

ANNEX 3

The following is a selection of articles related to export consortia taken from Italian Law 317/91 entitled *Policies for the Innovation and Development of Small and Medium Enterprises*.¹

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POLICIES FOR THE INNOVATION AND DEVELOPMENT OF SMALL AND MEDIUM ENTERPRISES.

CHAPTER I PURPOSES AND FIELD OF APPLICATION

Art.1

(Purposes of the law and definition of small enterprises)

- 1) The present law has the purpose of promoting the development, innovation and competitiveness of small enterprises, also those constituted in the form of a cooperative, in particular regarding:
 - a) the diffusion and development of new technologies;
 - b) the development and activity of consortia created by small associated enterprises; of credit guarantee co-operatives constituted by small industrial, crafts, commercial and service enterprises;
 - c) the diffusion of new financial instruments and structures for the innovation and the upgrading of small enterprises;
 - d) the foundation, development and modernisation of small enterprises located in industrial districts which have undergone sectorial crisis [...];
 - e) the investments for innovative small enterprises.

- 2) For the present law one shall consider:
 - a) a small size enterprise, a firm having a maximum number of employees not exceeding ... and an invested capital not exceeding \$..., after all depreciation and monetary revaluation;
 - b) a small services enterprise, a firm having a number of employees not exceeding ... and a maximum invested capital of \$..., after all depreciation and monetary revaluation.

- 3) Facilities under articles 6, 7, 8 and 12 are directed toward:
 - c) small industrial or service enterprises also constituted in cooperative form. Service enterprises are to be considered those operating in the subsequent sectors: technical research, project and co-ordinating infrastructures and plants for computerisation, electronic data processing;
 - d) crafts production enterprises [...]

4-6 Omitted

Art.2-16. Omitted

¹ Adapted from UNIDO (1998).

CHAPTER IV
CONSORTIA OF SMALL ENTERPRISES

Art. 17
(Beneficiaries)

- 1) Consortia [...] also constituted in cooperative forms, between small industrial/ commercial/ service enterprises, aimed at the promotion of the development (also technological), the production rationalisation, and at the commercialisation and management of associated enterprises, can be beneficiaries of facilities under articles 20 and 24.
- 2-3 Omitted

Art. 18
(Consortia composition)

- 1) Consortia quoted in article 17 must have a minimum of 5 member firms and a corporate fund of at least \$... The corporate share subscribed by each firm shall not exceed 20% of the corporation's fund or corporate assets.
- 2) Profits and operating surpluses of any kind may not be distributed to associated firms, not even in case of dissolution of the consortium. This prohibition must be expressly stated by the consortium's Statute.

Art. 19
(Object of activity)

- 1) Consortia (see art. 17) activities, to be undertaken in the interest of associated firms, may include:
 - a) the acquisition of instrumental goods and of advanced technologies indicated in article 6;
 - b) the acquisition of raw materials and semi-finished goods;
 - c) the creation of a common network of distribution, the acquisition of orders and the introduction into the market of associated firms' products;
 - d) the common acquisition, construction and management of warehouses or centres for the wholesale trade;
 - e) the promotion of sales through the participation in and the organisation of trade fairs, through advertising, market research, catalogues, the preparation of any other helpful promotional action;
 - f) the participation in public and private tenders in local and foreign markets;
 - g) the implementation of scientific, technological, technical research and training programmes in the field of managing techniques;
 - h) the provision of technical and consultation assistance;
 - i) the assistance and consultation for upgrading and controlling quality and lending of related guarantees;

- j) the realisation of quality labels and the co-ordination of the production of the associated firms;

Art. 20

(Contributions for service-consortia)

- 1) [...] Contributions are granted in capital account to consortia [...] according to article 17, for the financing of programmes aimed at the promotion of activities stated in article 19. [...]
- 2) Contributions are granted and disbursed by the competent local authorities. [...]

Art. 21

(Access to contributions)

- 1) To have access to contributions in capital account stated in article 20, interested consortia must show to the competent local authority, and for acknowledgement, to the Ministry of Industry and Commerce, a programme of activities (that can also be a multi-year plan), asking for the admission to the interventions of the fund covered by article 43, subparagraph 1. The programme must indicate:
 - a) the description of the initiative, specifying the type of investments in tangible and intangible assets and the main goals to be reached;
 - b) the ways, means and times of realisation;
 - c) total expenses and their time distribution.
- 2) Omitted
- 3) Competent local authorities, within a maximum time of 60 days after the last term possible for the presentation of the applications (for the contributions under article 20), stated annually by the Ministry of Industry and Commerce, take care of the proceedings and, within the same period, transmit to the Ministry of Industry [...], together with the programme of development of consortia initiatives in the territory, the documentation of the prepared applications [...]. The mentioned regional project-programme must indicate the estimated investments, the grants required to public entities, the appropriations of funds from the regional authority and those provisions that, on the basis of the submitted applications, are requested from the Ministry of Industry.
- 4) Within 60 days of the date indicated in subparagraph 3 of the present article, the Ministry of Industry [...] approves the applications for credit passed on by the regional authorities. On the same date, the Ministry arranges the distribution of the amount indicated in article 22 (sub paragraph 6) among the applications for credits received, according to the amount stated by the present article (sub paragraph 3).
- 5) If the Regional Authority does not provide for all the required acts stated in the present article (subparagraph 3), the proceedings are arranged by the Ministry of Industry [...], and contributions are disbursed by the Ministry of Industry as well.
- 6) The Regional Authority must submit, before January 31 of each year, a detailed documentation regarding the use of the grants provided for by the present article (sub paragraph 4) to the Ministry of Industry.
- 7-8: Omitted

Art. 22

(Amount of the contribution and payment)

- 1) The contributions in capital account indicated in article 20 are granted, within a limit of \$... a year for any beneficiary subject, and not exceeding \$... for every three-year period, in the maximum amount of 30% of the expenses met for the realisation of the programme.
 - 2) For consortia located in Italian regions [...] which underwent industrial crisis, the contribution is granted, within a limit of \$... every three-year period, representing a maximum of 50% of the expenses met for the realisation of the programme.
 - 3) Omitted
 - 4) The contribution may be requested together with the grant stated in article 24. In this case the application form for the contribution must be sent by the financing entity to the competent Regional Authority.
- 5-6: Omitted

Article 23: Omitted

Art. 24

(Facilitated credits)

- 1) Aiming at the promotion of activities stated in article 19, credits may be granted by credit institutions, with a maximum amount of \$... and with a duration not exceeding 10 years. The facilities provided for by this article may be extended also to the start-up phase of a consortium.
- 2) Contributions provided for by article 22 and facilitated credits provided for by the present article may not in total exceed 60% of the estimated expenses for the activities stated in article 19. The limit is 80% if the relevant region is undergoing a period of industrial crisis [...]
- 3) Credit institutions nominated in subparagraph 1, after having decided upon the facilitated credits and waiting for them to be disbursed, may effectuate pre-financing operations at a cut-rate [...] on the condition that the consortium utilises its own means for at least \$...

Articles 25-27: Omitted

Art. 28

(Revocation of facilities)

- 1) The revocation of facilities stated under article 20 is recommended whenever induced programmes are not implemented within the time limits of three years from the decree of financial granting.
- 2-3: Omitted