



Società Benefit

ITALY

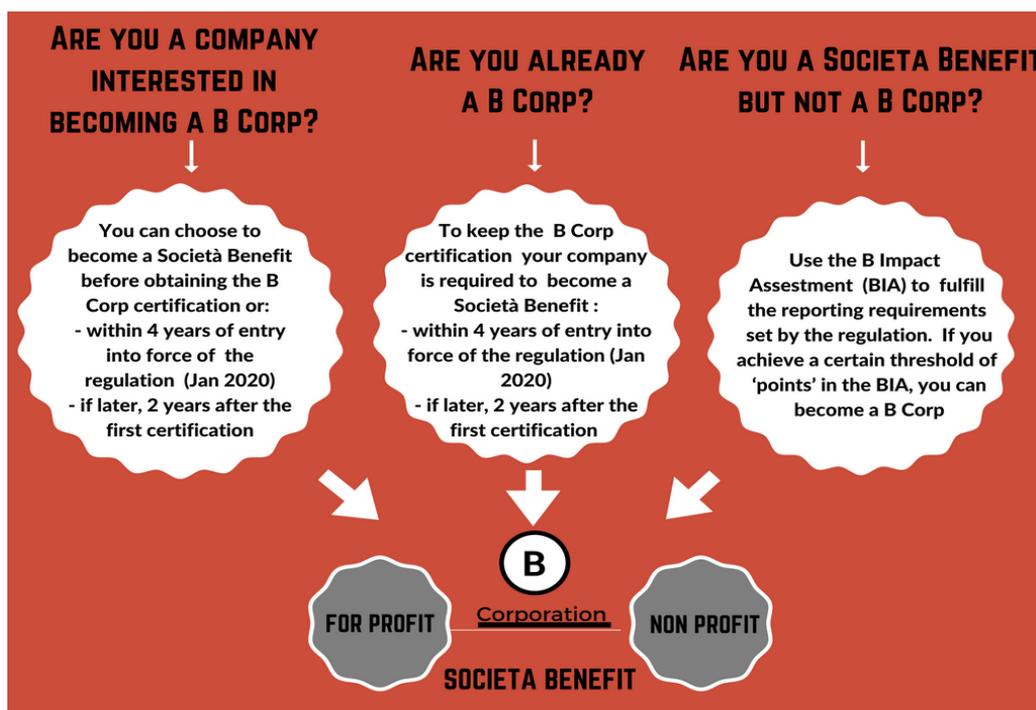
LEGAL STATUS

The Italian ecosystem in support of social enterprises is characterised by a relatively fragmented regulatory landscape, but political recognition and public support are growing, especially at the local level. With substantial reform of the third sector underway, the legal and financial environment surrounding social enterprises is bound to accelerate their development in the coming years.

Presentation

In December 2015, Italy became the first European country to establish a new legal status for companies, called "*Società Benefit*". It applies to entities whose mission and operations combine the goal of profit with the purpose of creating a positive impact for society and the environment. In order to become a *Società Benefit*, a company has to amend its articles of association so as to include the objective of societal shared value it intends to pursue. The company must also demonstrate that it operates in a transparent and sustainable way.

The legislation was introduced at the initiative of the B Lab, a global non-profit organisation, which issues a private certification of social responsibility for for-profit companies – the so-called "*B Corp*". To receive and preserve this certification, companies must undergo an assessment of "*social and environmental performance*" (B Impact Assessment). In Italy, B Corp certified companies are required to change their status and become a *Società Benefit* within two to four years of their certification.



Source: B Corporation, 2016

Implications

The new law has generated substantial interest and enthusiasm in Italy and abroad. Approximately 100 *Società Benefit* were registered one year after the entry into force of the legal status early 2016. Of these, almost 60% have a share capital of up to 10,000 euros, and only two have a capitalisation of over one million.

The reception of the *Società Benefit* by the entrepreneurial community has been quite positive – not only has a significant number of *Società Benefit* have been created but, more importantly, it has allowed companies of all sizes to develop a business model that bridges the for-profit and non-profit sectors.

As the legal structure is very new, it is still difficult to assess the real impact on the social entrepreneurship space. The legislation is currently being rewritten, in order to be better adapted the original US framework to the realities of the Italian environment. The impact reporting rules enshrined in *Società Benefit* also leave some room for improvement in terms of clarity and control.

All in all, the new legal status has the potential to become a boost for the social impact ecosystem in Italy, as well as to catalyze investments from the private sector. Moreover, the Italian experience could generate a “domino” effect among other EU Member States, facilitating the spread of the “B” approach.

More information

- For a more general insight into the Italian ecosystem in support of Social Enterprises, consult EVPA's National Policy Nexus on Italy, available on the [EVPA website](#)
- [The First European Benefit Corporation: blurring the lines between 'social' and 'business'](#) ESELA (2016)
- Italy Blog entries on B Corp website: <http://bcorporation.eu/blog/italy>
- [Società Benefit Legislation 2015](#)

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