



## **Corporate law in Italy**

### **EUROPEAN ECONOMIC INTEREST GROUPING IN ITALY (EEIG IN ITALY)**

### **GRUPPO EUROPEO DI INTERESSE ECONOMICO IN ITALY (GEIE IN ITALY)**

by

**Francesco Misuraca & Germano Franceschin, Attorneys at law**  
**SMAF law firm in Italy**

The European Economic Interest Grouping – EEIG in Italy (Gruppo Europeo di Interesse Economico, GEIE) is an associative system that can exclusively be used within an European extent aiming to encourage the cooperation between companies, others economic entities, professionals or also physical persons belonging, at least, to two States members of the U.E and, by this mean, is possible the jointly participation to tenders for the realization of private or public works.

Such tool, has been created by the communitarian legislator that has enacted the Regulation of the Council CEE n° 85/2137 and has been then introduced in Italy by D. Lgs. n° 240/1991 with the scope to encourage the development of those shapes of integration between economic activities within the communitarian extent.

Anyway the EEIG - GEIE has remarkable limits that brake the use of it: first of them is the impossibility to employ it for the performance of industrial production.

The EEIG - GEIE is not a corporate entity because it cannot get profits, so that, the profits gained by it have to be considered as profits of the members and distributed between them in proportion of the shares stated by the articles of incorporation, but, at the same time the EEIG - GEIE doesn't represent an association.

The EEIG - GEIE can be constituted without any contribution of capital because the members of it are free to decide to finance it with money at regulars intervals or by contribution in kind - such as the contribution of know how – or by services.

As guarantee towards third parties it has been stated the jointly unlimited liability of the members and the divulgence of the acts.

The EEIG - GEIE has not the legal personality and is legally comparable to a temporary pool of enterprises or to a consortium for all administrative formalities and for the participation to tenders.



info@smaf-legal.com  
www.smaf-legal.com

misuraca@smaf-legal.com

franceschin@smaf-legal.com

The taxation of a EEIG - GEIE pertains to the members of it with the enforcement of the tax guidelines applied to limited partnership, unlimited partnership and informal partnership.

In any case the EEIG - GEIE has to compile the income tax return inclusive of all the global income to be shared by the members under the percentage stated by the articles of incorporation, or, if it doesn't exist, share and share alike.

The EEIG - GEIE that is resident in Italy, or the EEIG - GEIE that is not resident in Italy but that there has a permanent establishment, have to fulfil all fiscal duties stated in Italy included the appointment of a withholding agent.

If a EEIG - GEIE constituted in Italy has a permanent establishment in another E.U. country it shall have to institute a sectional accountancy as suggested by the Ministero delle Finanze by Circolare 30 aprile 1977 n. 7/1496, Risoluzione 15 luglio 1980 n. 9/428 and Risoluzione 1 febbraio 1983 n. 9/2398.

The members, that are residents in Italy, of a EEIG - GEIE that has the main seat in another E.U. country, have to pay taxation in Italy. If the EEIG - GEIE has the main seat in the territory of an E.U. country but it has constituted a permanent establishment in a country outside the E.U. the guide lines of the communitarian taxation will apply only to the European seat, but, however, will apply the Convention against the double taxation regulating the fiscal relation with the country where the country outside E.U..

The EEIG - GEIE is bound to pay VAT and to invoice all taxable operations. The EEIG - GEIE is not subject to corporate taxation, but, the amount of taxable output is chargeable on each member of it in proportion with its stake.

**ROMA**  
Via Savoia, 78, 00198  
Tel.: + 39 (0) 6 98356983  
Fax.: + 39 (0) 6 89281051

**MILANO**  
Via Monti 8, 20123  
Tel.: + 39 (0) 2 00615017  
Fax: + 39 (0) 2 700508100

**BOLOGNA**  
Strada Maggiore 48, 40125  
Tel.: + 39 (0) 51 6440543  
Fax: + 39 (0) 51 0952565

**PADOVA**  
Via Foscolo 18, 35131  
Tel.: +39 (0) 49 8364364  
Fax: +39 (0) 49 8364364