

Innovative tax deal for the Italian football team Sampdoria



An agreement, in many respects innovative, has been concluded between the Genoa Revenue Agency and *Unione Calcio Sampdoria*, one of the two historic Genoese Serie A football teams. This is the outcome of a negotiated settlement of the business crisis in which Sampdoria, then managed by Mr Ferrero, risked judicial liquidation.

Combined with a debt restructuring agreement and new management in the form of an Italo-British consortium, the Genoa-based club will receive a 65% discount on the €49 million cut in tax debt and a 10-year instalment plan for the 1/3 remaining debt, subject to security being offered by a pledge of the glorious club's trademark.

As a result of the agreement, signed on 11 August 2023, the new owners will have to pay to the tax authorities €17,130,840 out of the €48,495,257 due (some 35%), of which about €11 million by 30 September 2023 and the remainder in 40 quarterly instalments of €153,000 starting 31 December 2023. The restructuring of Sampdoria's debt, of which the tax portion accounts for slightly less than a third of overall debt, appeared to the Court to be the most advisable solution, given that the liquidation scenario showed net proceeds of only €17.6 million, not enough to satisfy even first-rank preferential creditors.

The *sine qua non* condition, consistent with the plan presented to the Court of Genoa for the restructuring of the overall debt, is however the establishment of a pledge over the "Shield of St George" trademark that appears on the club's kit in favour of the Revenue Agency. This will allow



the agency to enforce security in case of default, albeit simple delays in the payment of instalments are sanctioned, but only with a €1,000 *per diem* penalty.

The most innovative aspect of the tax settlement between the Revenue Agency and Sampdoria concerns its approval as part of a negotiated settlement of the business crisis combined with a debt restructuring agreement, allowing for the settlement of the tax claim (thus excluding the need for an agreement with the Revenue Agency). However, the Revenue Agency has specified that the conclusion of the agreement: "*does not avoid in any case any control, assessment and collection activities against the debtor by the Tax Administration, with respect to both the tax periods following the one of approval of the proposed settlement and the previous periods.*"

Among the other "*non-financial creditors*", as stipulated in the agreement approved by the Court, sports agents and attorneys will be satisfied at 40% and *ex lege* secured creditors and unsecured creditors at 70%. Thus, the agreement reached fully reflects the purpose of the tax settlement, which is to produce positive effects at the same time for the debtor, the

Revenue Agency, other creditors, stakeholders in general and the community.

In fact, thanks to this agreement:

- (a) the company was able to implement its corporate recovery, continuing its business and finding an investor who would put an acceptable amount into the residual value of the company;
- (b) the Revenue Agency will be able to recover amounts significantly higher than it would have been able to receive in a bankruptcy scenario or under any other kind of arrangement;
- (c) creditors will receive payments that, while not entirely corresponding to the debts owed them, will allow them, in many cases, to avoid difficulties consequent on a failure to collect their claims;
- (d) the company's employees will retain their jobs;
- (e) the Revenue Agency will avoid incurring social charges due to layoffs, mobility and the non-receipt of future income taxes from employees and suppliers, which it would inevitably have had to bear in case of failure of the debt restructuring. ■



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