



**MILANO  
— FOR —  
FINTECH**



**YESMILANO**

MILANO  
— FOR —  
**FINTECH**

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# WHY MILANO

A GATEWAY  
TO EUROPE

INTERNATIONAL  
OUTLOOK

INTERNATIONAL  
FINANCIAL HUB

ONE OF THE  
WEALTHIEST  
REGIONS  
IN EUROPE

THRIVING  
START-UP  
ECOSYSTEM

EXCELLENT  
INFRASTRUCTURE

WORLD CLASS  
TALENT POOL

COMPETITIVE  
INCENTIVES

A WELCOMING  
AND PROACTIVE  
GOVERNMENT

QUALITY  
OF LIFE

# WHY MILANO



## 10 good reasons to invest in Milano:

- 1 Home to over **11,000 financial companies**, including the Italian Stock Exchange
- 2 A leader in Smart Payment, Insurtech, “Regtech”, Capital Markets and Trading, Money Management and Lending
- 3 70,000 financial services employees, **200,000 university students** and over 2,000 start up companies
- 4 **€49,198 GDP per capita**, 30% higher than the EU average
- 5 Milano’s Fintech District has a community of over 180 fintech players and 16 corporate partners
- 6 The gateway to Italy, a market of **60M** people, 3rd largest economy in Europe and 8th in the world. At the heart of EMEA region with **3,000 weekly flights to 185 destinations**, at full capacity (2019)
- 7 The first major city in the world to launch **5G**, with efforts to educate residents about access and opportunities
- 8 The City government is led by a company executive, turned politician, who is leading **Milano’s renaissance** and is determined to strengthen its international and national standing
- 9 Highly competitive corporation tax, super- and hyper-depreciation, tax credits for training and R&D, and employment incentives
- 10 **Quality of life** is among the best in the world: High quality housing at competitive prices, international schools, state-of-the-art health system, efficient public transport system, and thriving cultural and food scene

# 2020 REALITY CHECK

**Covid-19 gave a strong hit at the urban ecosystem. The Fintech community was there to help and to grasp the opportunities to innovate the market. The emergency has accelerated digitization in Italy and fostered collaboration between banks and startups. 54% of Italian fintechs did not suffer any negative impacts after the first lockdown and 19% seized new business opportunities in the wake of new needs expressed by customers.**

## Lending

Fintechs are facilitating **fast and low-cost access to credit** and new liquidity for small and medium-sized enterprises. In the first months of 2020, there was a significant increase in both financing to SMEs (4.5x compared to 2019) and in the number of companies financed (3.1x).

## Digital payments

Due to hygienic reasons, **the use of electronic payment instruments**, especially contactless, has increased. During the lockdown, one in two Italians used digital payments more than cash, 31% have activated digital wallets and 10% decided to abandon cash payments for good. 56% of merchants report accepting more electronic transactions during and post COVID-19, while more than 50% of merchants have equipped themselves with Next Generation POS solutions or digital wallets

## Online banking

During the lockdown, 51% of Italians increased the use of online banking, 54% increased their use of mobile banking services, 27% plan to reduce or cease frequenting physical tellers even after the emergency is over.

During the pandemic, **FinTech and traditional Financial Institutions collaborated** to respond to the lack of liquidity of companies at risk of bankruptcy. Many Italian FinTechs, especially in the Lending area, collaborated with traditional banks and Trade Associations to facilitate credit to the world of SMEs, bringing with them agile solutions and credit evaluation systems capable of shortening the time it takes to evaluate and provide financing.

## Collaboration in action

**BorsadelCredito.it**, the P2P lending platform for enterprises for businesses, has signed with **Confesercenti** an agreement to provide SMEs with rapid quick access to digital credit. The new version of the P2P lending platform developed with Centrico, Fabrick and Quid, allows lenders to choose the category of projects.

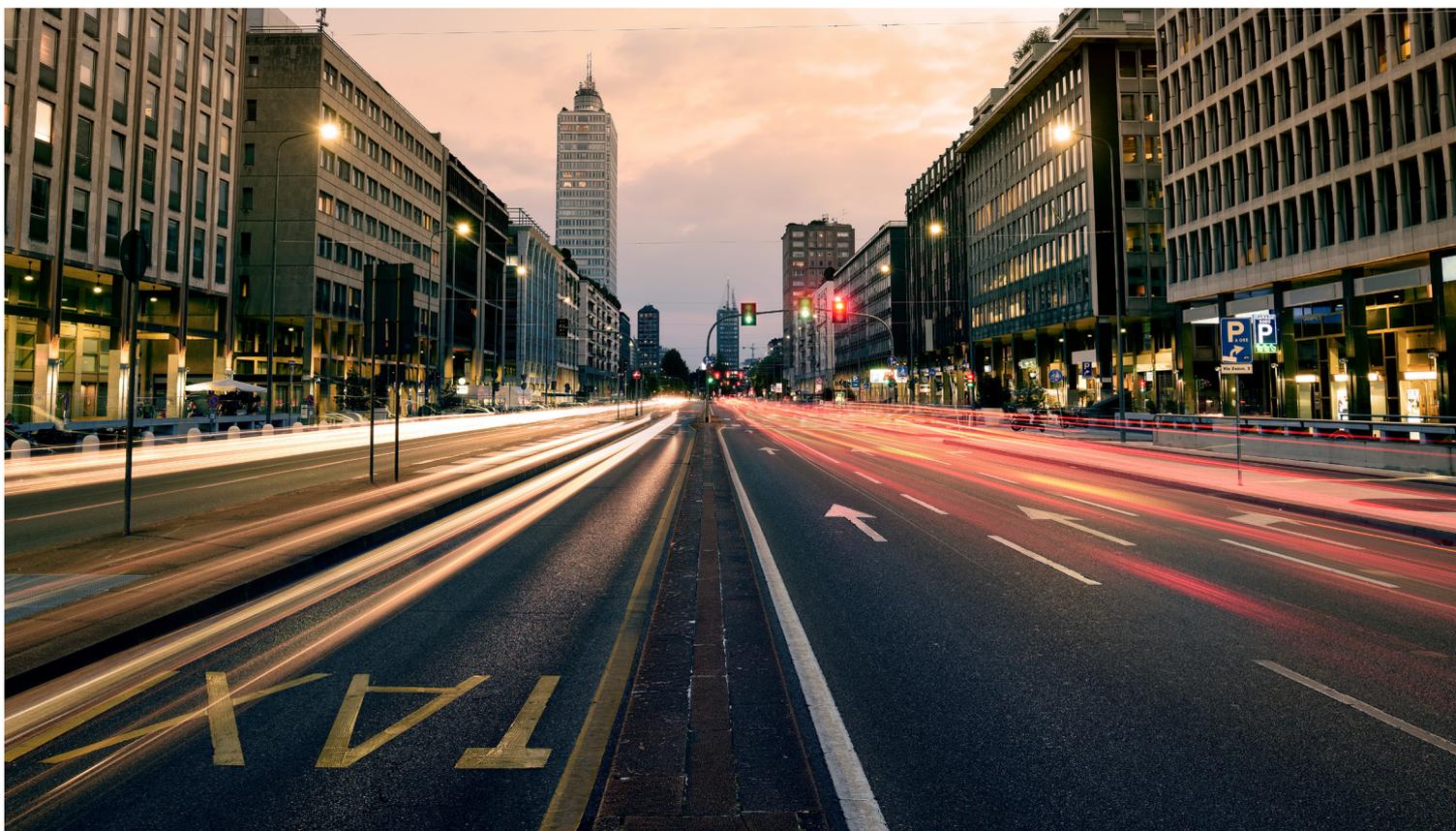
Agreement between **Intesa Sanpaolo** and **October** to provide 200 million guaranteed loans to Italian Italian SMEs.

**Banca Sella** and **Credimi** sign an agreement for financing for SMEs, called Liquidity 100. Thanks to this partnership, Banca Sella will be able to guarantee its customers even faster for the management of applications for the Liquidity Decree.

The **Municipality of Milan** has selected Soldo and Satispay services to distribute to families in financial difficulty with funds to spend on foodstuffs. Both FinTechs offered their platforms at no cost to the City.

**Qonto** together with **Satispay** to accelerate the digital payments by SMEs. Qonto, a digital bank dedicated to SMEs and professionals with 100% online current accounts, now integrates Satispay as a new payment method, identifying the mobile payment system as a tool in simplifying the management of payments for merchants.

# ECOSYSTEM'S SNAPSHOTS



**Milano is the second city in Europe for fastest growing startups<sup>1</sup>. In 2020, the region attracted unprecedented levels of venture capital €391 M (68.8% of the Italian total).**

The Italian Fintech Ecosystem is a heterogeneous and fast-growing market with a high potential. From 2011 to 2019 FinTech companies in Italy grew at +28% annual rate, passing from 16 to 345 with Milano leading this growth and attracting increasing investments.

Funding to Italian FinTech startups grew at a compound annual growth rate of over 60% from 2016 to 2019 and in 2019 Italian Fintech startups received €261 M, setting a new record for the country.

Many fintech companies now choose Milano as the city for their headquarters or regional hubs, thanks to the city's favorable environment for startups and early technology adoption, as well as its broad expertise in ancillary and tech solutions.

<sup>1</sup> Source: Financial times, 2020

# SOME STATS



**+28%**

Milano has seen 28% year-on-year growth in fintech startups and 30% growth in fintech revenue <sup>2</sup>

**45%**

45% of all the fintech firms in Italy are actually located in Milano

**51%**

Italy has a 51% adoption of Fintech services, with a 57% yoy growth <sup>3</sup>

**+58,5K**

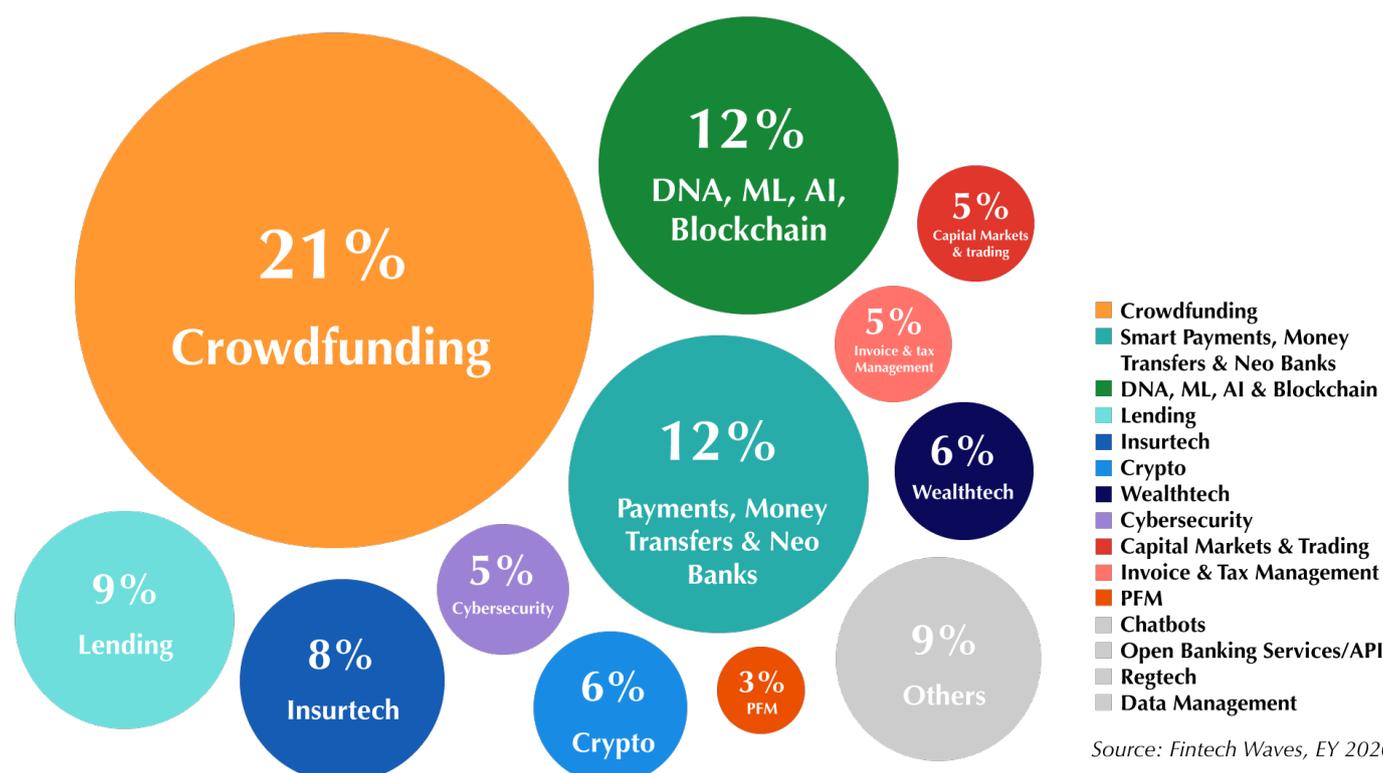
Between 2019 and 2023, fintech disruptions are expected to create between 58,500 and 73,300 jobs in Italy <sup>4</sup>

# FINTECH COMMUNITY

Milano is a vibrant and international fintech ecosystem with a diversified supply of products and solutions. The startup community is strongly supported by government, regulators — Banca d'Italia and Consob — universities and large financial institutions.

In 2017, the Fintech District was created in Milano, which has become the established reference point for Italy's fintech ecosystem. It aggregates leading fintech operators and technology, media and capital partners for the development of the industry, by promoting collaboration, competition, service interoperability and open innovation.

## Ecosystem composition



## PAYTECH & NEW BANKS



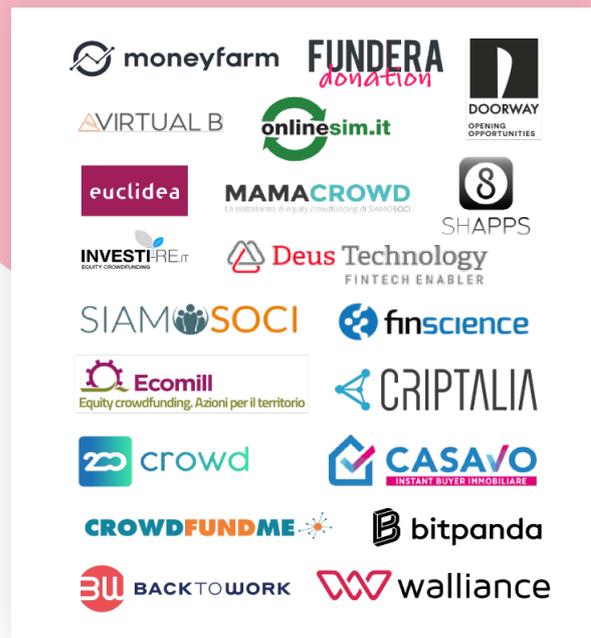
## MONEY MANAGEMENT & CAPITAL TRADING



## TECH ENABLER & CYBERSECURITY



## CROWDFUNDING, WEALTH & ASSET MANAGEMENT



## INSURTECH



## LENDING & INVOICE TRADING



## REGTECH



**Milano has given birth to more than 150 fintech companies focused on Insurtech, Regtech, Capital Markets and Trading, Payments, Money Management and Lending. They are enjoying rapid growth, both in terms of numbers and revenues.**

**The community also recently created Italia Fintech and AssoFintech business associations, which advocate for regulations and standards which will support the continued growth of new fintech instruments.**

Many traditional Milanoese financial services companies are embracing the fintech community, not seeing it as a threat, but as a stimulus and starting point for future partnerships. The city has 52 incubators and accelerator programs for startups and scaleups. In 2018, Credit Agricole opened an innovation hub "Le Village" in Milano.

# MILAN FINTECH DISTRICT

## Italy's fintech community

**Based in Milan, the Fintech District is Italy's biggest fintech community, gathering together over 185 fintech players, public and financial institutions, investors, professionals, international innovation hubs, universities and corporations.**

It acts as the main gateway to the Italian Fintech Ecosystem, attracting the most relevant national and international stakeholders in the fintech world and promoting innovation, collaboration and business growth.

Thanks to their soft landing program, they support foreign fintechs in increasing their knowledge of the Italian ecosystem and in enhancing their positioning among the market with networking and match making opportunities, as well as marketing & communication activities and national and international events.

Thanks to the partnership with Copernico coworking spaces, they can help you find the best location for your team.



### **Fintech District**

Alessandro Longoni -  
Head of Fintech District

"We started our activities back in 2017 when there was only our building in via Sasseti 32 and we developed connections in Italy and abroad. Our mission is to bring the Italian ecosystem to success and we do that by creating opportunities for the community, growing initiatives such as our Academy and the Milan Fintech Summit, organising matchmaking, networking and marketing events. Our memberships are free for fintech companies and we strive to foster the growth of this sector in Italy in order to make it increasingly competitive and attract talent and investments."



# SMART PAYMENT & NEW BANKS

Milanese payment tech giants, such as Nexi, and startups, such as Satispay, are at the vanguard of smart payment solutions.

Italy is experiencing a fast increasing in the adoption of mobile payments, especially among younger generation, with 33.3 M Digital Payment users and 22.11M Mobile Payment users in 2020<sup>5</sup>. In 2020, the mobile payments transactions value increased significantly, growing from €3 B to €4,7 B (+57%)<sup>6</sup>.

13,7 M Italians (25% of the population between 18 and 74) benefited from at least one FinTech or InsurTech service in 2019. Smart payment companies' revenues have grown 38% year-on-year. In 2017, mobile proximity payments grew 600% year-on-year, and are expected to reach €15 B within 5 years, with an annual growth rate of 23.38% from 2020-2024.

**+57%**

the growth in mobile payments transactions in Italy, in 2020

<sup>5</sup> Statista, 2020  
<sup>6</sup> ItaliaFintech, 2021

## Cashless Italy

In late 2020 the Italian Government introduced the "Cashless Italy" strategy, intended to encourage the use of digital payments, in order to modernize the country with a more digital, fast, simple and transparent system. The strategy included the "Cashback scheme", a 10% refund on every digital transaction, and the "Super Cashback" a free national lottery with prizes for who rack up the highest number of digital payments. 7.85 million people signed up for the cashback scheme, making 720 million payments.

Source: [cashlessitalia.it](https://cashlessitalia.it)



## Revolut

Elena Lavezzi - Head of Southern Europe @Revolut

"We chose Milano as our headquarter for Southern Europe because it has all the requirements to become a hub able to efficiently combine finance and innovation. This city has a big potential: it's where many ideas, trends and startups begin their journey and can easily represent an excellent model for other markets in the region."

# MILANO'S PAYMENT GIANT

## WITH A €12.5 BILLION VALUATION

**Based in Milan, Nexi is Europe's leading PayTech, listed on the Milan Stock exchange MTA of Borsa Italiana.**

**Nexi has the scale, geographical reach and capabilities to drive digital payments and accelerate the transition to a cashless Europe: it manages 160 mil cards and it serves 2,4 mil merchants across 25 European Countries. Through its portfolio of innovative products, e-commerce capabilities and sector-specific solutions Nexi is able to provide flexible support for the digital economy and entire payments ecosystem globally across a wide range of different channels and payment methods.**

Nexi's technological platform and best-in-class capabilities allow the Company to operate in three market segments: Merchant Services & Solutions, Cards & Digital Payments and Digital Banking & Corporate Solutions. Nexi constantly invests in technology and innovation, focusing on two fundamental principles: satisfying, together with its partner Banks, clients' needs, and creating new opportunities for more prosperous businesses.

**nexi**  
every day, every pay



**Banca d'Italia introduced "Target Instant Payment Settlements (TIPS), which guarantees almost immediate settlement and is leading to exponential growth of new payment systems.**



## **Qonto**

Mariano Spalletti - Country Manager @Qonto

"Italy is a country of entrepreneurs. Its business community consists of 4.4M of SMBs & professionals ready to ride the wave of digitalisation. Milan is one of the key business cities, offering valuable opportunities to the economic system, including modern infrastructures and innovation hubs.

Milan also embodies the Italian values of excellence, wellbeing and networking, encouraging all businesses to further innovate."



Now counting Tencent and Square among its shareholders and €93 M secured in funding, Satispay is the fastest growing Italian fintech company in payments, with over 1,3 M active users and more than 130.000 merchants. In the first ten months of 2020, a number of payments equal to approximately 21.5 million was recorded, for a total value of 400 M euros, up by 78% compared to the same period in 2019.

In addition, the startup was reconfirmed among the 250 fastest growing Fintechs in the world according to CBInsights and in September it was included by LinkedIn in the ranking of the top 10 startups to work for in Italy.

# MILANO IS KLARNA'S NEW TECH HUB

Klarna.



**Klarna arrived in Italy in October 2020, then grew rapidly and consolidated its position as a leader in digital payments. Milan sits at the heart of Klarna's operations in Italy. Indeed, Milan hosts Klarna's Italian headquarters, and the company has chosen to focus on it for the development of one of its European tech hubs – alongside the ones in Stockholm, Berlin, Giessen and Madrid.**

In just a few months, Klarna's Italian team has increased from 10 to 100 people but the growth plans do not stop there: by 2022 the goal is to double the team by hiring new talent in the Engineering, Commercial, Product Management and Service Delivery fields.

## Klarna

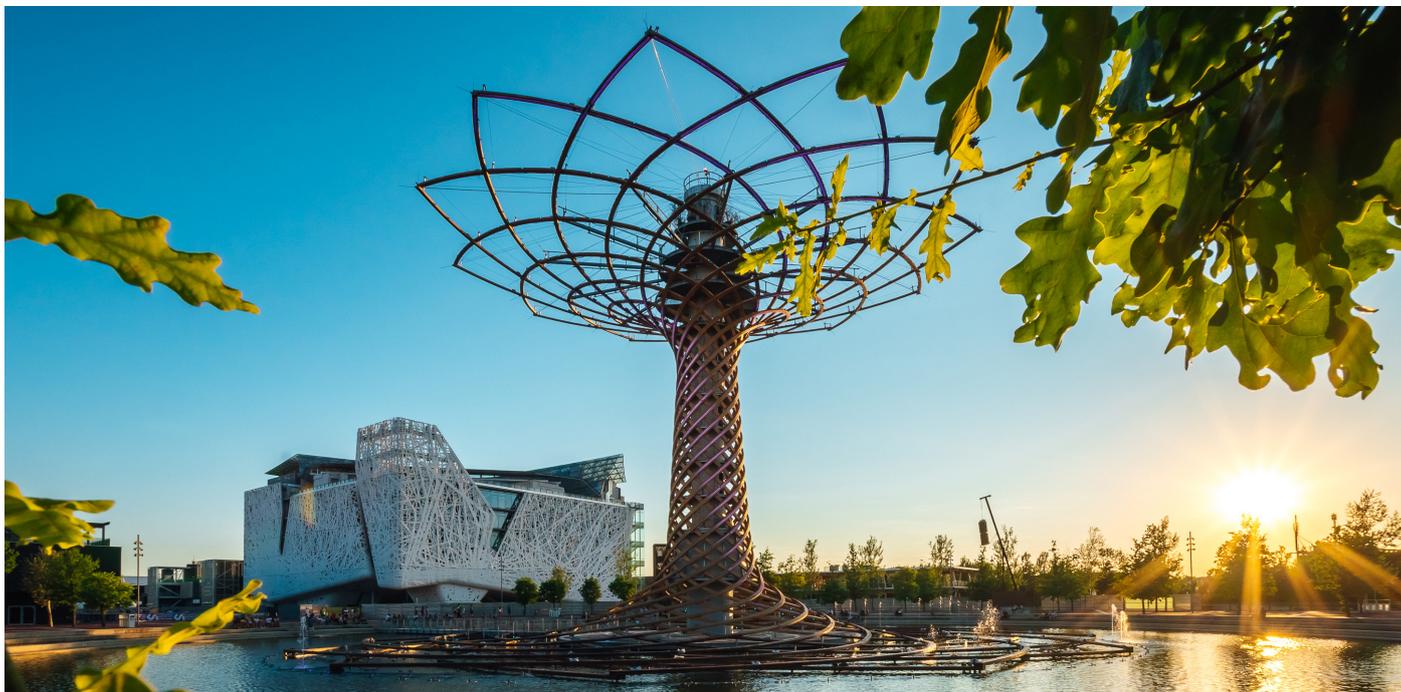
Francesco Passone -  
Italy Country Manager

"Milano is a blooming city, **the heart of innovation and progress for Fintech in Italy**. Furthermore, Klarna has chosen Milano for **the great resource of talents** coming from the local technical universities such as Politecnico, which are among the most highly ranked worldwide.

"We see a tremendous **untapped potential** when it comes to the development of the e-commerce sector. Moreover, Italian consumers are showing a growing interest in innovative and more customized payment solutions."

"Milano is a **vibrant, international and multicultural city**, which at the same time keeps its unique Italian spirit made of tradition and creativity. It has a **rich cultural life, it is business and innovation friendly** and has a lot of talented people, which makes it a great place to work and live... **Klarna loves Milan!**"

# ALTERNATIVE LENDING & INVOICE TRADING



**Milano's alternative lending sector is strong and mature, with 75% of revenues generated by companies which are more than five years old. The revenues of this sector have grown 29% year-on-year.<sup>7</sup>**

The city is home to numerous alternative lending companies which enable credit scoring, focus on business and/ or consumer lending, do invoice financing and offer comparison tools and marketplaces.

The large number of micro and small enterprises has pushed a rapid growth of invoice trading. With the arrival of new marketplaces and the greater diffusion among SMEs, Italian invoice trading platforms have mobilized almost € 3 B, of which € 1.15 B in the last 12 months (+23% compared to the year before, when the flow was € 939.3 M)<sup>8</sup>.

<sup>7</sup> PWC, 2019  
<sup>8</sup> Italia Fintech, 2021



October is a leading small business lending platform. It opened its Milano office in 2017 and employs 19 people for its Italian operations.

October's instant lending uses machine learning techniques to assess the risk of corporate default and is based on the previous analysis of the more than 131,000 loan applications received by the platform from 2015 to date in the various countries in which it is active.

Concerning the Italian market, October has financed 280 business projects for over €105 M.

# EQUITY CROWDFUNDING

Since 2016, Italian Equity Crowdfunding market has experienced a rapid growth and greater stability, maturing from an early adopter phase to a more capacious and structured one. Despite Covid-19 pandemic, the equity crowdfunding in Italy has reacted resiliently, leading to new trends and opportunities.

Powered by



The market is now ready to open to and compete with the European market, as it will be designed by the new European Regulation on Equity and Lending crowdfunding.

Italy is one of the few EU countries to have a specific regulation policy on equity crowdfunding, introduced in 2012, allowed to innovative startups, innovative SMEs, SMEs and Investing Vehicles and monitored by CONSOB. The growth of the equity crowdfunding market in Italy has also been favored by the introduction of tax incentives for investors.

## KEY DATA

### 2021

- Almost 80 campaigns closed with success in the first six months of 2021
- 81,4 M raised (41,7% from investment vehicles and 18,9% from real estate sector)
- Over 14 K total investors

### 2020

- €100M raised (+54% compared to 2019)
- 163 campaigns closed with success (+18% compared to 2019)
- 78,7% of campaigns closed with success
- The average size of the campaigns has increased reaching over €617,5 K in 2020 (+30%)
- 94,9 average investors per campaign
- 18,5 K investors

### From 2013

- 711 equity crowdfunding campaigns in Italy (74% successfully concluded)
- 637 companies launched equity crowdfunding initiatives collecting €221,38M

## Innextra

The gateway to Italian banks and SMEs

Innextra is the inhouse firm of the Italian Chamber of Commerce' system, specialised in the finance and credit field for the SMEs. It focuses on complementary tools, services and models. As fintech ecosystem aggregator, it supports companies in accessing credit, complementary finance and innovative financial tools and it promotes Fintech solutions among SMEs. It offers different services aimed at connecting innovative finance players to Italian SMEs and entrepreneurs to foster collaboration and fintech penetration among the country, such as:

- [Fintech Digital Index](#)
- [Innextra Score](#)
- [Equity Hub](#)
- Events, webinars, and training sessions

## GROWING WITH EQUITY CROWDFUNDING IN MILANO

- Allcrowd raised €29 M on MamaCrowd platform from over 1450 investors, almost doubling the minimum target set
- Fin-Novia registered a record collection on BacktoWork24 platform with € 7.6 M, more than 7 times compared to the set objective
- Soisy Spa is a Fintech company, which has concluded 3 rounds of financing on the 200crowd platform, all in overfunding, raising a total of more than €5 M.

# INSURTECH

The Italian insurtech market has seen exponential growth in recent years, with insurtech companies' revenues growing 97% in 2016, 71% in 2017 and 46% in 2020.

Moreover, between 35% and 45% of Italians say they are willing to share personal data in exchange for more tailored insurance policies. <sup>9</sup>

9 Nielsen, 2019

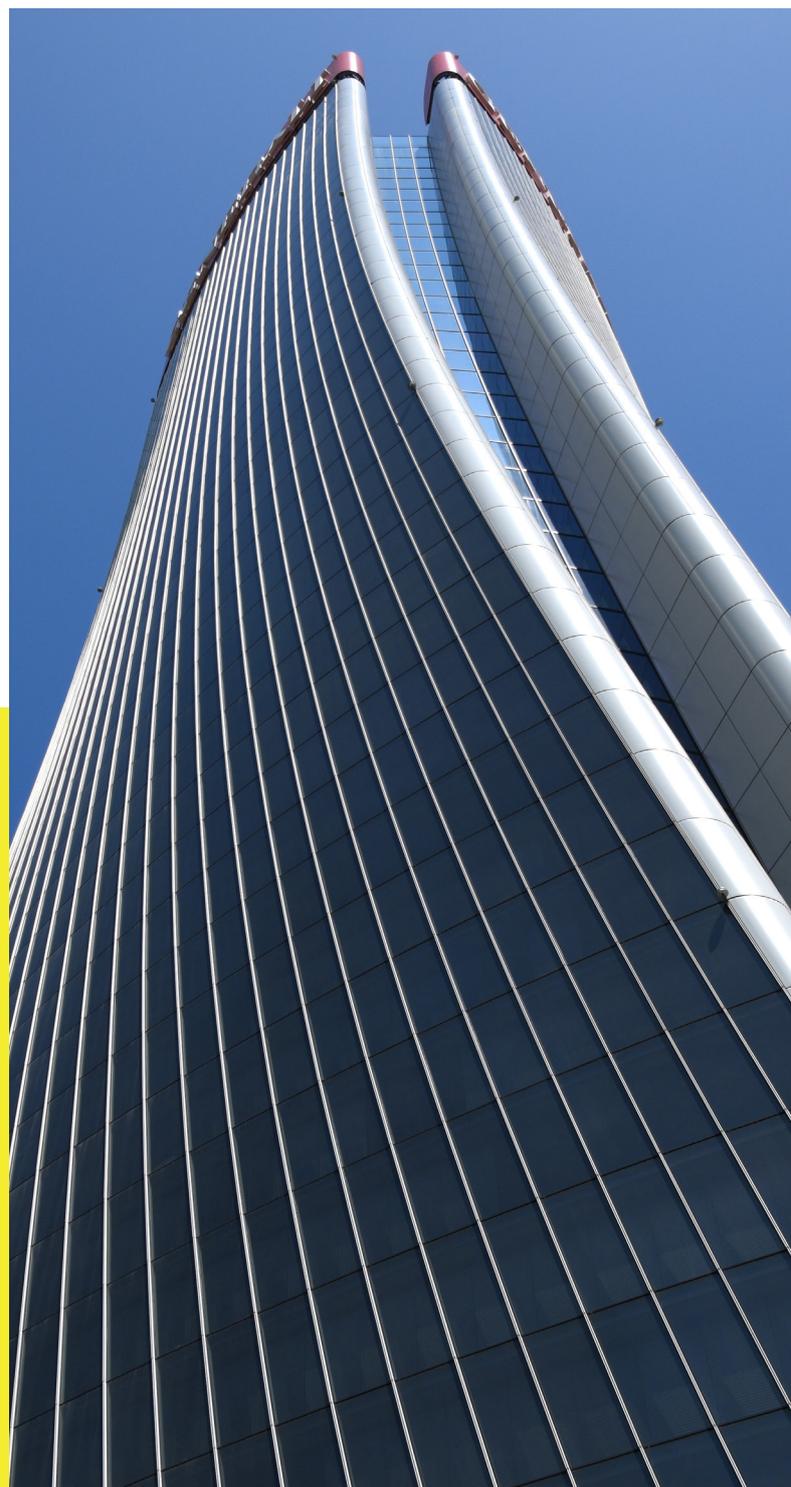


## Zelros

Coralie Lentillon - Country Manager Italia @ZELROS

"Milan is a super location at European level for its good quality of living and doing business. It represents a big network for companies and offers a lot of events and conferences to meet decision makers.

Italian insurers are becoming aware that AI is changing the chain value in the insurance industry and that it can also change the customer experience, which makes Italy a need to be market."



prima.it

Prima.it is an Insurtech firm, which distributes online insurance policies for cars, motorcycles, and vans. Through its online services, Prima.it enables its users to save time and manage all aspects of their insurance policies. In 2018, Prima.it became the first company in Italy to raise €100 M in a single VC ROUND.

# ITALIAN INSURANCE MARKET TRENDS

**Motor insurance** in Italy is compulsory for all circulating vehicles and it is the **most widely purchased** non-life insurance product. Italy is EU's **3rd largest market** for motor insurances, accounting alone for over **15%** of all EU motor insurance premiums and with over **41,5M** insured cars for a motor insurance average premium equal to **€350**.

**Electronic goods insurance** is experiencing an unprecedented growth in Italy. The country is among **top world countries for possession of smartphones** and there's an increase in the demand of policies covering electronic devices in case of theft or accidental damage.

Italian **home insurance** market is still not very developed. However Italy has one of the **highest percentage of property owners** in Europe and the market is **increasingly growing**, with **high potential** and **not yet penetrated**, representing a **big opportunity** for investors who want to take **the best advantages first**.

## Some data

**77.6%**

of Italian population  
owns a home

**57M**

properties own by  
individuals (60% as first  
residence, 10% leased  
or rented)

**50.0%**

of Italian homes are protected  
by insurance. The percentage  
rises up to **55.2%** in  
Northern Italy

**€150-300**

home insurance  
average cost  
in Italy

**60.0%**

of home insurances  
have been taken out after  
having **already suffered**  
**damage**

Source: Italian Insurance Association - ANIA 2020

# REAL ESTATE AND MORTGAGE

Attractive living conditions and low prices make Italy **one of the most profitable real estate markets in EU** (PwC, Emerging trends Real Estate EU 2020). Real estate sector represents 20% of Italy's GDP and is the main form of investment, accounting for more than half of gross wealth:

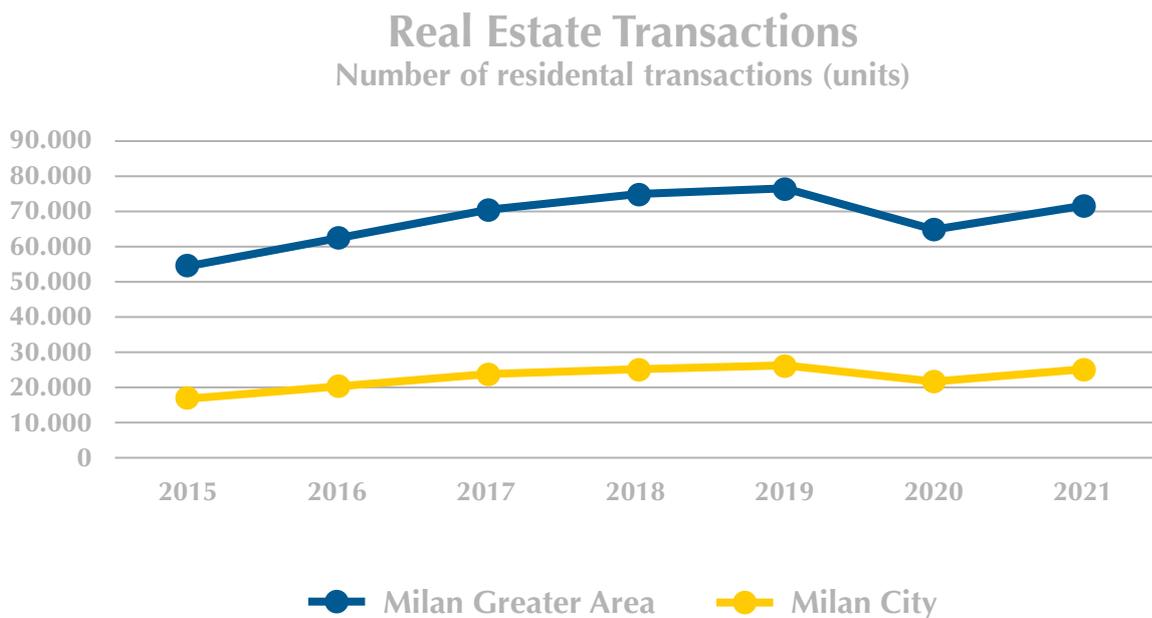
- 603,541 transactions in 2019 (+4.7%)
- €97.5 B of turnover in 2019 (+3.5%), 57% of which in North Italy

Milan is one of the 5 most profitable real estate markets in the EU.

The city ranks **1° in the EU for real estate investments** planned in 2019-2029 (€13B) and for **real estate FDI** in 2018 (48%) and in 2019 it saw the **largest increase in transactions** (+6.9%) with €4,756/sqm the avg. price per apartment (+33% vs 2015).

## Covid-19 Real Estate market reaction

Despite covid-19 pandemic affected the city's transactions by falling by 15.4% in 2020, transactions are estimated to increase of over +10% already by 2021, signal that the confidence in Milan's real estate market is strong and remains unchanged.



Source: PwC Emerging trends Real Estate EU 2020

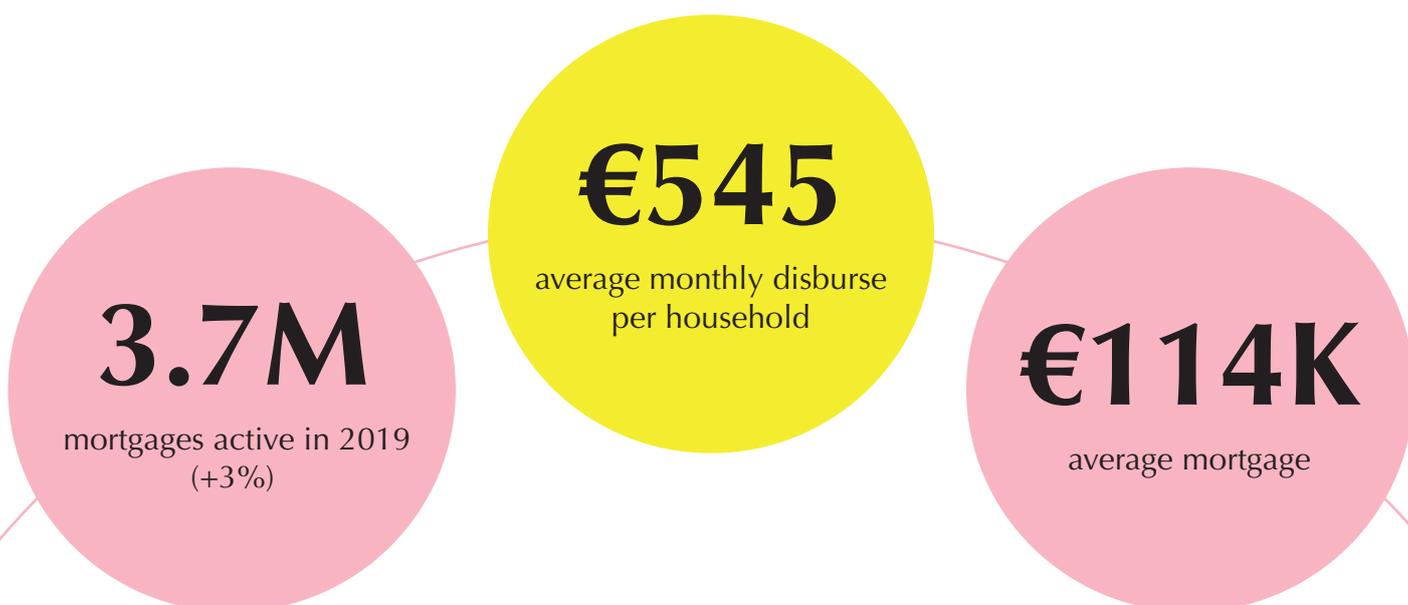
# REAL ESTATE AND MORTGAGE

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Italy is one of the most advantageous country in the world for mortgage and financing conditions (avg APRC 0.75%). The median Italian household is wealthier than the corresponding German or Austrian household, with Milan having the highest average salary in Italy (€35,500 vs €29,200), and 50% of private savings are housing assets (€5,246B), which is widely recognized as the main form of investment.

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## Some data



Source: PwC Emerging trends Real Estate EU 2020



Casavo, the leading Italian proptech platform with the mission to change the way people sell, live and buy homes in Europe, has recently announced a new capital raise of €200 million, bringing total capital raised to date to €385 million including debt and equity. Founded in 2017 in Milan, the tech platform that submits direct offers to buy homes, and, after renovation, finds the final buyers, has handled more than 1100 real estate transactions to date for a total value in excess of €300 million.



# Building from the ground up in Milano



Credimi is a lending platform in Milano, dedicated to Italian companies of any size, which makes the financing of invoices quicker, simpler and more transparent than any other alternative available.



FinLeap is a fintech company builder which entered the Italian market in 2017. Milano was chosen as its hub and it has since helped to create 16 fintech companies, as well as making several acquisitions.



Illimity is a startup “neobank” which raised about €600m mainly from foreign investors and subsequently merged with Banca Interprovinciale. In 2019, Illimity listed on the Italian Stock Exchange and now employs over 200 people.



Fabrick is a financial ecosystem that helps financial companies create innovative solutions for their end customers. The platform offers new ways of doing banking: open, modular and data driven, and offers a vast ecosystem of quality services.



Moneyfarm is a digital wealth manager that provides a unique combination of simple investment advice and discretionary management to help people grow their wealth over time. It is a fast growth company with more than 50,000 active investors and has secured €100 million in capital.

# TALENT BASE

## Milano has highly ranked universities that offer diverse and challenging approaches to education

Milano also has one of the lowest unemployment rates in Europe, which is attractive to international students. The city's 11 universities and academies admit 200,000 students, of which 10% are international, 10,000 are studying software engineering and 29,000 are studying economics, management and finance.

The city also has a wide expat community compared to its peer cities, and is increasingly known as a laboratory for creativity and innovation. As a result, it registers 20% of all Italian patents, despite only being 8% of the Italian population. Milano's young, diverse population are early technology adopters, making the city the perfect testing ground for new fintech products and services. The chart below shows the average salaries for the most researched profiles in the Industry.

10 QS, 2021  
11 QS, 2021  
12 fDi Intelligence

### 1st Bocconi University

University ranked first in continental Europe for accounting and finance, second for business and management, and first for economics and econometrics <sup>10</sup>

### 2nd Politecnico di Milano

Politecnico di Milano is ranked third in continental Europe for technology & engineering <sup>11</sup>

### 140k people

employed in the IT sector

### 3rd city in Europe

for innovation & human capital costs<sup>12</sup>

Role	Gross Annual Min	Income Max
Cyber Engineer	€ 29,679	€ 40,569
AI/ ML engineer	€ 29,921	€ 42,584
Full stack developer	€ 22,612	€ 30,284
Data scientists	€ 28,961	€ 38,980
Programmer /Software Engineer	€ 25,403	€ 34,545
Marketing Specialist	€ 25,519	€ 34,103
Financial Analyst	€ 25,519	€ 44,312

# INDUSTRY AND START-UPS

# Milano is a global hub for financial & business services, fashion and design, architecture, engineering, life sciences, food & culture.

7 of the world's top 10 multinational companies operating in the country have their branch office in Milano, including Google, Facebook, Microsoft and Cisco. Being the Italian economic capital, Milano is home to 5300 multinational companies, employing more than 569,000 residents.

The Venture Capital sector has experienced a strong growth. In 2018, VC investments in Fintech Firms were 13 times higher than those in 2017. Milano alone gathers 61,6% of the total VC investments in Italy.

## COWORKING SPACES

In Milano there are over 60 coworking facilities. **Copernico**, **Talent Garden** and **Impact Hub Milano** are among the most popular ones in terms of size and international appeal. The average monthly fares start from 45€ to 350€ for the most exclusive packages. For more information about the coworking space in Milano please visit:

[www.yesmilano.it/en/startups-ecosystem](http://www.yesmilano.it/en/startups-ecosystem)

12,000  
Financial  
Companies

12,000  
Fashion  
Companies

15,000  
Creative  
Companies

12,000  
Comms  
Companies

7,000  
Engineering  
Companies

4,500  
Design  
Companies



# BORSA ITALIANA

**Milano is home to the Italian Stock Exchange, which has 455 listed companies and a market cap of over €688 billion. Borsa Italiana was recently acquired by Euronext, becoming the largest revenue contributor of the Combined Group, thus playing a key role in its future operations, strategy and governance.**

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Milano is home to major financial institutions such as Unicredit, Mediobanca, Banca BPM and Intesa Sanpaolo, as well as global players like BNP Paribas, HSBC, Citibank and ING.



Elite is a global community that spans 33 countries, with a clear vision to give start-ups access to capital, skills and networks needed to scale up and make a lasting economic impact. Elite is part of the Euronext group, with headquarters in Milano.



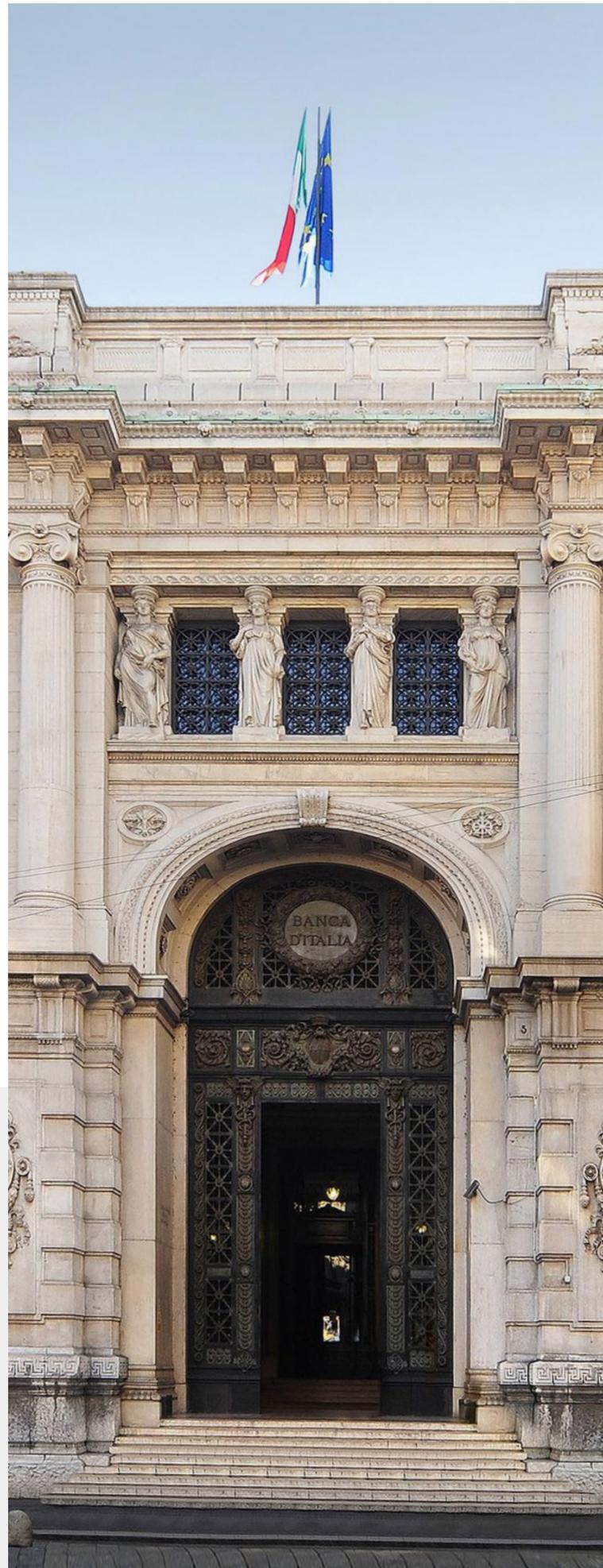
# BANCA D'ITALIA X FINTECH

## FINTECH MILANO HUB

**In July 2021 Banca d'Italia inaugurated "Fintech Milano Hub", the new innovation centre dedicated to support the digital evolution of the financial market, the coordination in the fintech field and to encourage the attraction of talent and investments.**

The new structure will act as an accelerator to supports the development of innovative projects aimed at responding to the challenges of digitalization through a series of consulting services, mentorship, and educational components on banking, finance, insurance and regulatory thematic. It will also have the role of surveillance of the supply chain of retail payment instruments and services. The result, indeed, is a new ecosystem which, enriched with technological innovations and strong recent regulatory interventions.

The first slot for applications will be open from 27<sup>th</sup> September to 29<sup>th</sup> October 2021.  
More info available at [bancaditalia.it](https://www.bancaditalia.it)



Established in 1893, Banca d'Italia is a public law institution regulated by national and European standards. Its main function is to achieve price stability and the efficiency of the financial system in implementation of the principle of protection of savings enshrined in the Constitution.

# THERE'S A SANDBOX TO GROW

In July 2021 the Italian Ministry of Economy and Finance (MEF) enforced the first Regulatory Sandbox, a controlled environment where fintech operators can test their innovative products and services in constant dialogue with the supervisory authorities (Banca d'Italia, Consob and IVASS).

**The sandbox offers companies a transitional regulatory regime that derogates from the ordinary rules for a maximum period of 18 months.**

It provides for reduced capital requirements for participating companies, simplified obligations for admission to the experimentation and shorter terms compared to the traditional authorisation process.

The special regulatory regime is aimed at encouraging and supporting the growth of new and innovative fintech models and is part of a wider framework of collaboration between institutions and operators in the sector to consolidate the Italian fintech ecosystem.

The call for projects and the requirements will be announced in September 2021. More info at: [www.bancaditalia.it/focus/sandbox](http://www.bancaditalia.it/focus/sandbox)

# MILAN FINTECH SUMMIT

**Milan Fintech Summit is a new international meeting, organized by Fintech District and Business International, with the support of Milano&Partners and Italia Fintech.**

The second edition is scheduled for **October 4th-5th 2021**.

Business networking, fintech culture reinforcement, talent & investment attraction are the aims of the event, which will also be an opportunity to strengthen the ties between the innovation sector and the many incumbents, headquartered in the city. The event will host international experts and the most innovative companies. An opportunity to present new ideas and products and to foster open innovation.

Milan Fintech Summit confirms the city's international role in the Fintech sector and it's a token of its continuous growth.



# SOME OF MILANO SUCCESS STORIES



The German neobank that offers mobile banking solutions via app including international money transfer, investment, overdraft, and cash withdrawal and deposit entered Italian market in 2017 and has now more than 500K Italian clients.



The German Open Banking platform designed to connect banks and depositors, today one of the fintech unicorns in Europe, chose Milan as one of its major financial hub in 2018.



The French fintech that provides an online platform designed to connect and facilitate financial transactions between lenders and borrowers in 2016 chose Italy as first destination for its international expansion. Only two years after the launch in Italy, Younited credit reached 100 million disbursed, earning the title of first reality in Italian social lending to overcome this goal.



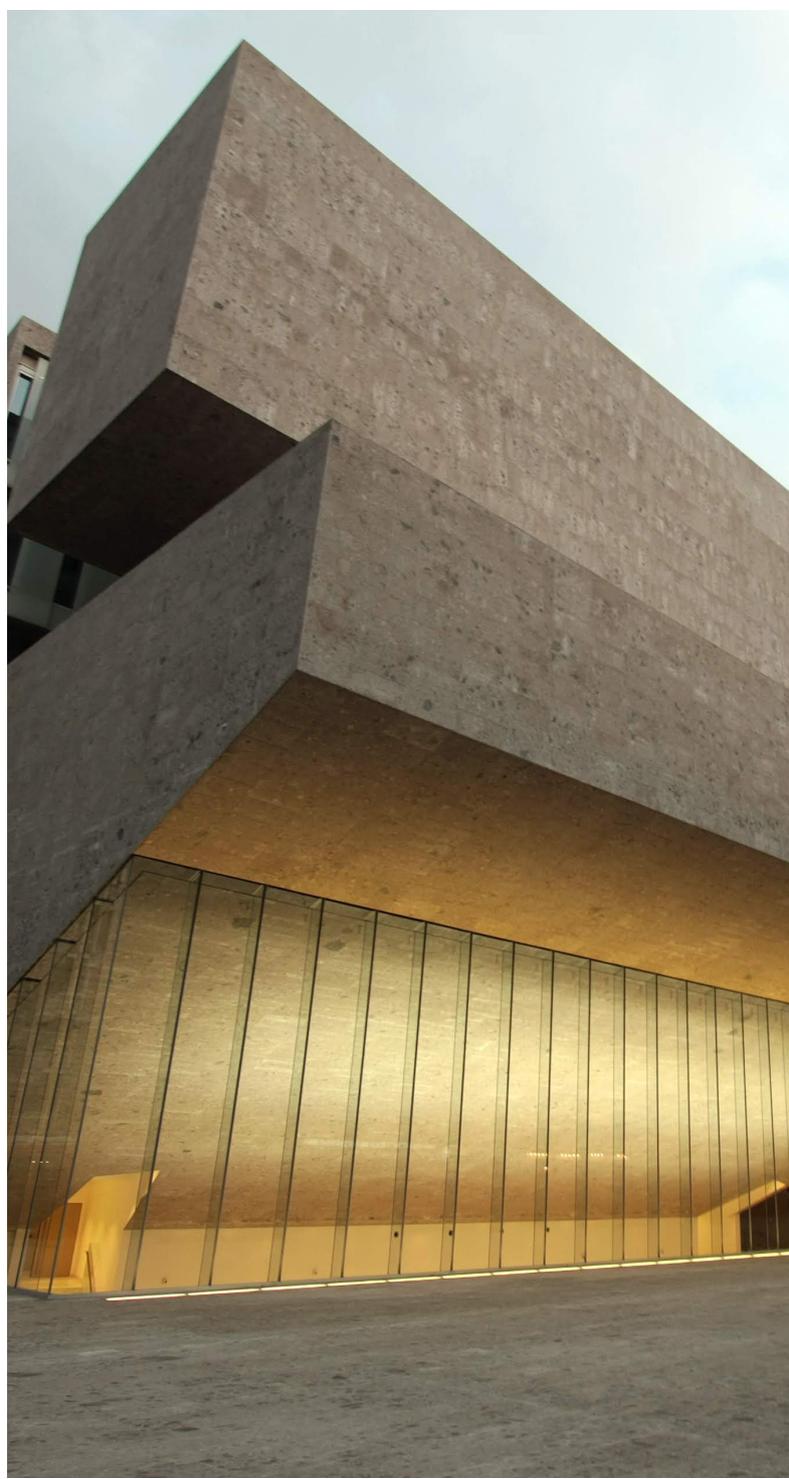
The British scaleup fintech that assists companies in all major operations involving money transfers abroad in 2019 was the first fintech company to obtain the approval for Guarantee Italy to provide Italian SMEs with guaranteed loans.



The Dutch platform for payment management opened its first Italian office in Milan in 2018 and now counts over 130 Italian clients such as Boggi, Benetton, Furla, Etro and Eataly. Adyen chose Italy in its international expansion path for: "The fashion and retail market, because the volume of digital payments is now at interesting levels, because ecommerce is growing at double-digit rates and mobile ecommerce is growing at 60% year on year".



The French insurtech startup that offers insurance companies, bancassurance operators and brokers a platform based on AI to support their activities chose Milan as starting point for its international growth. In 2020 it opened its first Italian office within LeVillagebyCA, the city innovation hub created by Crédit Agricole.



# IN THEIR OWN WORDS



**N26**

Andrea Isola - General Manager Italy & Southeast Europe @N26

## *Why did you choose to open up your office in Milan?*

Milan is increasingly becoming the reference point of the fintech landscape in Italy, which is why we believe it is strategic to have chosen it as the headquarter of the Italian branch of N26. In fact, Milan is hosting most of the Italian team of N26, from marketing and communication to the legal department, from compliance to business development.

## *Why does Italy is a need to be market? How big is its potential?*

The potential of the Italian market, especially as regards fintech and the world of challenger banks, is really impressive. Italians are showing more and more interest in online banking services, due to their friendly user experience, immediacy and security. It is no coincidence that many challenger banks, including Italian ones, were born in this last year.

## *Can you describe Milan's best qualities for living and doing business?*

Milan is definitely open to news and changes, in any environment. It knows how to welcome them and how to guide its citizens towards improvements, in fact it is a city that is constantly changing face, not only from an urban and architectural point of view (being one of the most developed smart cities in Europe), but also cultural and social. I believe these aspects are crucial for any entrepreneur who decides to do business in a specific city.



**HiPay Italy**

Paola Trecarichi - General Manager @HiPay Italy

## *Why did you choose to open up your office in Milan?*

Lombardy is the richest region in Italy and one of the strongest economies in Europe. It's one of the four motors of European economy. The region is an "international business hub": has the highest density of multinationals (92 of the top 100 multinationals operating in Italy are based in Lombardy) and attracts over 60% of all foreign direct investment arriving in Italy.

## *Why Italy is a need to be market? How big is its potential?*

HiPay HQ believed in the Italian market and they decided to invest there. Italy is a growing market and, according to the International Trade Centre, is the 2nd most competitive country in the world wide. It has great potential, for example, we have seen the beginnings of e-commerce growth following the strict COVID-19 restrictions

## *Can you describe Milan's best qualities for living and doing business?*

Milan is the most European and open city in Italy; it's multicultural, active and innovative, as well as the cradle of fashion and design. Thanks also to the fashion week and design week, at least for 5 times per year, Milan becomes the Italian epicenter of creativity and offers beautiful events that enrich the city and those who live there.

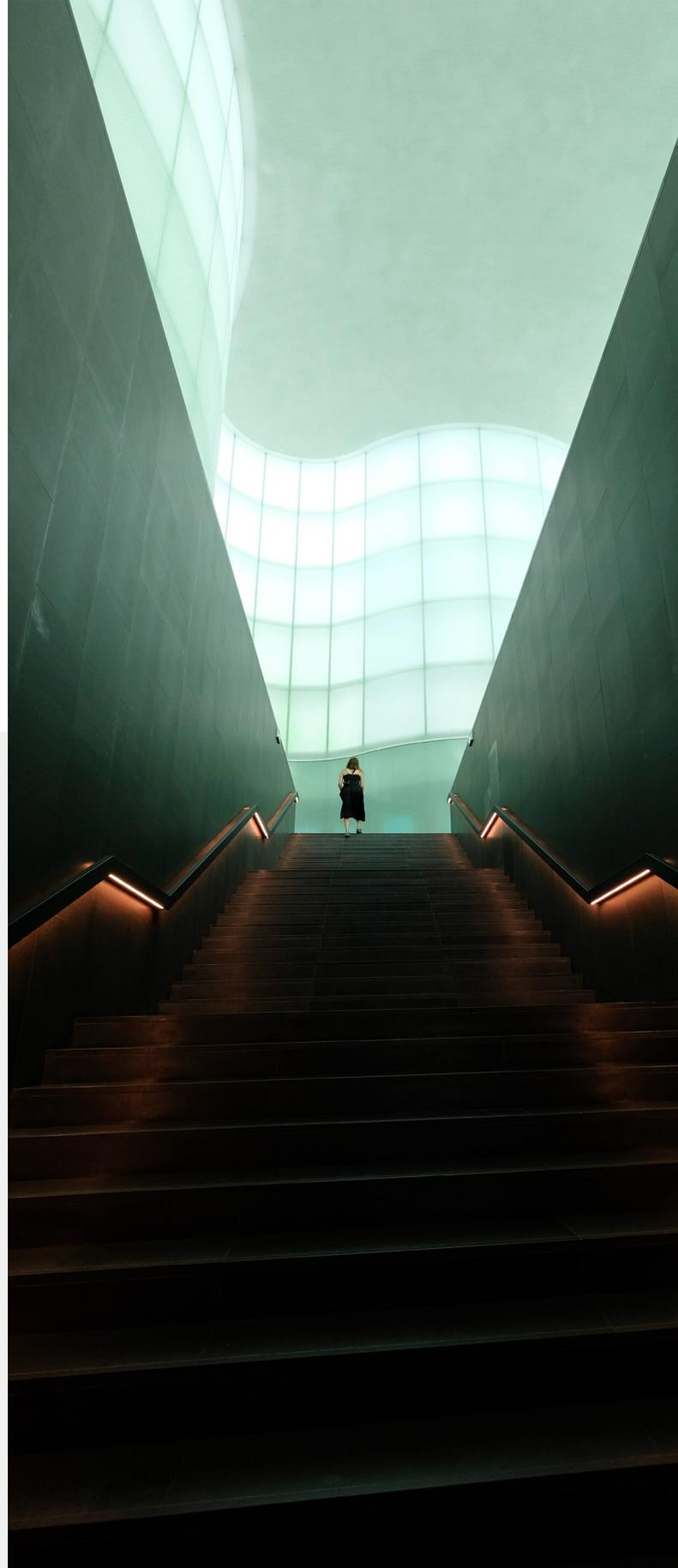
# COMPETITIVE BUSINESS ENVIRONMENT

In recent years, the Italian government has introduced reforms to make the country more competitive and attractive for foreign investments.

As a result, Italy has now a very generous fiscal regime and incentives package that includes the reduction of the main corporate tax from 27.5% to 24%, a flat-tax rate for income or capital gains on investments earned abroad realized by individual taxpayer and special visas for entrepreneurs that want to start a company in Italy.

The **2020 Budget Law** introduced new tax incentives with the aim of facilitating the transition to a more **digitalized economy** and promoting industry in Italy. Incentives are available in the form of capital grants, easy-term loans and tax credits and includes tax credits for new investments in tangible and intangible assets, R&D, employees' training.

Thanks to these reforms and to the strength of its industry, Italy ranks **8th** in the **Global FDI Confidence Index, 2019**.



# INNOVATION

## FINANCIAL INCENTIVES & FISCAL BENEFITS

### **New Enterprises “Zero Interest Rate”**

Investment programs with eligible expenses up to € 1.5M to be implemented by SMEs established by no more than 12 months and composed, for more than half of members and shares, by either people aged between 18 and 35 years old or by women. Program duration: not less than 3 years from project completion. Benefits: subsidized loan (max. 8y) with a zero-interest rate covering up to 75% of the eligible expenses.

### **Tax Credit on Assets**

Companies investing in tangible and intangible capital goods accordingly to the Industry 4.0 national strategy can benefit of a wide range of tax credits from 15% (intangible assets) to 20-40% (tangible assets). Companies investing in ordinary tangible assets can benefit of a 6% tax credit.

### **Industry 4.0 training**

40% tax credit on the cost of personnel employed in training courses for the acquisition and consolidation of skills in “4.0” fields.

### **ACE - Allowance for Corporate Equity**

To encouraging the capitalization of companies by cutting net income and mitigating different tax treatments applied to companies funded with debt / equity. The benefit entails a notional deduction from corporate income taxable base on company revenue (IRES) equal to the net increase in the “new equity” employed in the company, multiplied by a yearly determined rate (1.3% for FY 2020).

### **Patents+**

The incentive supports micro, small and medium-sized enterprises (SMEs) for the purchase of specialized services related to patents. Eligible expenses related to: industrialization and engineering, organization and development, and technological transfer. Grant of max 140K up to 80% of the eligible costs.

### **Energy Efficiency National Fund**

A total budget of € 310M supports energy efficiency investments on buildings, plants and production processes. The aid consists in a soft loan up to the 70% of the total eligible investment (between € 250k and € 4m), a guarantee on individual financing operation, up to the 80% of the investment, for a total amount between € 150k and € 2.5m.

### **Patent Box**

50% tax reduction for incomes arising from direct use or licensing of qualified intangible assets: property rights, industrial patents, trademarks, designs and models, etc.

### **Development Contract**

For large and innovative investments in manufacturing, tourism and environmental protection for greenfield and expansion projects of more than € 20M (€ 7.5M for food processing) presented by one or more SMEs also in joint form. Projects presented by foreign companies with a minimum investment of € 50M, gain access to the Fast-Track procedure. Additional funds for Fast-Track will be accessible to companies investing in the Green Economy, Biomedical and Telemedicine sectors.

# START-UPS & HUMAN CAPITAL

## FINANCIAL INCENTIVES & FISCAL BENEFITS

### Innovative Startups

Italian startups under 5 years old with revenues of less than €5m receive an exemption from certain taxes and access to flexible employee contracts. 30% tax relief for investors in innovative startups (cap at €1m for individuals, €1.8 for companies).

### Employment

Firms that employ workers under the age of 35 are granted a reduction in the labor taxes for the first three years of their employment, up to a maximum of 3,000 euros per year. The age limit will be reduced to 30 years starting from 2021.

### R&D Circular Economy

For the transition of economic activities towards a circular economy model: eligible expenses between € 500k and € 2 M, with a duration  $\geq 12$  months and  $\leq 36$  months. Soft loan up to the 50% of the eligible expenses and direct contribution to expenditure (micro and small companies: 20%, medium companies 15%, large companies 10%).

### Smart&Start Italia

To support innovative startups, established for no more than 60 months with a strong technological dimension. Interest-free loan up to 80% of the total investment (10y repayment). Up to 90% if the startup is composed exclusively by women or people aged  $<35$ , or if it includes at least one Italian PhD working abroad and willing to return in Italy.

### New Residents

Employees, self-employed, researchers and professors who move to Italy and have not been resident in Italy in the prior 2 years can benefit of a special tax regime with a tax exemption equal to 70% of their incomes for 5 years (extendible under certain circumstances).



# ITALIAN QUALITY OF LIFE

**Milano and its attractive surroundings offer a modern, sophisticated way of life, in a safe, tolerant and open social and cultural environment. It is a city that makes everyone feel at home right away and has opened its doors to foreign investors and workers.**

English is widely spoken. Its quality of life is among the best in the world, with high-quality housing, a comprehensive network of international schools, a state-of-the-art healthcare system, a thriving artistic and cultural environment, a unique food scene, and efficient public transportation systems.



**Milano stands at the heart of Europe, connected to all the continent's great cities.**

Milano has efficient and rapid connections with Italy, Europe and the world. The city is two hours by plane to most EU capital cities, and two hours drive from the Alps in the North and the seaside in the South.

Milano has three major airports: Malpensa-MPX for intercontinental destinations, Linate-LIN with convenient connections to European and Italian cities, and Orio al Serio-BGY, which is an operating base for European low- cost airlines.

Milano Central railway station is a major hub for international railway travel, with daily trains to Paris, Munich, Barcelona, Vienna, Bern, Lugano, Nice, and Marseille. The city is also at the junction of major highways networks, which connect the city to France, Switzerland, Germany, Austria and Slovenia, as well as to the ports of Genoa and Venice-Mestre.

**Intercontinental Direct Flights to:**  
 San Francisco, New York, Shanghai, Hong Kong, Tokyo, Istanbul, Tel Aviv, Riyadh, Abu Dabhi, Cyprus



# FIND OUT MORE

**Milano&Partners is the investment promotion agency of the city of Milano, founded by Milano's Municipality and Milano's Chamber of Commerce. In collaboration with Promos Italia, it supports the soft landing of foreign investments in the metropolitan area and promotes Milano's excellence by attracting foreign talents and boosting its competitive environment.**

We support foreign companies and startups expanding their business in Milan with several free of charge services throughout the entire process:

- Facilitating the dialogue with the Public Administration and providing bureaucratic support with visas, permits, and documentation.
- Specialised support accessing national and local fiscal incentives.
- Location scouting.
- Networking with local stakeholders and universities aimed at recruiting specialized human capital and connecting with potential partners.
- Information on the local supply chain (fees may apply).
- Introduction to a selected network of legal, fiscal, labour, and real estate consultants.



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**MILANO&PARTNERS**

In collaboration with:



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\* Information concerning Companies that are part of the Fintech community are updated periodically. We apologize in advance for potential omissions. If you notice any missing or wrong information please feel free to reach out

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