAP (a one-stop business advisory centre) of the local Municipality.

For help with filling in the Comunicazione Unica (Income Tax Return) form, it is possible to contact a qualified intermediary, an accountant or a trade association. The Comunicazione Unica (single notice) **does not replace** any authorisations required to carry out the business activities: these are governed by specific regional and municipal regulations. In order to access the Comunicazione Unica (single notice), it is necessary to have a **certified e-mail address (PEC)** and a **digital signature device** assigned to the company owner or delegated representative.

SCIA

If the new entrepreneur wishes to start a **business in retail** (shop and e-commerce), in **trading in public areas** (street vendors), or intends to **work as a professional** (beautician, hairdresser, restaurant owner, etc.), they must send a notification to the local municipality: this is called the **SCIA** (Declaration of Commencement of Business). Except in a few cases, in order to start your own business, it is sufficient to submit a SCIA (Declaration of Commencement of Business) form that has been duly, and completely, filled in. The notification must be sent electronically through the **SUAP** (a one-stop business advisory centre) of the municipality in which the business activities are carried out. After submitting the notification, business can be started immediately. The SUAP office will issue an **acknowledgement of receipt**, which will be forwarded to the user's certified email address (PEC). The receipt is considered a qualifying title required to start business operations. The SCIA consists of a self-certification and **related annexes** required to document the possession of:

Subjective requirements:
of a moral and professional nature necessary to carry out the business activity.
Objective requirements:
required by law depending on the economic activity.



The SCIA must be presented by the company owner prior to the start of the business activities. Since this is a self-certification declaring that the **requirements for commencing business** activities are met, it is necessary that the applicant has already set up a company by the date of submission. The **cost** of submitting the SCIA varies depending on the business activity in question. Generally speaking, when starting a business, it is necessary to pay administration fees, in addition to other **administrative expenses**: for example, the cost of a SCIA for a company located in the municipality of Rome can vary between 80 and 400 Euros.

E-INVOICING ACCESS TO CREDIT

.....
*« Sound **financial planning** is one of the cornerstones of starting a business »*



E-invoicing is mandatory in Italy. The obligation applies to all invoices issued for goods and services provided between companies based in Italy. To guarantee compliance with this requirement, companies **must adopt a system** capable of generating, sending, receiving and archiving documents. E-invoicing eliminates the need to print documents, reducing costs for both parties involved in the transaction. E-invoicing also provides **greater visibility** into financial processes, providing **real-time tracking** information between transactions. Invoices must always be sent through the **SDI** (Central Data Hub) by inserting the certified email address (PEC) or the Codice Destinatario (SDI or **Destination Code**) provided by the customer

in the document: the latter consists of a 7-digit alphanumeric code. Italian law requires all companies to keep a **Digital Invoice Register**, known as a DRF. There are many programmes available on the market that can be used to produce e-invoices quickly and easily.

ACCESS TO CREDIT

Once the necessary administrative and tax formalities have been fulfilled, the new entrepreneur will have to consider another issue: access to **financial resources**. Sound financial planning is one of the cornerstones of starting a business. Securing financial resources is one of the most significant problems, both during the start-up and the consolidation phases. A reasonable

estimate of the amount of money required to carry out the venture has been specified in the business plan. Once the required amount has been established, it is necessary to identify the **most appropriate sources**. One option could be to apply for a loan from **a bank**: this is not a particularly cheap solution, as a loan always involves paying interest at a relatively high rate. Although it is not always easy to find adequate information on **subsidy laws**, an alternative solution could be to look into subsidies at different levels (on a local and national scale). Finally, it should be emphasised that the sector of subsidies is subject to **variable measures** in relation to the different legal statuses, the sector of business, and the location.

CONFIDI

In Italy, there are **credit guarantee consortia**, known as **confidi**, that play an important role in facilitating access to short, medium and long-term finance. Based on the principles of mutuality and solidarity, the confidi (credit

guarantee consortia) were created as representatives of the **trade associations** in the craft, commercial and industrial sectors, under the decisive guidance of the Chambers of Commerce.



Credit guarantee consortia (confidi) make it easier for SMEs to access credit and other forms of financing: with the guarantee provided, it is possible to secure **all forms of financing**, allowing companies to obtain **favourable conditions**.

Information on cooperative di garanzia (guarantee co-operatives) can be obtained from either the relevant trade associations or the local Chamber of Commerce.



COMMUNICATION

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COMMUNICATION

the opportunity to make your company known to a potentially unlimited number of customers: sales information is provided **24 hours a day, 365 days a year**.



From this perspective, digitisation has provided companies with an additional promotional boost. Today, the costs of building a website are rather affordable: there are also programmes that make it possible for anyone to set up a *D.I.Y. website* in no time at all. A company can also contact a large number of customers by sending advertising messages (**newsletters**) to more or less **targeted groups**, or search for a specific target audience via search engines. In certain cases, it is possible to encourage your customers to participate in market surveys, measuring the satisfaction of

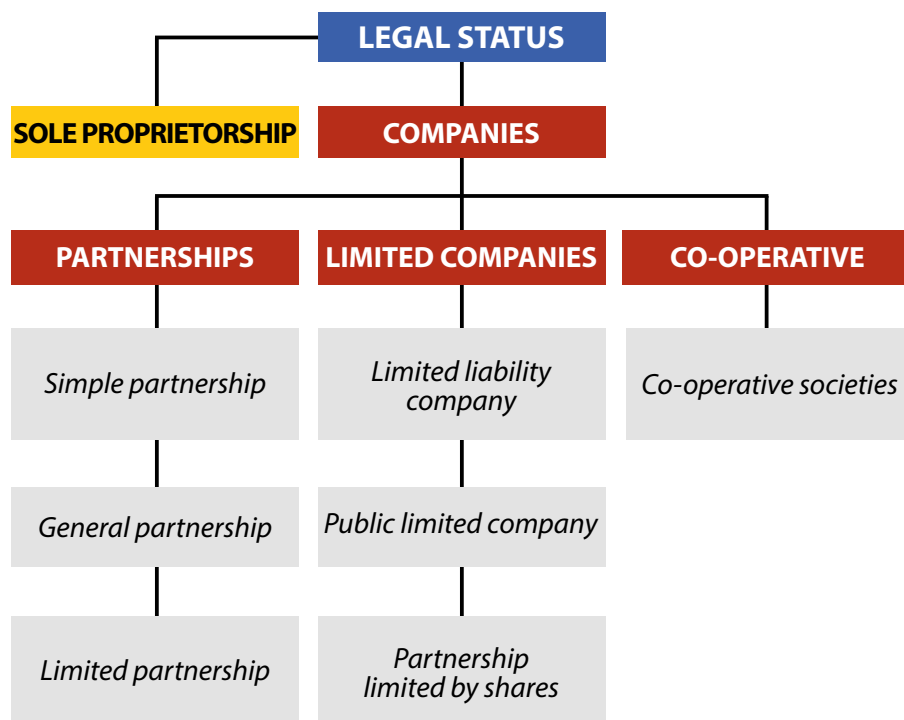
a product or service provided. Thanks to several **e-commerce** apps, a product can easily be sold through **economic transactions** carried out in a totally safe manner. For the sake of completeness, the figure of the **influencer** is also briefly outlined: these are opinion leaders who operate on the web and have credibility thanks to their follower base. As successful **social media** celebrities, they are able to influence the behaviour and choices of a given audience. Influencer-promoted content is usually perceived more effectively by the web than messages conveyed by an individual company. The influencer can work toward various aims, including **expanding the reach** of a company's **target audience**, or enhancing **customer loyalty**. Today, focusing on influencers in corporate promotion actions is one of the main channels to boost a company's marketing messages.

The start-up of a new business represents growth for the local economy and the **productive fabric** of a city. A business generates employment and prosperity all over the entrepreneur's country of origin.

It is hoped that in the not too distant future we will be able to speak about entrepreneurship without **any gender** or nationality bias.

It is also vital to realise how necessary it is for the economic future of our area to foster a policy of entrepreneurial support and integration. After all, the heterogeneity of the population has been a distinguishing feature of Rome for millennia. Non-Italian businesses are also geared to engage in import and export activities, a **fundamental economic process** that could make the Capital a key player in trade in forthcoming years. For this very reason, it is deemed essential to support the start-up of new businesses, guiding future non-Italian entrepreneurs through a process of integration and support, which can also extend to **their families**. It is likely that this project of ours will prove to be more effective the more types of enterprises we manage to set up over time.

It will also be of paramount importance for future business ventures to assess their business idea in terms of **social and ecological sustainability** as well as to promote responsible business practices. Indeed, sustainability is playing an increasingly important role in the **customers' purchasing choices**, who are increasingly in search of products that meet present demands without compromising the abilities of future generations. For further information on the topic of innovation or sustainability, please contact **our consultants**.



SOLE PROPRIETORSHIP

Liability	Unlimited liability, even with personal assets
Taxes	IRPEF (progressive taxation)
Accounting	Ordinary accounting, simplified if revenues do not exceed € 500,000 (service companies and artisans)
Incorporation	Single notice filed for Companies' Register purposes
Name	Includes the entrepreneur's surname or the initials of his name and surname
Incorporation costs	Single notice from € 225 to € 325; Annual chamber of commerce fees: € 53; Annual accounting expenses: from € 1,100; Annual income tax return expenses: from € 500

FAMILY-RUN BUSINESS

Liability	Unlimited liability, even with personal assets
Taxes	IRPEF (progressive taxation). The business owner must tax at least 51% of the profit, while the distribution among other family members can be established from year to year
Accounting	Ordinary accounting, simplified if revenues do not exceed € 500,000 (service companies and artisans)
Incorporation	Notary deed; Single notice filed for Companies' Register purposes
Name	Includes the entrepreneur's surname or the initials of his name and surname
Incorporation costs	Notary incorporation costs: from € 500; Single notice from € 225 to € 325; Annual chamber of commerce fees: € 53; Annual accounting costs: from € 1,100; Annual income tax return costs: from € 700

GENERAL PARTNERSHIP

Liability	Unlimited liability of all partners, even with personal assets
Taxes	IRPEF (progressive taxation in proportion to the shares of individual partners); IRAP (3-5%)
Accounting	Ordinary accounting, simplified if revenues do not exceed € 500,000 (service companies and artisans)
Incorporation	Notary deed; Single notice filed for Companies' Register purposes
Name	The name must contain the name of at least one or more partners
Incorporation costs	Notary incorporation fees: from € 2,500; Communication of start of business: € 150; Annual Chamber of Commerce fees: from € 200; Annual accounting fees: from € 1,800; Annual income tax return fees: from € 800

LIMITED PARTNERSHIP

Liability	Unlimited liability of the general partner (also with personal assets). Limited partners are liable for the share of capital
Taxes	IRPEF (progressive taxation in proportion to the shares of the individual partners); IRAP (3-5%)
Accounting	Ordinary accounting, simplified if revenues do not exceed € 500,000 (service companies and artisans)
Incorporation	Notary deed; Single notice filed for Companies' Register purposes
Name	The name must contain the name of the general partner
Incorporation costs	Notary incorporation costs: € 2,500; Communication of start of business: € 150; Annual Chamber of Commerce fees: from € 200; Annual accounting costs: from € 1,800; Annual income tax return costs: from € 800

LIMITED LIABILITY COMPANY

Liability	The partners are liable with their share of the capital
Taxes	IRES 24% (proportional taxation); IRAP (3-5%)
Accounting	Ordinary accounting
Incorporation	Notary deed; Single notice filed for Companies' Register purposes; Minimum share capital of € 10,000
Name	The name must include the word s.r.l.
Incorporation costs	Notary incorporation costs: € 4,000; Communication of start of business: € 150; Single notice from € 225 to € 325; Annual Chamber of Commerce fees: from € 200; Annual certification of company books: € 310; Annual accounting costs: from € 3,000; Annual income tax return costs: from € 1,500

SIMPLIFIED LIMITED LIABILITY COMPANY

Liability	The partners are liable with their share of the capital
Taxes	IRES 24% (proportional taxation); IRAP (3-5%)
Accounting	Ordinary accounting
Incorporation	Notary deed; Single notice filed for Companies' Register purposes Minimum share capital € 1, maximum € 9,999
Name	The name must include the word s.r.l.s.
Incorporation costs	Notary incorporation fees: € 250; Tax consultancy: € 200; Communication of start of business: € 150; Single notice from € 225 to € 325; Annual Chamber of Commerce fees: from € 200; Annual certification of company books: € 310; Annual accounting expenses: from € 3,000; Annual expenses for income tax return: from € 1,500

CO-OPERATIVE SOCIETIES

Liability	Limited liability: members are only liable with the shares of capital contributed
Taxes	IRES 24% (proportional taxation); IRAP (3-5%); The profits of cooperatives are subject to IRES with different rates depending on the sector to which they belong
Accounting	Ordinary accounting
Incorporation	Notary deed; Single notice filed for Companies' Register purposes
Name	The name must contain the word cooperative
Incorporation costs	Notary incorporation expenses: from € 2,500; Annual chamber of commerce fees: from € 200; Annual expenses for accounting: from € 2,500; Annual expenses for income tax return: from € 1,500



Artigiani
Imprenditori
d'Italia

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