

Studio Baldi News

Fortnightly Newsletter

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VAT REFUNDS ON THE WAY

On 4 May the Tax Office issued a press release reassuring a large number of taxpayers who have been waiting a long time for their reimbursement of VAT credit. € 400 million will be paid out in the next few days and another € 1,800 million starting from the second half of this month (May). With this allocation, the overall amount of refunded credits will exceed 14% of the total relating to 2011. The Tax Office's stated intention is to settle the credits within a year of application. The possibility of requesting the issue of a credit certificate from the VAT Office, so as to be able to apply for an advance from credit institutes, is also worth noting. For the banks that have entered into suitable agreements with the Tax Office, the advance amounts to 90% of the certified credit.

NEW OIC (Official Italian Accounting Board) ACCOUNTING STANDARDS

The new accounting standards can be found on the OIC's website. They refer to inventories, amounts receivable, cash and cash equivalents, and debt securities. With regards to inventories, it's now possible to adopt the retail price valuation criterion. Again relating to the value of inventories, it's possible to include also financial charges in the event that the period of production is particularly long, for example, for products which undergo a maturation process (spirits, wines, cold meats, etc.) The other accounting standards set out the rule for discounting medium/long-term receivables and indicate the classification under extraordinary items of profits and losses deriving from the trading of debt securities before maturity.

AMOUNTS RECEIVABLE FROM PUBLIC ADMINISTRATION ENTITIES

Leg. Dec no. 16/2012 provides good news for suppliers and contractors of regional and local public authorities who have been waiting a long time to settle their credits. Firstly, the local authorities' endowment fund has been refinanced for a billion euros (with priority given to the City/Town Councils) for the payment of commercial debts, and the possibility for public administration creditors to transfer their receivables (whether pro soluto (without recourse) or pro solvendo (with recourse)) to the banks. This is subject to certification of the receivable on the part of the debtor authority, also in computerised form. The latter means of certification, currently under review, will shortly be formalised through a Ministerial Decree of the Ministry of Economy.

CALCULATION OF TFM (Directors' Severance Indemnity)

On 25/1/2012 the Lazio Regional Tax Commission ruled that the Directors' Severance Indemnity that companies may set aside in favour of directors is an inherent and deductible cost. Its quantification is at the company's discretion. Since current legislation gives no indications or tabled references, the Tax Office therefore cannot question the amounts agreed between parties.

CONTACTS

Matteo Bedogna

Partner

Tax, accounting and financial

+39.0522.271220

matteo.bedogna@studiobaldi.it

Francesca Baldi

Partner

Legal

+39.0522.271343

f.baldi@baldilaw.it

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“BUSINESS TRIBUNALS” FROM SEPTEMBER TO SPEED UP LEGAL PROCEDURES

Art. 2 of the decree referred to as “Cresci-Italia” (Growth for Italy) (Leg. Dec. 1/2012 converted in March into Law no. 27/2012) provides for the setting up of “special” sections in the civil courts, so-called “Business tribunals”, specialised in dealing with business and company law, with the task of reducing the duration of civil procedures through the creation of a highly specialised section able to generate high quality rulings.

LABOUR REFORM: THE OBJECTIVES AND MOST IMPORTANT CHANGES

A substantial revision of current labour law is under way. The objectives of the reform law presented by the Government to the Senate on 5 April 2012 are mainly that of generating a dynamic labour market able to contribute to the creation of new employment, both in terms of quantity and quality, and to contribute to the country’s economic and social growth, and specifically:

- favouring the establishment of more stable work relations, underlining the priority status of permanent work contracts as the most common form of employment contract and therefore contrasting the excessive use of fixed-term contracts. For this purpose, the reform introduces an increase in contributions for fixed-term contracts, part of which shall be reimbursed to the employer in the event of hiring the worker under a permanent contract;
- contrasting the improper and exploitative use of flexible practices for certain types of contract (project work, intermittent work, apprenticeship);
- adapting the regulations for dismissal (both of individuals and collectively) to the principles of flexibility, as well as setting up a specific legal procedure for speeding up the settlement of disputes;
- making the redundancy schemes system more efficient and fair and providing for the setting up of the Assicurazione Sociale per l’Impiego (ASpl) (Social Insurance for Employment) system which will replace unemployment benefit and temporary redundancy benefit;
- contrasting the evasive application of contribution and tax obligations in existing contractual terms;
- promoting a fuller participation of women in the economy and developing new work opportunities, and improved income protection for workers over the age of fifty in the event of job loss.

A WORKER WHO REFUSES TO MOVE MAY BE DISMISSED

With its ruling of 26 March 2012 no. 4797/12, the Supreme Court affirmed that the dismissal of an employee who refuses to change their work location, also many kilometres from home, if the “relocation” to other branches is the only solution offered by the employer in order to safeguard employment levels, is legitimate.