

# Information on Public Funding – Methods and Deadlines for Compliance

## 1. INTRODUCTION

Article 1, paragraphs 125–129 of Law No. 124 of August 4, 2017, establishes specific information obligations for entities receiving public funding.

## 2. SCOPE OF APPLICATION

The recipients of these obligations can be classified into two categories, summarized in the following table.

### Recipients Non-commercial Entities

- Environmental protection associations
- Consumer associations
- Associations, ONLUS, and foundations
- Social cooperatives providing services for foreigners

### Recipients Businesses

- Businesses required to register in the Business Register
- Entities preparing financial statements in abbreviated form
- Entities not required to prepare the explanatory notes (individual entrepreneurs, partnerships, and micro-enterprises)

## 2.1 NON-COMMERCIAL ENTITIES

Non-commercial entities must publish information regarding grants, subsidies, benefits, contributions, or aid actually received during the previous financial year from Public Administrations, either:

- On their own websites or similar digital portals, “**by June 30 of each year**”;
- In the explanatory notes (if prepared), by the deadline for approving the financial statements for the year in which the funding was received.

Regarding the first version of the regulation, the Ministry of Labor and Social Policies allowed compliance through publication of the data on the entity’s Facebook page or the website of the associative network to which the Third Sector entity belongs, in the absence of its own website.

## 2.2 BUSINESSES REQUIRED TO REGISTER IN THE BUSINESS REGISTER

Entities engaged in activities under Article 2195 of the Civil Code, and therefore required to register in the Business Register, must publish amounts and information regarding grants, subsidies, benefits, contributions, or aid actually received from Public Administrations in the explanatory notes of the annual financial statements and, if applicable (i.e., only if existing), the consolidated financial statements.

The deadline for compliance coincides with the approval deadline of the financial statements for the year in which the funding was received.

### Effects of Postponing the Financial Statement Approval Deadline

If the financial statements are approved within **180 days** from the end of the fiscal year, the publication of public funding information is accordingly deferred.

### 2.3 ENTITIES PREPARING FINANCIAL STATEMENTS IN ABBREVIATED FORM

Entities preparing financial statements in abbreviated form fulfill the obligation by publishing the information and amounts, either:

- On their own websites, using methods freely accessible to the public, or, if unavailable, on the digital portals of their industry associations, **“by June 30 of each year”**;
- In the explanatory notes (which must be mandatorily prepared, albeit with limited content compared to the standard financial statements), by the deadline for approving the financial statements for the year in which the funding was received.

### 2.4 ENTITIES NOT REQUIRED TO PREPARE EXPLANATORY NOTES

Entities not required to prepare explanatory notes (individual entrepreneurs, partnerships, and micro-enterprises) fulfill the obligation by publishing the information and amounts on their own websites, using methods freely accessible to the public, or, if unavailable, on the digital portals of their industry associations, **“by June 30 of each year.”**

#### Micro-Enterprises

It would seem logical to allow micro-enterprises the option to include the information in the explanatory notes instead of on their website, even though they are exempt from preparing explanatory notes, provided that the following information is included at the bottom of the balance sheet: commitments, guarantees, and contingent liabilities not reflected in the balance sheet, as well as information on compensation, advances, and credits granted to directors and auditors.

In such cases, the information could be inserted at the bottom of the balance sheet. However, compliance should still be carried out by the deadline for approving the financial statements for the year in which the funding was received.

Simplification does not seem applicable to individual entrepreneurs and partnerships due to the absence of the obligation to prepare explanatory notes.

## 3. SCOPE OF APPLICATION

The information obligations apply (both for non-commercial entities and businesses) to **“grants, subsidies, benefits, contributions, or aid, in cash or in kind, that are not of a general nature and do not have a compensatory, remunerative, or indemnity nature.”**

Therefore, the economic benefit received is subject to transparency obligations regardless of the form (grant or other) or whether it is cash or in kind (e.g., the advantage of having access to a public building free of charge).

Furthermore, benefits received by the beneficiary under a **general regime** (such as tax relief or contributions granted to all entities meeting specific conditions) are excluded from this regulation. The regulation focuses on **bilateral relationships**, where a public-sector-related entity grants a benefit to a specific Third Sector entity or a particular business.

Transparency obligations **do not apply** to allocations that constitute:

- **Compensation for services rendered** (i.e., contributions arising from a reciprocal agreement characterized by the exchange of a good or service for payment);
- **Remuneration for an appointment received**; or

- **Compensation for damages.**

#### **Five Per Mille of IRPEF (Italian Personal Income Tax)**

According to the Ministry of Labor and Social Policies, the **five per mille contribution** (5‰) is considered a benefit of a “**general nature**” and is **not subject to the transparency obligations** under this regulation.

#### **4. REPORTING METHODS**

The information obligations (applicable to both non-commercial entities and businesses) concern the amounts “**actually disbursed.**”

For reporting purposes, the **cash basis** criterion must be applied, meaning the fiscal year to which the amounts relate is **not relevant.**

Any discrepancy between the cash basis criterion required for compliance with these obligations and the **accrual basis** used for preparing financial statements may cause application issues.

##### **4.1 IN-KIND DISBURSEMENTS**

Regarding non-monetary economic benefits (e.g., the use of public entity premises under a free loan agreement), it seems appropriate to provide the information in the fiscal year in which the benefit is received.

In the case of goods acquired free of charge, the fiscal year in which the asset is recorded in the financial statements may be used as a reference.

##### **4.2 RELEVANT INFORMATION AND PRESENTATION METHODS**

Information should preferably be provided in a schematic or tabular form, with explicit reference to the legal regulation.

Specifically, the following information must be provided:

- **Identification details of the beneficiary** (if the information is provided on digital portals accessible by third parties);
- **Identification details of the disbursing entity;**
- **Amount of the disbursement received;**
- **Administrative period of receipt;**
- **A brief description of the reason for the disbursement.**

#### **5. SOURCE OF DISBURSEMENTS**

The information obligations apply to amounts disbursed by **Public Administrations** and the entities listed in the table below.

**Resources from public entities of other states (European or non-European) and European institutions are excluded.**

### **Entity Type**

Institutions and schools of all levels and educational institutions.

State-owned companies and autonomous state administrations.

Regions, provinces, municipalities, mountain communities, and their consortia and associations.

University institutions.

Autonomous public housing institutions.

Chambers of Commerce, Industry, Handicrafts, and Agriculture, and their associations.

National, regional, and local non-economic public entities.

Administrations, companies, and entities of the National Health Service.

Agency for Negotiation Representation of Public Administrations (ARAN).

Ministry agencies.

Port authorities.

Independent administrative authorities for guarantees, supervision, and regulation.

Public economic entities and professional orders.

Publicly controlled companies, excluding listed companies and their subsidiaries, unless these subsidiaries are directly or indirectly controlled or participated in by public administrations.

Associations, foundations, and private law entities (with or without legal personality) with a budget exceeding **€500,000.00**, whose activities are **majority-funded** by Public Administrations for at least **two consecutive financial years** within the last three years, and where all members of the administrative or directive body are appointed by Public Administrations.

Public participation companies and associations, foundations, and private law entities (with or without legal personality) with a budget exceeding **€500,000.00**, performing administrative functions, producing goods and services for Public Administrations, or managing public services.

## **6. DISBURSEMENTS LISTED IN THE NATIONAL REGISTER OF STATE AID**

For **State aid** and **de minimis aid** included in the **National Register of State Aid (RNA)**, there is an exemption from the information obligations under discussion.

### **Reference to the National Register of State Aid – Elimination**

Starting from public disbursements received in **2023**, to be reported in **2024**, the condition requiring the disclosure of State aid and de minimis aid in the **National Register of State Aid (RNA)**—either in the explanatory notes or on the website—has been eliminated.

## **7. THRESHOLD EXCLUDING PUBLICATION OBLIGATIONS**

The publication obligations for public disbursements **do not apply** if the **monetary amount of grants, subsidies, benefits, contributions, or aid disbursed is less than €10,000.00** during the considered period.

According to the **Ministry of Labor and Social Policies**, the **€10,000 limit** refers to the **total public benefits received**, not to each individual disbursement.

Consequently, the information obligation applies if the total economic benefits received are **equal to or exceed €10,000**, even if the value of an individual disbursement is less than €10,000.

According to **Assonime**, the limit should apply to the **total economic benefits received from the same entity** during the reference period.

Therefore, if the total amount received from a single entity is equal to or exceeds the threshold, the amounts must be reported, even if the individual disbursement is less than €10,000.

## 8. DEADLINE FOR COMPLIANCE

The information obligations apply to amounts disbursed **“in the previous financial year.”**

Therefore, barring any extensions for penalties, in **2025**, entities must report amounts disbursed in **2024**.

Specifically, the information obligation must be fulfilled as follows:

- For entities including the information in the **explanatory notes**, compliance must occur during the approval of financial statements for the **2024 financial year**.
- For entities publishing the information on their **websites**, compliance is required by **June 30, 2025**.

### Companies with a Financial Year Not Coinciding with the Calendar Year

As mentioned, the regulation refers to amounts disbursed **“in the previous financial year.”** Thus, the temporal reference for reporting seems to align with the **administrative period**, not the calendar year.

For example, a company with a financial year closing on **June 30, 2025**, must report disbursements received from **July 1, 2024, to June 30, 2025**.

## 9. PENALTY REGIME

Failure to comply with the publication obligations for public disbursements results in a penalty equal to **1% of the amount received**, with a **minimum fine of €2,000**, along with the accessory penalty of fulfilling the publication obligation.

If the violation remains unresolved **90 days after notification**—including both compliance and payment of the fine—the penalty is the **full repayment of the benefit to the disbursing entities**.

Penalties are imposed by the **Public Administrations that disbursed the benefit** or by the **supervising or competent authority** for the matter.

### Deadline for Penalty Enforcement

Over recent years, the legislator has **repeatedly extended** the deadline for enforcing penalties in cases of non-compliance. Most recently, this extension applied to disbursements received in **2022**, to be reported in **2023**.

**To date, no extensions have been announced for disbursements received in 2024, to be reported in 2025.**