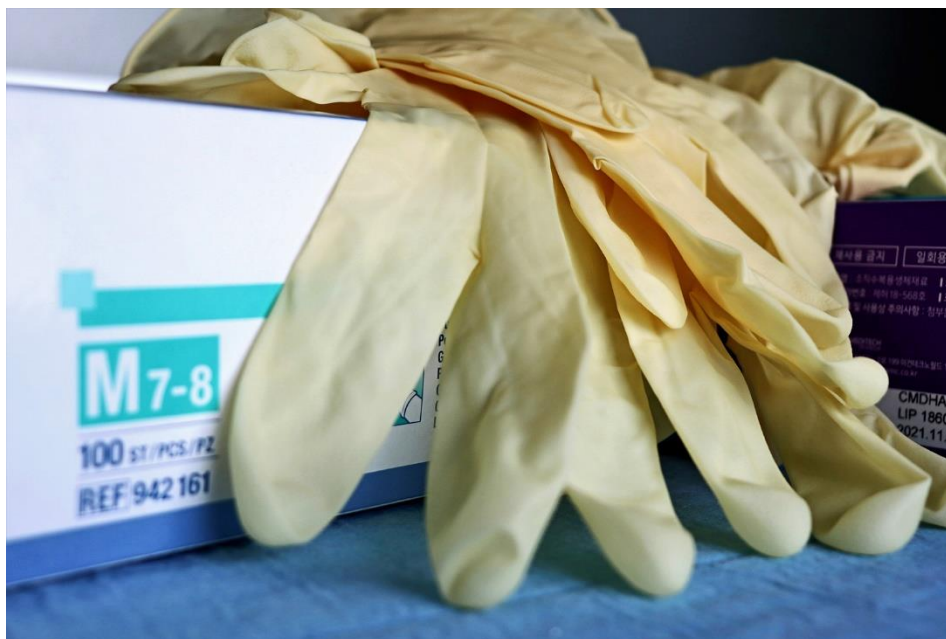


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ABOLITION OF SAFEGUARD CLAUSES AND REDUCTION OF VAT RATES ON MEDICAL DEVICES AND PERSONAL PROTECTIVE EQUIPMENT



Legal Decree no. 34 of 19 May 2020 ("Relaunch Decree"), among the measures aimed at favoring the recovery of the Italian economy and counteracting the crisis generated by the Covid-19 emergency, introduced important provisions on VAT.

First of all, the Relaunch Decree provided for the abolition of the safeguard clauses, sterilizing the increase in the current VAT rates (from 22% to 25% for the ordinary one and from 10% to 12% for the reduced one), which was previously scheduled to take effect from 01.01.2021.

The Relaunch Decree also provided that the following types of goods necessary to combat the Covid-19 epidemic:

- Lung ventilators
 - Multi-parameter monitor, including transport monitors
 - Infusion pumps for drugs and peristaltic pumps for enteral nutrition
 - Endotracheal tubes
 - Helmets for ventilation
 - Ventilation masks; suction systems
 - Humidifiers; laryngoscopes; surgical masks
 - Ffp2 and Ffp3 masks
 - Protective clothing items for health purposes such as latex, vinyl and nitrile gloves, protective visors and glasses, protective suit, shoes and overshoes, headgear, waterproof gowns, surgical gowns
 - Thermometers
 - Hand disinfectant cleaners
- shall be sold at a 0% VAT rate until 31.12.2020
 - shall be sold at a reduced VAT rate of 5% starting from 01.01.2021.

Intra-Community acquisitions and imports of the goods listed above will also benefit from the reduced VAT rates at 0% (until 31.12.2020) and 5% (from 01.01.2021).

In essence, for imports up to 31.12.2020, the Relaunch Decree extends to all imports of the aforementioned goods the VAT exemption initially provided only for imports made from 30.01.2020 to 31.07.2020, by or on behalf of certain specific entities (state bodies, public bodies and other bodies governed by public law, first aid units, etc.).