

A satellite in orbit over Earth, showing the Italian peninsula and surrounding regions. The satellite has two large solar panel arrays extended. The background is the blue and white horizon of the Earth from space.

# FDI in Italy The Golden Power Rules

# Foreign Direct Investments in Italy

## The Golden Power Rules

LCA has a structured FDI – Golden Power Team, within LCA Corporate M&A Department, advising foreign corporations, international groups and domestic companies, in all substantive and procedural matters pertaining to the complex FDI legal frame resulting from the combined rules of EU FDI Regulation (No.452-2019) and the set of laws forming the so-called Italian Golden Power Law on strategic sectors.

### THE STRATEGIC SECTORS

EU FDI Regulation and the Italian Golden Power Law set the range of the business areas qualified as “strategic sectors”: **Defence** and **National Security**, **5G** and **Cybersecurity**, **Telecommunications**, **Energy** (including storage) and **Raw Materials**, **Aerospace** (Military and non-Military) **Transport & Infrastructures**, **Water**, **Health**, **Food** (Security), **Sensitive Information** and **Personal Data**, **Electoral** and **Financial** (including Banking and Insurance) infrastructures, **Media** Pluralism, **Steel** Industry. Also, the FDI Golden Power Law includes **critical technologies** and dual use items as defined in EU Council Regulation No. 428/2009 and subsequent amendments, including **artificial intelligence**, **robotics**, **semiconductors**, cybersecurity, aerospace, defence, energy storage, **quantum** and **nuclear technologies** as well as **nanotechnologies** and **biotechnologies**.



### PLAYERS, TARGETS AND ASSETS

**Non-EU entities** (for majority or qualified minority deals) and **EU entities** (for majority deals) must notify any **share or asset deal** falling within the strategic sectors **directly or indirectly** encompassing Italian companies or businesses /assets (including real estate). For certain strategic sectors (Defence, National Security, 5G and Cybersecurity) **other type of transactions** (including industrial or services JV, know how licenses, supply agreements, etc.) are subject to the Golden Power rules. Also, **intra-group** transactions (like merger, demerger, internal reorganisation, etc...) are subject to mandatory filing according to a simplified procedure.



### PROCEDURES AND SANCTIONS

Transactions falling within the perimeter of Golden Power are subject to **mandatory filing** to the Italian Prime Minister Office – Department of Golden Power. Notification shall be made **within 10 business days from the date of signing** of the transaction or, in certain cases, the adoption of a corporate decision. A decision by the Government – full clearance, clearance with recommendations, clearance with undertakings or veto to the transaction – is to be issued **within 45 business days from the notification date** (net of suspension of term due to RFI, inquiries, EU Commission and/or other EU member states requests for observations). Pending the decision by the Government the **effects of the transaction are suspended**. Violation of Italian Golden Power rules are **sanctioned** with nullity of the effects of the transaction, and may entail administrative measures, including **monetary fines** of considerable amount.



### LCA ASSISTANCE

LCA has developed a specific expertise by assisting **multinational companies** operating in the defence, aerospace (both military and non-military), transport, energy and telecommunications sector as well as in the other areas including health and life sciences, agri-food, water, in the **activation** of the **notification procedure** to the Government, in the managing of any **Government's investigation, requests** and possible **hearings** and, more in general, in every subsequent phase of the relevant procedure, also coordinating with other local legal teams dealing with FDI proceedings according to EU FDI Regulation (No.452-2019). In particular, it should be noted that LCA's Golden Power Team is able to assist its clients in a 360° perspective, supported by professionals who provide daily advice in any specific contexts.

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