

## **Doing business in Italy**

The Italian market is open to the activities of business and professionals, whether they are establishing offices in the country or operating in Italy from abroad. Their activities must be lawful and, occasionally, subject to special authorisation according to EU-wide laws in force within the European Community.

Italian private law is based on contracts, which are the main source of legal provision and as such are protected in Italy by an independent judiciary (in the case of the EXPO, the Court of Milan, unless otherwise agreed between the parties).

According to article 1321 of the Italian Civil Code, a contract is the agreement between two or more parties – generally preceded by negotiations and not necessarily subject to special formalities in writing, to establish, regulate or terminate a legal relationship between their assets pertaining to the field of property rights (such as property transfer) or reports required (those relating to work). Contracts are legally binding on the parties and include essential and non-essential elements.

The essential elements of the contract are:

The agreement between the parties, namely the unanimous expression of the will to regulate their own interests according to a precise and defined model;  
the principle of the contract,  
its function, which makes it worthy of protection for legal order (e.g. a trade without compensation is void because it is sine causa;  
the object of the contract, which must be feasible, lawfully determined or determinable and a formality, if requested for procedural requirements, a public deed (e.g. a donation) or private deed (e.g. transferral of real estate)

The non-essential elements of the contract are:

The conditions, which are contingent future events that explain the effects on the contractual relationship, in the sense of resolving or terminating the contractual obligations by the date of fulfilment;  
the terms, namely certain events, usually the passage of time, the occurrence of which will terminate the effect of the contract;  
the accessory elements that define an obligation to do something or not to do something for one of the parties.

If signed or executed on the Italian territory, the contract will generally be subject to the relevant local regulations, unless the parties make explicit reference to other international rules or regulations.

The professionals at the Law Firm have a deep experience of assisting domestic and foreign clients in the negotiation and drafting of various types of contracts.