

12 March 2020

## COVID-19: New emergency measures Prime Minister Decree of 11 March 2020

As the number of novel coronavirus infections (“**Covid-19**” or “**Coronavirus**”) and fatalities continues to rise<sup>1</sup>, on 11 March 2020 the Italian Prime Minister issued a decree to impose new emergency measures to contain and manage the spread of the virus (the “**11 March Decree**”). Always on 11 March, the World Health Organisation has declared that Covid.19 can be characterized as a pandemic, expressing “deep concern about the alarming levels of spread and severity”.

The new emergency measures of the Italian government intensify the restrictions on free movement of persons, first introduced for the Lombardy region and 14 provinces on 8 March 2020 and then extended to the whole country on 9 March 2020. See our [newsletter of 10 March](#).

In particular, the 11 March Decree provides for the **closure of all retail activity, restaurant services and personal care services**, with limited exceptions. **Public transport** may be limited in each region. **Banking, financial and insurance services remain guaranteed**, subject to restrictions. **Agricultural and manufacturing activities and professional services remain allowed**, subject to restrictions.

The new measures apply to the **entire country** and are effective from 12 March 2020 until **25 March 2020**.

The Italian government further announced a [EUR 25 billion] package of economic measures to support businesses and families. The package would provide for suspension of payment of taxes and social security contributions, support for international business, extended recourse to social shock absorbers to reduce labour cost and direct indemnities to sustain business that are most affected by the Coronavirus outbreak.

This note provides an overview of the main emergency measures introduced by the 11 March Decree.

### 1. Which activities are suspended or closed?

The 11 March Decree suspends:

- all commercial retail activity of any size and type (including shopping centres), except for:
  - food stores and sale of “primary necessity good”, as defined in **Annex 1**;
  - newspaper shops, tobacco shops, pharmacies and parapharmacies,  
provided that they can ensure a distance of one meter between persons;
- all restaurant services, including bars, pubs, restaurants, icecream shops, pastry shops, except for:
  - canteen services and contractual catering services which guarantee a distance of one meter

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<sup>1</sup> Infections rose in 24 hours by 2,000 to 12,400 and fatalities increased by 196 to 827, according to the Civil Protection Service's bulletin of 11 March 2020.

between persons;

- restaurant services exclusively for home delivery, provided they comply with all hygienic and safety rules for packaging and transport;
- food and beverage services in fuel stations on roads and highways or in airports, stations, lakes and hospitals, provided they ensure a distance of one meter between persons;
- all personal care services, including hairdressers, barber shops, beauty farms, etc., except for the services listed in **Annex 2**.

All markets are closed, unless they sell food.

The 11 March Decree does not contain further restrict the hospitality sector. Hotels and hostels therefore remain open, subject to the hygienic and safety regulations already described in our previous [newsletter of 10 March 2020](#). However, food and beverage services and restaurant services in hotels and hostels do not seem allowed.

**E-commerce** and telesales remain allowed (see **Annex 1**).

## 2. Can hotels and other tourism accommodation facilities stay open?

Hotels and other tourism accommodation facilities (e.g. agri-tourism facilities) are not mentioned in the 11 March Decree and can stay open.

This view is sustained by Federalberghi, the national association of hotel operators and tourism, in a note , which also reports that the Ministry of Cultural Heritage and Tourism informally confirmed this position.

However, to the extent hotels and other tourism accommodation facilities offer retail, restaurant or personal care services (such as swimming pools and spa), these activities must be suspended.

Moreover, considering the sharp drop in reservations and the travel restrictions which allow travel only for documented business reasons, emergencies or health needs, many hotel operators, especially in touristic locations, have already spontaneously opted to temporary close their activity.

## 3. Are banking, insurance and financial services guaranteed?

Banking, insurance and financial services (including asset management, investment services and the relevant supply chain and service providers of financial institutions) remain guaranteed, provided they comply with the hygienic and safety regulations already described in our previous [newsletter of 10 March 2020](#). Any suspension of these activities, even for a short period, would have had critical effects on the capital markets, also on an international level

Work must be done remotely, to the maximum possible extent.

The opening of counters in the territory is guaranteed. However, already after the first wave of movement restrictions, most banks temporarily closed a number of counters to reflect the reduced customer mobility and comply with the new hygiene and distance rules.

#### 4. What about agricultural activities, animal-related services and food processing activities?

Agricultural activities, human and animal food processing and other “zootechnical” activities, including their supply chain and service providers, remain guaranteed, provided they comply with the hygienic and safety regulations.

Work must be done remotely, to the maximum possible extent.

#### 5. Is public transport guaranteed and will infrastructures remain open?

The 11 March Decree authorizes the Presidents of the various Italian regions to rearrange the services of the **public transport** companies in light of the sanitary emergency, so as to reduce and **limit the service to the effective needs** and for the sole purpose of guaranteeing a **minimum essential service**.

The Ministry of Infrastructure and Transport, in consultation with the Ministry of Health, may further reschedule interregional car services and **transport by rail, air and sea** based on **effective needs** and for the sole purpose of guaranteeing a **minimum essential service**.

In this respect, it is worth noting that airport operators are starting to close down airports (such as Rome Ciampino) and terminals (such as Terminal 1 in Milan Malpensa and Rome Fiumicino).

#### 6. What about transport of goods and supplies?

Transport of goods and supplies is not affected by the 11 March Decree and remains allowed, as already confirmed in our previous [newsletter of 10 March](#), subject to compliance with the relevant health and safety rules for drivers and transporters.

Moreover, the 11 March Decree expressly allows e-commerce and home delivery of food prepared by restaurants (which much, however, be closed for the public). These implementation of these services must be guaranteed, also by allowing mobility of the persons involved in the service between their homes and the various places of work.

However, to the extent goods are transported through interregional car transport, or by rail, air or sea, it is likely that relevant infrastructure will be further limited in the future.

#### 7. What about public sector activities and services?

Public authorities (like the municipality, real estate registers, National Health Agency, National Work Accidents Insurance Agency, post offices, companies’ register etc.) must ensure that public services are carried out as much as possible remotely, also without an individual agreement and without consultation duties, and identify the activities that cannot be rendered remotely or postponed.

To the extent possible, public officers must be put on leave or consummate holidays.

The public authorities must therefore, **assess each specific situation, define the relevant operating mode** to reduce gatherings of staff and citizens and **suspend any activities that can be postponed**.

These rules do not apply to the activities that are strictly associated with the management of the

emergency situation.

## 8. What about manufacturing activities?

Production activities (including manufacturing, logistics, construction etc.) are allowed, at the following conditions:

- a. work must be done, to the maximum extent possible, remotely;
- b. employees must be incentivized to take up all holidays and paid leave or similar instruments provided under applicable bargaining agreements;
- c. **all activities that are not essential to the production** must be **suspended**;
- d. **anti-contagion and safety protocols** must be adopted and, to the extent it is not possible to keep the one meter distance as main containment measure, personal protection equipment must be provided (i.e. gloves, masks, sanitizers etc.);
- e. the workplace must be sanitized, also through recourse to social shock absorbers.

Movements within the production site must be restricted and access to common spaces must be quota-based.

It is recommended that employers' associations and unions agree how to implement the above rules. Pending the definition of an industry standard between the relevant Industrial Employers' Association Confindustria/other employment associations and the employee representative organizations/unions, manufacturers will have to establish:

- (i) which health and safety measures should be implemented in the absence of an official "protocol"; and
- (ii) what actions must be adopted to integrate the anti-contagion and hygienic measures in the health and safety policy rules ex Legislative Decree 81/2008 and the relevant implementing documentation (such as the Risk Assessment Document/DVR).

## 9. Will professional service firms and service providers generally be allowed to operate?

All other professional activities not expressly regulated under the 11 March Decree are allowed, subject to the restrictions set out under paragraph 7, a) to e) above.

## 10. What happens to construction activities and building contracts?

Construction activities and building contracts are not expressly regulated under the 11 March Decree, but they are included into the definition of production activities. On this point consider that the production activities may continue "*adopting anti-contamination-safety-protocols and - and if it is not possible to ensure the minimum interpersonal distance of one meter – providing individual protection equipment*".

However, construction sites (especially if located in closed areas) do not always allow continuous sanitizing procedures and compliance with the minimum interpersonal distance of one meter. Therefore, it

is reasonable to assume that there could be *force majeure* conditions, which may require the suspension of construction activities. In this regard, the National Association of Builders Contractors (ANCE), has already expressed the willingness of its members to suspend their activity to contain the spread of Covid-19.

In the absence of a common policy at national level, it is advisable to analyse each situation individually.

Moreover, to prevent possible disputes between the principal and the contractor (and in future also with the users of the properties under construction), it is advisable that any suspension of the activity and any foreseeable impact on the timetable are mutually agreed between the principal and the contractor.

## 11. What other restrictions apply?

The 11 March Decree leaves all other measures introduced under the 8 March Decree and 9 March Decree intact, to the extent compatible with the new measures. This means, among other things, that movements of physical persons are restricted in and out Italy and also within Italy.

Movements are only allowed for “**proven professional needs**” (see further below), **exceptional cases** and **health issues**. Persons may, however, return to their domicile, home or residence in Italy.<sup>2</sup>

Remote working and teleconferences instead of face-to-face meetings should be implemented “in all possible cases”. If remote working is not possible, employers are advised to put their workers on ordinary leave and take up holidays.<sup>3</sup>

When this is not possible, according to the [guidelines issued by the Ministry of Internal Affairs](#), to prove the professional needs which justify the movement of persons, it is sufficient to complete a self-declaration on the basis of the form in the attached [link](#). However, considering that sanctions associated with the bans included in the 8 March Decree include criminal sanctions, we recommend that employers also provide a letter to all workers who cannot fulfil their tasks remotely, confirming the professional needs.

It is also useful to provide workers with documents or material proving the employment relationships (for example a company badge with the necessary identification information) or a recent payslip.

Moreover:

- any type of public gatherings (*assemblamenti di persone*), in public places or places open to the public, is strictly forbidden<sup>4</sup>;
- persons who tested positive for the Coronavirus must stay in quarantine<sup>5</sup>;
- anyone with respiratory infections or fever above 37.5 degrees Celsius should stay at home, limit social interaction and contact their doctor even if they have no other symptoms of viral infection;
- all sporting events are suspended, unless they can be held “behind closed doors” or in open air without

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<sup>2</sup> See Art. 1, paragraph 1, letter a) of the 8 March Decree.

<sup>3</sup> See Art. 1, paragraph 1, letter e) of the 8 March Decree.

<sup>4</sup> See Art. 1, paragraph 2, of the 9 March Decree.

<sup>5</sup> See Art. 1, paragraph 1, letter b) of the 8 March Decree.

public and with adequate controls on athletes, officers and staff;<sup>6</sup>

- all sports activities in open air are only allowed if everyone can exercise or practice at a distance of at least one meter<sup>7</sup>;
- all skiing resorts are closed;<sup>8</sup>
- museums, disco and dance clubs, gyms, spas, swimming pools, cultural and social centres are closed;<sup>9</sup>
- schools, nurseries and universities are closed until **3 April 2020** but e-learning should be activated<sup>10</sup>.

## 12. What economic support measures are available?

The Italian government is preparing a law decree to adopt economic support measures. Based on the available information to date, the labour measures that will be adopted include an emergency system of “social shock absorbers” which, jointly combined - *i.e.* through Ordinary Unemployment Wages Funds (*Cassa Integrazione Guadagni Ordinaria* or CIGO), Fund for Wage Integration (*Fondo di Integrazione Salariale* or FIS) or Unemployment Wages Fund for exceptional cases (*CIG in deroga*) - should ensure a coverage of approximately two months to all employers. Moreover, further measures will be adopted to regulate absence from work and any related indemnities, aimed at providing support to employees and self-employed workers with children of less than 12 years old.

We will provide further information on these decisions once available.

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<sup>6</sup> See Art. 1, paragraph 3 of the 9 March Decree. The relevant sport infrastructures can only be used “behind closed doors” for training sessions of professional and amateur athletes, recognised of national interest by the Italian Olympic Committee (CONI) and the relevant federations to allow the participation to the Olympic Games or national and international sports events.

<sup>7</sup> See Art. 1, paragraph 3 of the 9 March Decree.

<sup>8</sup> See Art. 1, paragraph 1, letter f) of the 8 March Decree.

<sup>9</sup> See Art. 1, paragraph 1, letter g) and s) of the 8 March Decree.

<sup>10</sup> See Art. 1, paragraph 1, letter h) of the 8 March Decree.

Gianni, Origoni, Grippo, Cappelli & Partners 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. For our previous newsletters on this subject, please click [here](#).

For any questions, please send a mail to [coronavirus@gop.it](mailto:coronavirus@gop.it).

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## Annex 1 - List of retail activities that remain open

- Superstores
- Supermarkets
- Grocery stores
- Minimarkets and other retailers of food (even Non-specialized shops)
- Retail business of frozen products
- Non-specialized retail business of computer, hardware, telecommunication equipment, audio and video consumer electronics, household appliances
- Specialized retail business of food products, drinks and tobacco (registration code, so called ATECO, 47.2)
- Specialized retail business of fuel for transport
- Specialized retail business of computer and telecommunications (ICT) means (ATECO 47.4)
- Retail business of metalware, paints, float glass and electric and thermos materials
- Retail business of hygienic-healthcare equipment
- Retail business of lightening means
- Retail business of newspapers, magazine and periodic newspapers
- Pharmacies
- Specialized retail business of medicine without medical prescription requirements
- Specialized retail business in medical and orthopedic means
- Retail business of perfume, toilet and personal hygiene products
- Retail business of small pets
- Retail business of optic and photo materials
- Retail business of fuel for domestic use and for heating purposes
- Retail business of soaps, detergents, polishing products and similar products
- Retail business of any products commercialized through Internet
- Retail business of any products commercialized through televisions
- Retail business of any products commercialized through correspondence, radio, phones
- Retail business through vending machines

## **Annex 2 - Personal care services**

- Laundry and cleaning of textile articles and fur
- Running of industrial cleaning
- Other laundries, dry cleaning
- Funeral home services and connected activities