



Dipartimento
del Tesoro

Italy's Strategy for Reforms

Ministry of Economy and Finance

September 2015



A two-fold reform strategy to ensure growth

Excessive Macro
Economic
imbalances

Low productivity growth
High public indebtedness

Instruments

Sound public finance
Structural reforms

Positive exogenous
factors

ECB decision to launch the **QE** programme
Low Oil prices
Competitive exchange rate \$/€
Confidence

Outcome

Growth



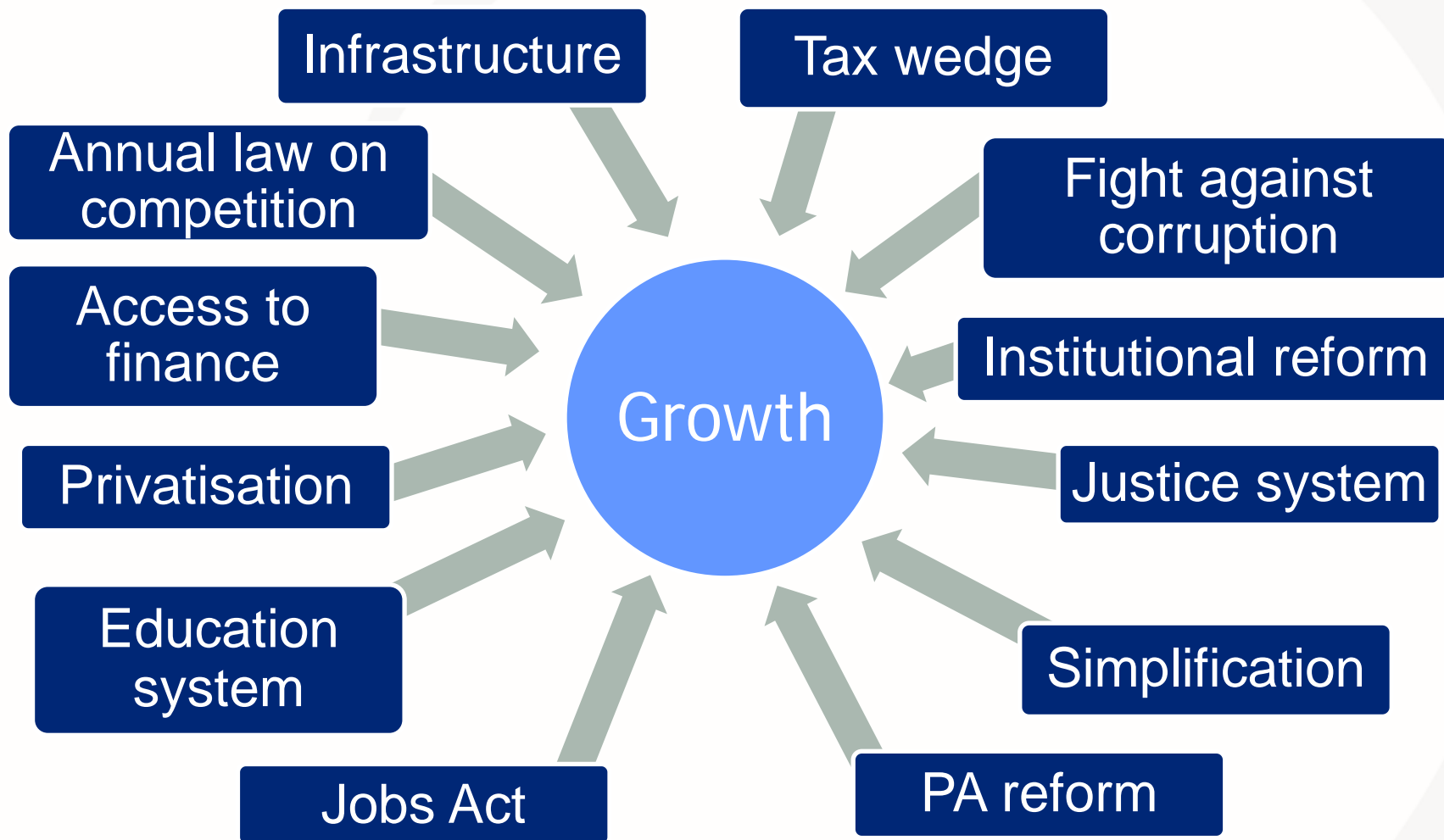
Main structural reforms underway

- **Institutional reforms:** end to bicameralism, simplification of the multilayers governance.
- **Labour market reform:** further flexibility in hiring, labour law reshuffling and simplification.
- **Tax system:** reduction in the tax wedge, a more equitable, transparent, simplified and growth-oriented tax system.
- **Speeding up of payments of the public administration:** new regulatory and monitoring framework, electronic invoicing.

Main structural reforms underway

- **Privatisation programme:** State-owned/local Gov.t companies and real estate assets to improve efficiency and reduce debt.
- **Spending review:** reducing procurement costs, increasing efficiency and cutting unproductive public spending.
- **Investment framework:** alternative financing especially for SMEs, incentives for large-scale infrastructure investment; extra budget leeway for public investment at local level.
- **Public administration:** digitalisation and modernisation, open data, transparency, red tape reduction, fight against corruption.

A comprehensive strategy toward economic growth



REFORM TIMETABLE

POLICY AREA	DONE	IN PROGRESS	TIMETABLE
Institutions	Electoral law (L. 52/2015)		May 2015
		Reform of the Constitution	2016
Labour market	Enabling Law on market reform (L. 183/2014)		December 2014
	Enabling legislative decrees on: Standard open-ended contract (Lgs. D. 23/2015); New unemployment benefit scheme (Lgs. D. 22/2015)		March 2015
	Enabling Legislative Decree on: work-life balance (Lgs. D. 80/2015); Code of labour contracts (Lgs. D. 81/2015)		June 2015
	Enabling Legislative Decree on: wage supplementation scheme (Lgs. D. 148/2015); simplification of procedures and equal opportunities (Lgs. D. 151/2015); National Agency for Safety and Health at Work (Lgs. D. 149/2015); National Employment Agency (Lgs. D. 150/2015)		September 2015

REFORM TIMETABLE

POLICY AREA	DONE	IN PROGRESS	TIMETABLE	
Justice	Reform of civil justice (L. 162/2014)		November 2014	
	Reform on criminal justice (L. 117/2014)		August 2014	
		Bill on revision of penal code, penal proceedings, and certainty in the length of proceedings		December 2015
		Enabling bill on: strengthening special courts for companies and special courts for human rights and family-related issues; rationalisation of civil trial; revision of proceedings stages		March 2016
		Bill against organised crime		March 2016
Anticorruption	Law on corruption in the Public Administration, organised crime and against false accounting (L. 69/2015)		May 2015	
Competition		Strategic ultra broad band plan	2015	
		Annual law on competition	2015	
		Other measures for competition (*)	December 2015	

(*) Measure not yet discussed by the Government

REFORM TIMETABLE

POLICY AREA	DONE	IN PROGRESS	TIMETABLE
Taxation	Enabling Law on tax reform (L. 23/2014)		March 2014
	IVA and taxation on capital gains (L. 89/2014)		June 2014
	Enabling legislative decrees on: Fiscal simplification (Lgs.D. 175/2014)		November 2014
	Permanent reduction of tax wedge (L. 190/2014)		December 2014
	Enabling legislative decrees on: Tobacco products (Lgs. D. 188/2014); Cadastral committee (Lgs. D. 198/2014)		December 2014
	Enabling legislative decrees on: VAT electronic invoicing (Lgs.D. 127/2015); certainty of taxation (Lgs.D. 128/2015); simplifying taxation for international businesses (Lgs.D.147/2015)		August 2015
	Enabling legislative decree on: monitoring of tax evasion; sanction system; litigation procedures; collecting system; reorganisation of fiscal agencies.		September 2015
		Local tax and cadastral reform (*)	2016-2018

REFORM TIMETABLE

POLICY AREA	DONE	IN PROGRESS	TIMETABLE
Privatisation	Selling of public shares: Fincantieri (through CDP); CDP Reti; Trans Austria Gasleitung GmbH – Tag; RAIWay		2014
	Selling of public shares: ENEL	Privatisation of Poste Italiane, ENAV, STMicroelectronics Holding, Ferrovie dello Stato (Grandi Stazioni, Cento Stazioni)	2015 - 2018
Infrastructure	National Strategic Plan for airports		August 2015
	National Plan for Ports and logistics (D.L. ' <i>Sblocca Italia</i> ' cvt. L. 164/2014) preliminary approval in the Prime Minister Cabinet of 3, July 2015		August 2015
		Review of public procurement	December 2015
Public Administration and simplification	Simplification Agenda 2015-2017: simplification for businesses		December 2014
	Enabling Law on reforming the Public Administration (L.124/2015)		August 2015 (enabling decrees for Dec. 2015)
		Reform of local public services (*)	2015
Health	National Healthcare Plan 2014- 2016		July 2014

REFORM TIMETABLE

POLICY AREA	DONE	IN PROGRESS	TIMETABLE
Credit	Reform of ' <i>Banche Popolari</i> ' (L. 33/2015)		March 2015
	Measure on non-performing loans and bankruptcy (L. 132/2015)		August 2015
		Strengthening of Central Guarantee Fund for SMEs (*)	October 2015
		Enhancement of enterprise networks (*)	2015
		Reform of cooperative banks and Foundations (MoU for Foundations in April 2015)	2015-2016
Education	' <i>La buona scuola</i> ' reform (L. 107/2015)		July 2015
		National Plan for Research (*)	2015
		National Plan for digital education (*)	2015 - 2018
Agriculture	Implementation of the Common Agricultural Policy Measures for the milk and dairy industry (L. 91/2015)		March 2015
			July 2015
Environment		Green Act	October 2015
		Environmental taxation (*)	2015 - 2016
Spending review and tax expenditures		Enhancing PA efficiency and revision of the tax expenditures	Structural savings planned up to 2019

MACROECONOMIC EFFECTS OF STRUCTURAL REFORMS

IMPACT FOR POLICY AREA <i>(percentage deviation of GDP from baseline scenario)</i>			
	2020	2025	Long run
Public Administration	0.4	0.7	1.2
Competitiveness	0.4	0.7	1.2
Labor Market	0.6	0.9	1.3
Justice	0.1	0.2	0.9
School System	0.3	0.6	2.4
Tax Shift (total)	0.2	0.2	0.2
of which:			
Reduction of tax wedge (IRAP-IRPEF)	0.4	0.4	0.4
Increase in the taxation of capital income + VAT	-0.2	-0.2	-0.2
Spending Review	-0.2	-0.3	0.0
TOTAL	1.8	3.0	7.2

Note: MEF estimates. The macroeconomic impact of structural reforms is carried out by focusing on a scenario where only the most recent reforms are considered, namely those eligible for the application of the structural reforms clause recently introduced by the European Commission (flexibility clause scenario, FCS).

REFORM MACRO ECONOMIC IMPACT

COMPARING OFFICIAL ESTIMATES <i>(percentage deviation of GDP from baseline scenario)</i>		
	MEF	OECD
Public Administration and Justice	0.5	0.6
Competitiveness	0.4	0.5
Labor Market (Jobs Act)	0.6	0.6
Tax wedge	0.3	0.3
TOTAL	1.8	2.0

Source: OECD (2015) '*Italia. Riforme strutturali: impatto su crescita ed occupazione*'.
OECD Economic Surveys: Italy 2015.

Reforming labour market

- In Sept. 2015 the Gov.t completed the full implementation of the enabling law so called '**Jobs Act**'.
- **Legislative decrees approved:** i) introduction of a standard open-ended contract with increasing protection according to tenure; ii) universal unemployment benefit scheme associated to stronger active labour market measures; iii) revision of the wage supplementation scheme; iv) reorganisation of the active labour market policy with the creation of a dedicated National Agency; v) simplification of inspection activity and creation of a National Inspectorate; vi) work-life balance measures; vii) simplification of contractual models; and viii) simplification of administrative procedures.

Jobs Act: New open-end employment contract

- Starting from March 2015 the **new open-ended contracts** can be used by firms. It is characterised by:
 - ✓ **Minimum protection floor.** Depending on the circumstances, the new contract ensures a stable level of protection for the first two years, then increasing with tenure.
 - ✓ **Revision of the dismissal rules** on both individual and collective basis. A reinforced, fast and more convenient conciliation procedure is created so as to reduce uncertainty and allow parties to reach an extra-judicial agreement.
- Rules apply to all the **newly hired workers on permanent base** and to small firms that increase their workforce.

Jobs Act: Universal unemployment benefit

- The **universal unemployment benefit** scheme (NASpl) targets all employees working in the private sectors (with the exception of agriculture).
- The benefit is **correlated to the average wage** of the last 4 years and can not exceed €1,300. Starting from Jan. 2017 the duration of the allowance is limited to **78 weeks**.
- The provision of NASpl is conditioned to the **participation to activation measures** proposed by employment services.
- The unemployed entitled to receive the NASpl allowance can claim for an anticipation of the entire amount of the benefit as an incentive to **self-employment initiative**.

Jobs Act: Work-life balance measures

- The **work-life balance measures** increase the flexibility in using the parental leave, which is now extended to all types of workers.
- The **parental leave** can be used until the child ages 12 (vs. 8 in the previous legislation). Until the child is 6 years (previously 3) the parental leave is partially remunerated (30% of the regular wage). In case of adoption, parents are entitled with the same rights as natural parents.
- Strengthened the **telecommuting** and distance work opportunities.
- **In case of violence**, women can benefit from a job leave.

Jobs Act: Rationalisation of contractual models

- The **rationalisation of contractual models** aims at reducing the array of short-term contracts.
- **By 2016** the **temporary and project-based contracts** will be transformed into permanent contracts. Collective agreements may set flexibility criteria for the use of temporary contracts.
- Streamlined the **apprentice contracts** so as to reinforce the link between school and work.
- Revised the discipline for few other **short-term contracts**.
- In case of business restructuring, allowed the **flexibility in job's responsibilities and duties**.

Jobs Act: Active labour market policy

- The reorganisation of employment services and active labour market policies relies on:
 - ✓ The **National Agency for Active Labour Policies (ANPAL)** set with the mission of coordinating the national network of employment services.
 - ✓ The creation of a **national register of employment services**, both private and public, in charge of connecting jobseekers to employers through information, placement and active support.
- The **Ministry of Labour** is in charge of defining a 3year-plan setting targets and minimum standards of service provision.

Jobs Act: Revision of CIG

- The Government took actions towards the **revision of public supporting schemes for temporary layoff workers**.
- The wage guarantee scheme called *Cassa Integrazione Guadagni* (CIG) is **extended** to support workers affected by a temporary suspension of job, while a stronger **conditionality on labour activation** is enforced.
- **For employers** willing to use the CIG instrument, the legislative decree sets **selection criteria, time limits** and **social contributions proportional** to the provision of wage support (*bonus malus* system).

Jobs Act: Simplifications

- The Government adopted several measures to **simplify labour administrative procedures**. Among them:
 - ✓ Reduced the burden on firms and citizens mainly through the **digitalisation** of compulsory communications and obligations. Introduction of an **electronic folder for each worker** to be shared with the Ministry of Labour (starting from 2017).
 - ✓ Streamlined the hiring process of **disabled persons**.
 - ✓ Revision of **occupational safety and health legislation**, with new responsibilities and sanctions for both employer and employee. Measures to fight illegal work.

Jobs Act: Inspection activity

- The Government adopted measures to **reorganise the labour inspection activity and legislation**.
- The reorganisation hinges on the creation of a **unique labour inspectorate** at national level responsible for enforcing compliance with employment law.
- The **National Agency for Safety and Health at Work** merges the functions currently shared among INPS, INAIL and the Ministry of Labour.
- The Agency **coordinate the activity** of the inspectorates of the local health authorities and the regional agencies for environmental protection.

Reforming education

- The '*Buona scuola*' reform aims at improving school governance. It reinforces the tenured teaching staff in a permanent way, develops teachers' competencies through permanent formation, fosters digitalisation and strengthens the link between school and work.
- The Plan provides for: a **three-year planning** of financial and human resources for each school; a new **evaluation system** for teachers with **careers** linked to performances; enhanced managerial role of **principals**.
- Further **delegated acts** will revise the systems of primary and secondary education.

New resources to schools

- Resources for €300m for the **construction of new school buildings** innovative in terms of architecture and technology.
- The '**school bonus**': 65% tax credit in case of **donations** (max €100,000) for the construction of new schools and for the maintenance of the existing ones, as well as for the promotion of schools' projects.

Implementing the enabling law on tax reform

- Implemented the **enabling law on tax reform** with the final approval of the last expected legislative decrees.
- Since 2014, realized **simplifications** related to tax repayment obligations, corporate tax obligations, as well as abrogation of unnecessary hurdles for firms and citizens. Introduced a pre-filled tax returns for permanent employees and pensioners.
- Other **legislative decrees approved** redefine Cadastral Committees and revise tobacco taxation.
- The 2015 Stability Law contains several measures such as the streamline of the **taxation on minor self-employed**.

Fiscal reform: Legal certainty and sanctions

- The legislative decrees recently approved deal with:
- ✓ **Legal certainty in the relationship between tax administration and taxpayers.** The legislative decree aims to ensure a legal framework with respect to elusion, evasion and abuse of legislation. Moreover, it extends the verification period and simplifies tax compliance procedures.
- ✓ **Revision of administrative and penal sanctions.** Endorsed the proportionality in sanctions: reduction of the penalties for minor violations. A tough stance remains on tax fraud, especially when it involves documentation.

Fiscal reform: Simplifications

- ✓ **VAT electronic invoicing.** The measure offers incentives to the adoption of electronic systems in payments and transactions so as to ensure the traceability of VAT exchanges and reduce the fiscal burden on business. The adoption will be on a voluntary basis, starting from Jan. 2017.
- ✓ **Simplified measures for international firms.** The legislative decree is aimed to i) reduce administrative burden on international firms, by introducing a prior agreement with the Revenue Agency; and ii) create a stable taxation profile for new investment (over €30m) realized by international firms.

Fiscal reform: Collection system

- ✓ Rationalisation of the **tax collection system**. Measures facilitating tax compliance, also by applying for an installment agreement with the Revenue Agency which becomes more easy to access. Reductions in the premium of agents collecting taxes.
- ✓ Reorganisation of **fiscal agencies**. Ensure a broad coordination in their administrative action, cutting red tape and limiting in-depth financial controls, while offering to tax payers more possibilities for clarification and conciliation.

Fiscal reform: Conciliation and monitoring tax evasion

- ✓ **Fiscal litigation.** More possibilities offered for conciliation with the Italian Revenue Agency so as to avoid court litigations. Measures to ensure certainty in the proceeding.
- ✓ Monitoring system of **tax evasion** and a new regulatory framework for **tax expenditures**. Annually the Gov.t will review existing tax expenditures according to their economic impact. Savings will be allocated to reduce tax wedge.

Reforming Public Administration

- A **comprehensive reform of PA** was approved in August. The reform entrusts the **Government** to issue several legislative decrees on: administrative simplification, personnel, State Owned Enterprises (SOEs), and public utilities.
- The reform adds to a general process of revision of the **staff planning and recruitment system** the PA is undergoing.
- Regarding the **rationalisation of companies owned by local authorities** as required by the 2015 Stability Law, more than half of the involved local entities submitted their action plans by detailing merger and acquisition procedures or the transfer of the companies' shareholdings.

Reforming Public Procurement (1/2)

- The Parliament is working at the legislative transposition of the **European Directives reviewing public procurement procedures** (bill approved by the Senate in June 2015).
- The bill entrusts the Government to take actions in order to harmonise the domestic legislation to the European criteria on: i) awarding concession contracts (2014/23/EU); ii) public procurement (2014/24/EU); and iii) procurement by entities operating in the water, energy, transport and postal services sectors (2014/25/EU).
- The **transposition** into national legislation has to be done within April 2016.

Reforming Public Procurement (2/2)

- In particular, the Government will be responsible for **legislative decrees** introducing, among others: i) **strict procedures** in case of derogation to the contract awarded and in case of variation to works already under realisation; ii) various **forms of public private partnership**; iii) public consultation with **local stakeholders**.
- The **'most economically advantageous'** tender will be the dominant awarding criterion, overcoming the procedure of the lowest bid by tenderers.
- The central role of guidance and supervision is assigned to the **Anticorruption National Authority (ANAC)**.

Simplification of bureaucracy

- The approved **2015-2017 Simplification Agenda** focuses on five strategic areas: digital citizenship, welfare and health, taxation, construction and business.
- According to the 2nd **monitoring report** issued on April 2015, 90% of the deadlines set in the Agenda were respected.
- The **electronic invoicing** for all the PA entities is fully operational. Moreover the social security compliance certificate (**DURC**) is on line starting from July 2015.
- Fostered the **digital citizenship**: actions to innovate the census and ID card.

Measures against corruption and false accounting

- In May 2015 a **law for fighting corruption in the PA** was approved. It introduces: i) increased penalties for most of the offenses against the PA; ii) full recovery of the money unduly received by public officials; iii) revision of the crime of false accounting.
- Regarding business activities, **false accounting** is again a crime punished with jail. If the company is listed, those who commits false accounting can be punished with 3 to 8 years of imprisonment; if the company is not listed, the years of prison are reduced to one to 5 years.

Reforming justice

- **Civil justice reforming action** aiming at: i) consolidate the specialisation of firms' courts; ii) strengthen the protection of individual rights, children and families, through dedicated courts; iii) ensure greater rapidity in the judgment, by revising the different phases of proceeding.
- **Penal justice reforming** - under discussion in Parliament - modify the **statue of limitations**, cope with judicial backlog, revise the criminal codes and proceedings while strengthening of the rights of defence and ensuring a reasonable duration of trials. The bill approved in September by Deputies also delegates the government to reform the criminal process and the penitentiary system.

Reducing judicial backlog

- To tackle the efficiency gaps an **integrated digital system for civil cases** was introduced. Estimated savings for €48m and 50% in time reduction for injunctions.
- First results of implemented measures (end of 2014): 84% of litigation before **Firms' Court** concluded in one year (end of 2013 was 46%).
- **Fiscal mediation** allowed a reduction of 47.5% of new fiscal cases if compared to 2011. As for the tax backlog, in 2014 the pending fiscal cases were lower than 9.5% compared to 2013; fiscal mediation contributed to 54% of fiscal resolutions.

Measures for competitiveness

- The **annual draft law on competition** was presented to Parliament.
- Measures are as follows: in the insurance sector actions to fight fraud and enhance transparency; in the TLC actions to ease switching; liberalisation of fuel distribution; several liberalisations for legal professions (notaries and lawyers); the scope of activity for limited liability companies is enlarged for the engineering profession; removed limits to pharmacies' ownership; portability of check accounts.

Measures for NPLs and bankruptcy

- **Urgent measures on bankruptcy**, civil justice procedures and the organisation of judiciary approved by the Gov.t in June.
- The measures reduce obstacles in **accessing credit** for firms involved in bankruptcy procedures, and improve changes of **business recovery**.
- Approved measures on: i) tax compensation of **deteriorated credit** held by banks and insurance companies; ii) in case of **corporate crisis** the tribunal can authorize new credit to firm under procedure; iii) the agreement with creditors opened to third parties; iv) **debt restructuring** can be signed with the agreement of 75% of creditors (holding at least 50% of the debt); v) streamlined procedures for extra-judicial auctioning.

Reforming the banking sector

- Regarding the **cooperative banks** (*banche popolari*), the Government action aims at strengthening the their organisational structure and governance. The reform should be fully implemented by the second half of 2016.
- In order to reform the **regulation of banking Foundations**, in April 2015 a protocol between ACRI and MEF was signed. The agreement's principles are: i) maximum investment in one bank of 1/3 of its assets; ii) indebtedness must be only temporary, not exceeding 10% of net worth; iii) management board and supervisors are appointed for 4 years and renewable only once; iv) after the first mandate, a 3 years period of interval is needed before a new appointment.

Finance for growth (1/2)

- The Government aims at **easing lending constraints** to the economy, ensuring **access to capital markets** by fostering bonds issuing by unlisted companies and opening the credit market to new players.
- To support investment activity: a **tax credit** provided to **social security funds (6%)** and **pension funds (9%)**, in case they invest in the real economy, so to balance out the increasing taxation (26 and 20%).
- The public-private **fund for the recapitalisation** of businesses undertaking reorganisation or debt-restructuring processes became fully operational (Investment compact decree).

Finance for growth (2/2)

- **Incentives** to encourage companies to **upgrade machinery and equipment** have been strengthened.
- The new '**Sabatini Law**' offers financing to SMEs for investment in new equipment (min €20,000 max €2m, for 5 years). Fully booked the first fund endowed with €2,5b. A new €2,5b plafond has been established, so to cover investments on capital goods, as well as investments in hardware, software and digital technology.
- 15% tax credit (on IRES and IRAP) for additional **investment in production assets** to be extended until end 2015.

Incentives for doing business

- Long-term secured **loans granted to entrepreneurs** under the age of 40 or to new SMEs with young stakeholders investing in manufacturing or farming, trade and tourism (up to 75% of investment costs). Available funds: €150 m.
- Fully operational the **voucher for internationalisation** of SMEs. It aims at supporting firms and business networks in their strategy to access foreign markets through the assistance of a temporary export manager.

National Strategic Plan for Harbour and Logistics

- The majority of traffic handled by **Italian ports** is concentrated in few hubs, while many ports are small sized harbours handling few quantities of cargo.
- The Gov.t approved a **comprehensive plan** in order to rationalise the port sector, attract additional investments and relaunch the competitiveness of the national shipping network.
- The **plan aims at**: i) simplifying bureaucracy; ii) upgrading ports infrastructures and multimodal transport planning; iii) ensuring environmental sustainability and efficiency; iv) improving the governance of port authorities with a stronger coordination while allowing for more financial autonomy.

National Strategic Plan for Airports

- The Government is committed to **develop the airport sector** within a governance that balances the needs of national and international traffic with the development of local economies, to upgrade the logistic infrastructure and to improve the efficiency of the air navigation.
- 38 airports of **national interest** were identified on the base size and type of traffic, the location of territorial and strategic role of the same, and the terms of the programs of the Trans-European Transport Network (TEN). There, the State will have exclusive powers.

European task force for investment

- The **EU task force for investment**, launched by ECOFIN on Oct. 2014, is identifying investment projects with European value added currently facing obstacles in realisation.
- The **European Fund for Strategic Investments (EFSI)** will consist of €16b in guarantees from the EU budget and €5b from the European Investment Bank. Italy's contribution to EFSI-supported projects amounts to €8b (via CDP being the national promotional bank).
- In Nov.2014 Italy presented a selection of **around 80 projects** worth over €40b of investments, but the process is still open to new eligible projects.

Environment protection

- An enhanced **law on environment protection** was approved on May 2015.
- The law introduced into the penal code **four new crimes**: i) the crime of environmental pollution; ii) the crime of environmental disaster; iii) the crime of trafficking and abandonment of highly radioactive material; iv) the crime of obstruction of control.
- Moreover, the law doubles the **statute of limitations** for environmental crimes, provides for the confiscation of property and the restoration of pre-existing conditions.

Local public finance

- **Debt restructuring through CDP.** Since Jan. 2015 Regions and local governments have renegotiated loans for a total of €15.9b, with an estimated savings in terms depreciation rate of €1.1b over the period 2015-2018.
- **Domestic Stability Pact (DSP).** Additional financial space of €100m for new investments in public services and land maintenance. Reduced sanctions in case of violation of the 2014 DSP and loan renegotiation extended to entities with budgets not yet approved.
- **Speeding up of payments due by PA:** additional funds for Regions (€2b) and autonomous provinces (€850m).








Privatisation plan

- As confirmed in the Update to EFD 2015, **no significant delays** in the process of privatising SOEs despite current market conditions.
- **Expected revenues** from privatisation schemes and disposal of real estate assets amount to 0.4% of GDP in 2015, 0.5% in the 2016 - 2018 period.
- By law, the revenues from sales of shares directly held by the State will be used to **reduce public debt**.
- Technical support of **Invimit** in the real estate divestiture.




Privatisation underway

- Rules to divest initial tranches of ENAV (up to 49%) and *Poste Italiane* (up to 40%) already set.
- Ongoing work related to other companies directly or indirectly owned by the State: STMicroelectronics Holding (disinvestment by end 2015); *Fondo Italiano di Investimento SGR* (12.5% of participation to CDP) and F.S.
- **First results:** i) Fincantieri €1.3b cap., initial share offering of €350m; RaiWay €1.1b cap., i.s.o. of €300m; iii) 35% of CDP Reti (which owns 30% of Terna and 30% of SNAM) for €2.1b and 89% of TAG for €505m; iv) 5.74% of ENEL already listed, through a a.b.b, for € 2.2b.

PRIVATISATION PLAN

Company Name	Relevant sectors	Transaction description
	<ul style="list-style-type: none"> Shipbuilding – cruise liners, mega yachts, naval vessels, oil & gas vessels 	<ul style="list-style-type: none"> 30% of the company sold through IPO, including a capital increase
	<ul style="list-style-type: none"> Gas transportation 	<ul style="list-style-type: none"> 89% of the company sold to SNAM
	<ul style="list-style-type: none"> Gas transportation and power high voltage 	<ul style="list-style-type: none"> 35% of the company sold to private investors
	<ul style="list-style-type: none"> TLC infrastructure provider for RAI broadcast 	<ul style="list-style-type: none"> 30% of the company sold through IPO
	<ul style="list-style-type: none"> Multi national power company 	<ul style="list-style-type: none"> 5.74 of the company sold through accelerated book building
	<ul style="list-style-type: none"> Electronics and semiconductors 	<ul style="list-style-type: none"> 50% of the holding company STH to be sold to CDP
	<ul style="list-style-type: none"> Investment funds 	<ul style="list-style-type: none"> 12.50% of the SGR to be sold to CDP

PRIVATISATION PLAN

Company Name	Relevant sectors	Transaction description
	<ul style="list-style-type: none"> Postal services, financial services, ICT, logistics 	<ul style="list-style-type: none"> Up to 40% of the company to be sold through IPO
	<ul style="list-style-type: none"> Air traffic control 	<ul style="list-style-type: none"> Up to 49% of the company to be sold through IPO
	<ul style="list-style-type: none"> Rail Transport 	<ul style="list-style-type: none"> Reduction of the State-owned stake under study

Further measures	Relevant sectors	Transaction description
<p>Municipal utilities</p>	<ul style="list-style-type: none"> Companies that provide public utilities at local level (water, electricity, waste collection and management) 	<ul style="list-style-type: none"> Opening to private control and significant reduction of their numbers through merger
<p>Public real estate assets</p>	<ul style="list-style-type: none"> Public real estate assets - State and Local authorities properties 	<ul style="list-style-type: none"> Disposal plan of public real estate assets. Decrease the rent of real estate for the PA, increase the efficiency of locations' distribution

Legislative implementation

- **Renzi Gov.t** (February 2014 to September 14, 2015): **219 pieces of legislation** approved, including 95 draft laws, 36 decree laws, 88 legislative decrees. 120 pieces of legislation fully entered into force. 48% of the provision are self enforcing, the remaining need secondary legislation.
- The **implementation rate** of Renzi Gov.t reached **67.7%**.
- As for the implementation of the legislative acts adopted by **previous Governments** (Monti and Letta), out of 889 pieces of secondary legislation required, 261 are left (September 14, 2015).

Inherited stock of secondary legislation

