

HANDBOOK - how to set up a ceramic enterprise. The Italian case

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Working package 3.1.4 - Handbook How to set up a business in ceramics for transnational & regional level, with regional adaptations

Description of deliverable - The handbook VIDEO, that is linked to this report, will summarise all important information, specifics, advices, and contacts which are necessary for ceramicists to establish an own business. It will be adapted to each partner region and its different sets of conditions. The Italian case is partially equipped with English subtitles, in the story case, and is in Italian because represent a specific national case.

It is available online as model for other countries.

It will be updated





Choice of the Company name (legal profile) of the enterprise

The first step for an entrepreneurs is understanding which opportunities offered by the Italian law can be suitable to her/his firm.

In Italy there are 4 possibilities.

The individual enterprise: the owner of the firm is the legal representative with full responsibility. She/He may have maximum 18 employees (or up to 24 in case there are apprentices), the owner can open the firm inside an association, registering it in the list of Italian Companies.

The family enterprise: the owner of the firm works together with her/his family members. To open the company is necessary a legal act by a Notary. The collaborators cannot have salaries more than the 49% of the total annual income, because the 51% is for the owner. The collaborators have to be insured and positioned on the national register for pension contributions (in Italy the two agencies are INPS and INAIL).

The Society general business partnership: all employees have full responsibility for the company and the financial statements. The company is founded through a notary act. In case of problems the owners have economical responsibility, also involving their personal properties.

The society srl, with limited responsibility: the economical responsibility is limited to only the capital subscribed for the creation of the company. From the point of view of both administrative-accounting and management costs is the absolute most expensive because the tax authorities seek to ensure third-party creditors on the obligations that the owners and the members of this company take on the basis of business choices.

Today the Italian state administration is trying to find best administrative and legal solutions to help the entrepreneurs, in particular young people who wish to open their own activity.

Contributions and financial support



The economical-financial plan and research of existing financing possibilities to support the opening of a company are necessary actions to have a clear idea of what the entrepreneurs have to face and what options are available.

The ceramic associations that work in collaboration with the entrepreneurs offer information about all the compulsory expenses to face: expenses referred to the bureaucratic activities, taxes, permits or authorizations, first supply of goods and whatever else may be necessary to start.

The starting of a laboratory in general requires a financing with the private capital of the owners or a bank loans or mortgages. The associations offer information on eventual existing non-repayable funding made available by special state or regional laws.

The central guarantee fund and other forms of incentives are often available through state or regional calls for proposals. They have the characteristic to be open for a certain time limit: it is certainly useful to look for existing sources and incentives that may be operational.

In Italy there are public agencies that anticipate the first expenses (leasing) with amount of money that will be reimbursed following public subsidies.

In Italy the "tax system" is complex and demanding, anyway, step by step, the responsible government experts are developing strategies to help emerging companies and entrepreneurs, through money credit that they accrued, as a function of having made an investment: a kind of recovery of money already paid.

Another incentive that is widely used is the "Central Guarantee Fund": the State acts as guarantor to the bank or institution that gives the loan to the company.

In this period of **COVID pandemic**, in Italy there may be the possibility of having a low-interest loan, even a non-repayable contribution. There have been cases of calls where it was possible to have this type of incentive.

Another Italian financial support are the "Credit consortia": these are consortia set up between companies, therefore private bodies not public bodies, which have the function of helping companies to access the credit market, whether they are investments, liquidity or opening of credit on current account.

Emilia Romagna offer more contributions and collaborations than other Italian regions. There are "calls for support" devoted to the entrepreneurs. It is mostly about "microcredit": a real fund that will be offered with very good conditions, after the evaluation of the project. It will be evaluated the repayment capacity that the company proves to have, so it is not enough to submit the application, you must also convince that the project is valid.

From a general point of view, even if there are many projects in support of the entrepreneurs, the Italian bureaucracy is an obstacle that is not easy to overcome.



That's why there are agencies such as CONFARTIGIANATO, or public-private entities that work to help companies. In the agencies, there are specialists in each sector who are constantly updated on the various economical and financial possibilities to support entrepreneurs. They offer a practical support and give information also about European funds managed by the Italian regions.

To resume, everything starts from a well done financial plan, made in collaboration with experts working in a field connected to public institutions, to have reassurances and guarantees of reliability

TAX REGIME

Dedicated to the choice of the fiscal regime for an enterprise in the sector of the handicraft of the artistic ceramics.

The tax regime in Italy mostly depends on the choice of the legal status.

The Individual companies, for example, may choose the so-called "flat regime" for sole traders who do not intend to exceed the annual turnover limit of €65000. Obviously, this flat regime can also be applied to small family businesses like ceramic workshops: it is a facilitated regime, which is substantially based on the forfaiting tables of the income provided by a communication of the Italian tax agency.

In Italy, the manufacture of ceramic products for domestic and ornamental use provides for a flat of income to 67% of the VAT-Tax that the individual company or family business has achieved during the current year. It is a way to facilitate the small companies, in particular in time of crisis. A low taxation in general is applied for the first 5 years of activity.

In general, the Italian taxation for handicraft ceramic companies is around 28 or 28%. The tax system is complex so in general it is necessary to be flanked by an association or by a private accountant to manage the budgets.

The different incoming establish different fiscal regimes, for example, up to €400000 it is possible to apply a "simplified fiscal regime". Over this income, it is necessary the "ordinary regime": a much more detailed accounting with many movements and with higher costs because obviously the fiscal office of the association that organizes the registration of documents, receipts and payments will obviously have twice the amount of work compared to the "simplified fiscal accounting".

LOCATION (AND AUTHORIZATIONS)

Permits and regulations to be respected in order to carry out an activity in the ceramic handicraft field, in compliance with the Italian national environmental regulations.



The destination of use must be declared “ceramic workshop”. Obviously, the laboratory for the ceramic production must comply with certain characteristics of natural lighting and ventilation of the spaces. A part can be dedicated to commercial activities, as long as you change the intended use and it is greater than 30 square meters.

In Italy, ceramic artisans are allowed to sell their products without the necessary and mandatory license.

The certificate of “fitness and use” of the space summarizes all the authorizations of a regular usage, also for the every appliances that must follow the national standard.

In particular, the kiln for the firing of ceramics with electricity must absolutely be in accordance with projects approved by engineers or technical experts. The kilns can be gas fired, and in this case too, the certifications of the technicians are important.

In Emilia, there are strict laws regarding the environmental authorizations that regulates waste and discharges into the public sewer system and also emissions into the atmosphere (smoke emission register).

Agencies such as Confartigianato, sector of ambient and security, can help inform and obtain certifications.

The same rules of safety have to follow all the tools and devices used in the laboratory

MANAGEMENT COSTS

The part dedicated to management costs is only for Italian users. In fact, it goes into detail about costs, taxes and various requirements existing at national level.

This deliverable is a document that represents a first step for entrepreneurs to enter in the business world.

Each partner country should research its own standards.