

Like the rest of the EU member states, and despite an ensuing political crisis, Italy is gearing up to implement the nearly €200 billion allocated to the "*Bel Paese*" from the EU Recovery and Resilience Facility (RRF), through reforms and investments.

At the same time, private companies should also start planning how to maximise their opportunities to become potential beneficiaries of subsidies granted through such measures. One concrete step that companies may already be taking in this regard is to apply for a "legality rating".

The Legality Rating regime is a tool administered by the Italian Competition Authority (AGCM) to promote the adoption of a corporate culture based on legality and transparency. Under this regime, companies are encouraged to make an application to AGCM with a description of their compliance efforts (including, e.g., anti-bribery, antitrust and data protection) and AGCM scores the application (from one to three stars). A register of the applicants and their scores is publicly available online.

This rating is used by the granting authorities to assess applications for access to credit from banks and financing from public administrations. It is anticipated that the rating will also be key in ensuring that subsidies granted under measures implementing the RRF are accountable and legitimate.

A recent change in the way in which AGCM scores legality rating applications may make it more attractive for Italian subsidiaries of multinational companies to apply. So far, applicants were assessed based on their national compliance efforts. However, last year, this approach changed. Now, AGCM will assess global compliance efforts at group parent level, and not just with regard to the Italian subsidiary business.

In some instances, compliance programmes at group parent level of multinational companies may be more sophisticated than purely national businesses' programmes. In other instances, the national subsidiary may have suffered a downgrading of its legality rating following an infringement decision in Italy (e.g. for violation of competition or data protection rules). In those instances, new applications based on global compliance efforts at group level may help increase or "reset" your legality rating score.

Italy-based subsidiaries of multinational companies should, therefore, consider applying to AGCM for a new legality rating or an update of their existing legality rating based on compliance efforts at group level, as this might help maximise the opportunity of receiving subsidies, or otherwise participate in the reforms, under the national measures implementing the RRF in Italy. If you would like to discuss in confidence whether and how to apply for a legality rating, please contact your usual lawyer at the firm or any of the lawyers listed below.

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