



## Legal term for payments in Italy

### 1. Are there any specific legal requirements in respect to payment terms?

Yes.

Italian legislation on late payment in commercial transactions is derived from Directive 2011/7/EU that was implemented by Legislative Decree no. 192/2012, which amended the Legislative Decree no. 231/2002 implementing Directive 2000/35/CE.

### 2. Is there a standard payment term set out in law? If so, what is it?

Yes.

The standard payment term is 30 days:

1. Starting from the date of receipt by the debtor of the invoice or an equivalent request for payment;
2. Starting from the date of receipt of the goods or services, where the date of the receipt of the invoice or the equivalent request for payment is uncertain or the debtor receives the invoice or the equivalent request for payment earlier than the goods or services;
3. Starting from the date on which the acceptance or the conformity verification of the goods or services takes place, where a procedure of acceptance or verification by which the conformity of the goods or services with the contract is to be ascertained; the payment term is provided by the law or by the contract and the debtor receives the invoice or the equivalent request for payment before this date.

In respect of public enterprises that are required to comply with the transparency requirements set out in the Legislative Decree no. 333/2003 and for public authorities providing healthcare duly recognised for that purpose, the standard payment term is 60 days.

### 3. In what circumstances may parties contractually agree to extend payment beyond the standard payment term?

As a general rule, contracting parties that are private entities are free to stipulate the extension of the standard term without any specific limitations except for terms grossly unfair to the creditor.

In this regard, it is considered grossly unfair if the payment term exceeds 60 days and the creditor is a SME as defined by a decree by the Ministry of Productive Activities on 18 April 2005, and not in the event that both parties are SMEs.

The parties must expressly agree upon a payment term exceeding 60 days and such a deal must be concluded in writing.

If the debtor is a public authority, parties may stipulate a longer term than the standard 30 days, provided the extension is objectively justified in the light of the particular nature or features of the contract. The payment term cannot exceed 60 days.

#### **4. May an obligation beyond the standard payment term be evidenced in a PO?**

Yes.

Obviously, the seller or creditor must accept the PO, otherwise this obligation cannot be regarded as agreed upon by the parties.

#### **5. Are there any penalties for breach of payment term in legislation other than a civil claim by the seller?**

Contractual clauses regarding term of payment, rate of interest for late payment or the reimbursement for recovery costs, which are grossly unfair to the creditor, are null and automatically replaced by the statutory provisions.

In determining whether a clause is grossly unfair to the creditor, the judge considers all circumstances of the case, among them, the gross deviation from good commercial practice, contrary to good faith and fair dealing, the nature of the product or the service and the existence of objective reasons to deviate from the statutory rate of interest for late payment, from the payment term or from the fixed sum due for credit recovery expenses.

A clause, which excludes interest for late payment, is considered grossly unfair and contrary evidence is not admissible.

#### **6. Is there any special legislation regarding payment obligations for the COVID-19 situation?**

Not yet.

#### **7. Any additional comments**

Under Italian law, provisions on late payments in a commercial transaction do not apply to debts that are subject to insolvency proceedings.

## **Key Contacts**



Vincenzo Giangiacomo  
Rome  
Partner

## Authors



Vincenzo Giangiacomo  
Rome  
Partner

This information is for general purposes and guidance only and does not constitute legal or professional advice and should not be relied on. For legal advice, please contact your main contact relationship partner at the relevant CMS Member Firm.

CMS is an international organisation of independent law firms ("CMS Member Firms"). CMS LTF Limited ("CMS LTF") is a company limited by guarantee incorporated in England & Wales (no. 15367752) whose registered office is at Cannon Place, 78 Cannon Street, London EC4N 6AF United Kingdom. CMS LTF coordinates the CMS organisation. This email is sent by CMS Legal Services EEIG/EWIV ("CMS EEIG"). CMS EEIG provides services to CMS Member Firms. Its head office is at Neue Mainzer Straße 2-4, 60311 Frankfurt, Germany. The contact email address for CMS EEIG is [info@cmslegal.com](mailto:info@cmslegal.com).

Neither CMS LTF nor CMS EEIG provides client services. Such services are solely provided by CMS Member Firms in their respective jurisdictions. CMS LTF, CMS EEIG and each of the CMS Member Firms are separate and legally distinct entities, and no entity has any authority to bind any other. CMS LTF, CMS EEIG and each of the CMS Member Firm are liable only for their own acts or omissions and not those of each other. The brand name "CMS" and the term "firm" are used to refer to some or all of the member firms or their offices.

For more information about CMS including details of all of the locations in which CMS operates please visit [cms.law](https://www.cms.law).

You can find more information about our processing of personal data and your data subject rights in our [Privacy Notice](#).