

July 5, 2021

## New measures to support the Industrial Sector introduced by the Law Decree No. 99 of June 30, 2021

An urgency decree introducing new emergency measures to support the industrial sector was issued on June 30, upon expiration of the dismissal ban applicable to the generality of the employers.

June 30 was the expiry date of the general ban to commence collective dismissal procedures and to implement individual dismissals for business-related reasons while, starting from July 1, a new regime came into force introducing different rules depending on the economic sector. In particular, the dismissal ban: (i) remained in place for sectors *other than* the industrial one (the reference is to companies falling under the "Ordinary Check" / "Exceptional CIG" (CIGD) schemes); while (ii) is no longer applicable to companies of the industrial sector (i.e. companies falling under the "CIGO" scheme).

Within the above legal framework, the so-called "Sostegni-Bis Decree" (Law Decree May 25, no. 73) had already introduced the following measures applicable to the industrial sector, aimed at incentivizing companies not to dismiss (article 40): (1) a special "Solidarity Contract" scheme applicable to companies affected by a significant decrease in turnover; and (2) the availability of ordinary CIG (CIGO / CIGS) without paying the company's contribution.

The new Law Decree no. 99 of June 30, 2021 (the "Law Decree 99/2021"), that was published in the Official Gazette on June 30 and entered into force on the same day:

- introduced <u>further 17 weeks of Covid social scheme</u>, to be used between July 1 and October 31, 2021, for employers of textile / clothing sectors (Ateco codes 13, 14 and 15), subject to the simplified rules and procedures applicable to the Covid social aids; no additional contribution is due by the employers;
- 2) strengthened the measures already introduced by the *Sostegni-Bis* Decree for the industrial sector; in particular, a new article 40-*bis* is added to the *Sostegni-Bis* Decree, providing for <u>further 13 weeks of social</u> <u>scheme</u> available, until December 31, 2021, to employers that have already used the ordinary CIG schemes; such additional aids are of exceptional nature and are not subject to the ordinary rules governing the maximum term of the scheme and the contribution to be paid by employers.

The measure under 1) above is coupled with a dismissal ban in the textile / clothing sectors, until October 31, 2021, governed by rules similar to those applicable to the companies falling under the "Ordinary Check" / "Exceptional CIG" (CIGD) schemes. Likewise, the measure under 2) is coupled with a ban on individual and collective dismissals as long as the company avails itself of the scheme. In both cases, the following exceptions to the ban apply: changes in service contracts, shutting down of the company business with or without liquidation, company-level collective agreement incentivizing exit of employees (who will get access to the unemployment indemnity NASPI), and dismissals for bankruptcy with no business continuation.

In parallel with the issuance of the new Decree, a recommendation, having a programmatic nature, to use the available social schemes as an alternative to dismissals, has been issued by the social parties.

As a final remark, the Law Decree 99/2021 has set up a Fund ("Fondo per il potenziamento delle competenze e la riqualificazione professionale" - "FPCRP") aimed at supporting financially training programs for furloughed employees and unemployed individuals benefiting from the NASPI indemnity. Administrative rules and guidelines will be needed to give actual implementation to the Fund.



Gianni & Origoni has set up an in-house **Task Force** to constantly monitor the evolution of legislation in the regions affected by the Coronavirus and is at your entire disposal to support you in defining, drafting and implementing the most advisable strategies to limit the impact of the spread of the Coronavirus on the operations of your business and the management of your existing commercial relations.

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