

ITALY

- 0- SYNOPTIC TABLE: TAXATION OF RESIDENTS AND NON-RESIDENTS
- 1- AN OUTLINE OF COMPANY LAW
- 2- WHEN ITALIAN COMPANIES CAN BE CONSIDERED RESIDENT OR NON-RESIDENT?
- 3- BUSINESS AND NON-BUSINESS ACTIVITIES (ADMINISTRATIVE OFFICES, LIAISON OFFICES, PURCHASING OFFICES, ETC.)
- 4- WHICH FOREIGN LOCAL UNITS CAN BE OPENED IN ITALY: SECONDARY ESTABLISHMENTS, BRANCHES, SUBSIDIARIES OR PERMANENT ESTABLISHMENTS?
- 5- CALCULATING TAXABLE INCOME
- 6- TREATMENT OF LOSSES
- 7- IS INTEREST DEDUCTIBLE?
- 8- IS DEPRECIATION DEDUCTIBILITY ACKNOWLEDGED?
- 9- WHAT TAX TREATMENT IS APPLIED TO RESIDENT COMPANIES?
- 10- ARE GROUP COMPANIES CONSIDERED SINGLE COMPANIES FOR FISCAL PURPOSES?
- 11- WHAT TAX TREATMENT IS APPLIED TO FOREIGN LOCAL UNITS AND NON-RESIDENT COMPANIES?
- 12- ARE CAPITAL GAINS TAXED?
- 13- WHAT TAX TREATMENT IS APPLIED IN CASE OF COMPANY LIQUIDATION'?
- 14- TRANSFER OR REPURCHASE OF SHARES: HOW ARE THEY TAXED?
- 15- WHAT OTHER TAXES ARE APPLIED IN ITALY?
- 16- DIVIDENDS, INTERESTS AND ROYALTIES: HOW ARE THEY CONSIDERED AND TAXED?
- 17- HOW ARE CALCULATED STOCKS OR INVENTORIES?
- 18- HOW ARE RESIDENT INDIVIDUALS TAXED?

- 19- HOW ARE FOREIGN INDIVIDUALS TAXED? WHEN ARE THEY CONSIDERED RESIDENT?
- 20- TERMS FOR TAX PAYMENTS: THE FISCAL YEAR IN ITALY
- 21- WHAT TAX INSPECTIONS ARE MADE?
- 22- CAN TAXPAYERS AGREE IN ADVANCE THEIR TAX TREATMENT?
- 23- WHAT EXCHANGE CONTROLS ARE CARRIED OUT?
- 24- WHAT TAX RELIEFS AND INCENTIVES ARE GRANTED BY THE ITALIAN GOVERNMENT?
- 25- HAS ITALY SIGNED BILATERAL TAX AGREEMENTS WITH OTHER COUNTRIES? TABLE OF WITHHOLDING TAXES

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0- SYNOPTIC TABLE: TAXATION OF RESIDENTS AND NON-RESIDENTS

	RESIDENTS	NON-RESIDENTS
CORPORATE INCOME TAX	IRES: 24 % IRAP: 3.9% - 5.9%	24% 3.9% - 5.9% (only on Italian source income)
TAXES ON CAPITAL GAINS	Fully taxable as ordinary income except when 95% of the participation exemption scheme is applied (Article 87 Tuir)	
WITHHOLDING TAXES		
Dividends	26% (individuals), 58.14% (VAT holders), 5% (capital companies)	
Interest income	12.5% (on Italian government or white list securities), 26%	
Royalties on foreign copyright	30% on 75% (effective tax rate 22.5%)	
PERSONAL INCOME TAX (IRPEF)	23% (up to €15,000) 25% (from €15,001 to €28,000) 35% (from €28,001 to €50,000) 43% (from €50,001)	
OTHER TAXES		
Real estate registration tax	On transfers not subject to VAT: 9% (2% primary residences) On transfers subject to VAT: fixed tax of 200 Euro	
Social security contributions	1/3 of the overall amount divided as follows: 23.81% payable by the employer 9.19% payable by the employee	
Tax on financial transactions	0.1% on the sale value of the shares + Tobin Tax	
Tax on digital services	3% Web Tax on income	
VAT	0% - 4% - 5% - 10% - 22%	
LOSSES		
Carried forward	Without time limits but, excluding losses realized in the first three tax periods, the deduction is limited to 80% of the income produced during the year	
Carried back	Not applied	
DEPRECIATION	Buildings: 3% Plant and machinery: 6% - 30% Office furniture and equipment : 12% Electronic office equipment: 20% Transport vehicles: 20% Road vehicles: 25%	

1- AN OUTLINE OF COMPANY LAW

BUSINESS ENTITY	MAIN TRAITS	FORMATION	GOVERNANCE
Joint stock companies (SpA)	Large companies in which the partners are called "shareholders" and participate in the business activity to the extent of the personally subscribed capital. Shareholders have the right to participate in the board of directors and their decision-making power corresponds to the percentage of shares they own. An SpA must prepare annual accounts which have to be filed with the Companies' Register.	The incorporation must be done through a public notarial deed. The minimum capital requirement is €50,000. There is the possibility of enhancing the share capital also with non-monetary contributions to be evaluated.	Registration in the Company Register is required. Internal control is in the hands of the Board of Directors and the Board of Statutory Auditors. Sole directors or auditors may be present. External control, at accounting and tax level, is in the hands of the chosen auditing company.
Limited liability companies (Srl)	The Srl model is more flexible than the SpA. It is therefore suitable for all company sizes, from small to large companies. The partners have limited liability to the share of subscribed capital and there is perfect assets autonomy between the company and individual partners.	The incorporation must be done through a public notarial deed. The minimum share capital required on incorporation is €10,000.	Registration in the Company Register is required. The appointment of a board of auditors or auditors is necessary if one or more of the following hypotheses occur: <ul style="list-style-type: none"> • the SRL must present a consolidated financial statement • the SRL controls a company subject to audit • the SRL has an active balance sheet exceeding €4,000,000 • the SRL has operating revenues exceeding €4,000,000 • in the fiscal year the SRL has an average of employees greater than 20
Simplified limited liability companies (Srls)	The SRLS has the same characteristics of financial autonomy and responsibility as the ordinary SRL. The members of an SRLS can only be individuals.	The incorporation must take place through a public notarial deed. The sum of capital to be subscribed at the deed of incorporation is between €1 and €9,999. The share capital must be fully paid up and the contribution of non-monetary capital is not foreseen. Deed and statute cannot be modified.	Registration in the Company Register is required. The same rules as for the ordinary SRL apply to the SRLS.
Startup companies	A Startup is a newly built joint-stock company, with a lifespan of less than 5 years and a turnover of less than €5,000,000. It is not listed on the stock exchange and does not distribute profits, but it can issue shares without the right to participate in decisions and study stock option and work for equity plans. The startup is defined as "innovative" if it has at least one of the following requirements: <ul style="list-style-type: none"> • incurs R&D expenses equal to at least 15% of the higher value between cost and total value of production • employs highly qualified personnel (1/3 PhDs, PhD students or researchers, otherwise, 2/3 master's graduates) • is the owner, custodian or licensee of at least one patent • is the owner of registered software 	Startup companies benefit from reduced registration costs: <ul style="list-style-type: none"> • Registration tax € 200 • Filing fee €27.50 	For the first 5 years of activity, the company must register in the Special Companies Register. After the first 5 years, it can register in the ordinary Companies Register.

BUSINESS ENTITY	MAIN TRAITS	FORMATION	GOVERNANCE
General partnerships (Snc)	The Snc is a partnership that does not have perfect financial autonomy. The partners are jointly and severally liable for the company's obligations, even with their personal assets. The Snc is not required to prepare annual accounts and file them.	The incorporation must take place through a public notarial deed.	Registration in the Company Register is required. All partners have management powers, according to the partnership agreement.
Limited partnerships by shares (SapA)	SapA is a joint stock company that has two different categories of shareholders: <ul style="list-style-type: none"> Limited partners: they have limited liability and no administrative powers General partners: they have unlimited liability and administrative powers 	The incorporation must take place through a public notarial deed.	Registration in the Company Register is required.
Limited partnerships (Sas)	An SAS is a partnership that has two different categories of partners: <ul style="list-style-type: none"> Limited partners: they have limited liability and no administrative powers General partners: they have unlimited liability and administrative powers 	The incorporation must take place through a public notarial deed.	Registration in the Company Register is required.
Informal partnerships (SS)	Società Semplice is a partnership that carries out non-commercial activities.	The incorporation must take place through a public notarial deed only in the case of the contribution of real estate as share capital. Otherwise, the consent of the shareholders, however expressed, is sufficient.	Registration in the dedicated section of the Company Register is required.
Sole proprietorships	A sole proprietor is a single entrepreneur who carries on a business. The sole proprietor is not required to draft or lodge annual accounts where the sole proprietor can only insert cash received and cash payments.	For incorporation, a notarial public deed is not necessary.	Registration in the Company Register is required: in the Ordinary Section for the trade entrepreneur; in the Extraordinary Section for the small entrepreneur.
Branches of an overseas entity	The Italian branch of a foreign company must be managed by a legal representative appointed by the parent company.	The branch is established by resolution of the parent company. This resolution, translated, sworn and authenticated, must be deposited in the records of an Italian notary.	Registration in the Company Register is required.
Cooperatives	The cooperative society is founded with mutualistic purposes by the members. These, contributing with capital and labor, work to obtain economic advantages on the goods or services offered by the cooperative itself.	The incorporation must take place through a public notarial deed.	Registration in the Company Register is required. Internal control is made by the Board of Statutory Auditors.
Consortium and temporary business association	The Consortium is an organization of companies that work mutually to achieve a common goal. With the Temporary Business Association, different companies come together to carry out a specific project, maintaining their fiscal and social autonomy.	The incorporation must take place through a public notarial deed.	Registration in the Company Register is required.

2- WHEN ITALIAN COMPANIES CAN BE CONSIDERED RESIDENT OR NON-RESIDENT?

Partnerships are "resident in Italy" when, for most of the tax period, their registered office or administrative headquarters or the main purpose of the company is in Italy (art.5 - paragraph 3 - Presidential Decree 917 /86 – TUIR).

Capital companies are "resident in Italy" when, for most of the tax year, they have at least one of the following in Italy:

- The registered office of the company, therefore the headquarters and address indicated in the articles of association
- The administrative headquarters of the company, therefore the place where management takes place
- The main object of the activity

(art.73 – paragraph 3 – Presidential Decree 917/86 – TUIR).

3- BUSINESS AND NON-BUSINESS ACTIVITIES (ADMINISTRATIVE OFFICES, LIAISON OFFICES, PURCHASING OFFICES, ETC.)

“Business activity” is defined as the exercise of an economic activity aimed at the production or exchange of goods or services. Any activity that does not present these characteristics is not to be considered a "business activity".

4- WHICH FOREIGN LOCAL UNITS CAN BE OPENED IN ITALY: SECONDARY ESTABLISHMENTS, BRANCHES, SUBSIDIARIES OR PERMANENT ESTABLISHMENTS?

The taxable income of local units in Italy, with a foreign parent company, is subject to the same tax discipline applied to Italian capital companies.

In addition, even with regard to dividends, capital gains and tax consolidation, whenever the income is of Italian source, the rules reserved for Italian companies apply.

When the income or dividends are respectively produced or paid in Italy by the foreign parent company, they are regulated differently.

5- CALCULATING TAXABLE INCOME

For IRES purposes, the taxable amount is determined by the business income, to which non-deductible costs must be added and costs not present in the income statement for the year but admitted as deduction are subtracted.

For IRAP purposes, the taxable amount is determined by the difference between the value of production and the cost of the production itself; with the exclusion of extraordinary positive and negative components.

The focus now shifts to the adjustments to be made when finalizing the financial statements:

- Dividends paid to companies resident in Italy by other companies are generally exempt for IRES purposes at 95% and for IRAP purposes at 100%.
- Interest income on bonds contributes to the composition of the income subject to IRES, but is not recognized for IRAP purposes.
- The purchased goodwill is depreciable from 1/50 to 1/18 per year of the maximum value for IRES and IRAP purposes.
- The brand is depreciable from 1/50 to 1/18 per year of the maximum value for IRES and IRAP purposes.
- Industrial patents are depreciable up to a maximum of 1/2 per year of their value.
- Credits recorded in the balance sheet are deductible by 0.5% up to a maximum deducted amount of 5% of the total credits, for IRES purposes only.

Expenses are generally deductible on an accrual basis.

Special provisions apply for the following categories:

- Company incorporation expenses are deductible over a 5-year period, beginning with the fiscal year of the first reported revenue.
- Repairs and maintenance costs cannot be deducted in excess of 5% of the original total cost of depreciable assets owned at the beginning of the financial year. Any excess is deductible over the following 5 years; there are specific exceptions for certain industries.
- Donations to non-profit organisations, social promotion associations, social cooperatives and NGOs are 30% deductible for an overall amount lower than €30,000. Alternatively, a deduction is possible up to 10% of the declared income.
- Donations to voluntary organizations are 35% deductible for an overall amount lower than €30,000 or, alternatively, a deduction is possible within the limit of 10% of the declared income.
- Entertainment expenses are deductible within the limits of 1% of the compensation received in the tax period. Expenses relating to training and refresher courses, including travel and accommodation, are deductible up to €10,000 per year. Expenses for personalized skills certification services are deductible up to €5,000 per year (art.54 – paragraph 5 - TUIR).
- IMU non-deductible for IRAP purposes. On instrumental buildings, 100% deductible for IRES purposes; on non-instrumental buildings, the non-deductibility also remains on income.
- Costs relating to company vehicles are deductible in various forms, governed by art.164 (letters a, b, b-bis) of the TUIR, at rates of 20%, 70%, 80% or 100%, depending on the case.
- Full "analytical" deductibility of the IRAP quota referring to the taxable value of costs for employee personnel (art.2 – paragraph 1 – DL 201/2011).
- "Lump-sum" deductibility of 10% of IRAP paid on the taxable amount of interest expense and similar charges, net of interest income and similar income (art.6 – paragraph 1 – DL 185/2008).

The deductibility of "temporary differences" does not occur according to the accrual criterion.

By "temporary differences" we mean cases in which civil and fiscal responsibilities differ, causing income variations of opposite signs in two distinct moments. Differences between the values recorded in the balance sheet and the tax values of assets or liabilities are also cases of temporary differences. There are therefore two contrasting and non-overlapping cases:

- Temporary "deductible" difference if it involves a reduction in future taxable income, compared to an increase in current taxable income.
- Temporary "taxable" difference if it involves an increase in future taxable income, compared to a reduction in current taxable income.

Any cost without adequate documentation demonstrating valid justification is to be considered formally non-deductible and therefore does not contribute to the reduction of income.

The profits and profit reserves of "black list" companies, directly or indirectly owned by Italian companies, are fully taxable pursuant to art. 89 - paragraph 3 - TUIR. The aforementioned profits are therefore subject to income taxes, following their liberation, via a substitute rate of 9% for IRES subjects.

6- TREATMENT OF LOSSES

The capital loss occurs in the event that, following the sale of an asset, the same sales price is lower than the residual book value of the asset in question.

However, it is possible to carry forward in terms of tax loss.

In this case, in fact, the loss can be offset, in subsequent tax periods, up to a maximum of 80% of the taxable income of the reference year.

In addition, for tax losses recorded in the first 3 years of business activity, the above limitation does not apply; provided that the losses are related to the start-up of a "new business".

7- IS INTEREST DEDUCTIBLE?

Interest expense is fully deductible within the limits of interest income on the balance sheet.

The deductibility for interest expense exceeding interest income is limited to 30% of the ROL (Gross Operating Profit), operating result net of amortization.

For the purposes of calculating ROL it is important to remember that:

- Dividends received from foreign subsidiaries (less than 50%) contribute.
- Dividends received from foreign subsidiaries (more than 50%) do not contribute.

In addition it is specified that:

- It is possible to carry forward the non-deductible excess of interest, to offset the deductibility ceiling (30% of ROL) in subsequent tax periods.
- It is possible to carry forward, up to the following 5 years, 30% of the undeducted ROL, to compensate for non-deductible interest.
- Interest incurred in connection with the purchase or construction of fixed assets necessary for the purpose of the business may be capitalized in the balance sheet and included in the depreciable cost up to the taxable period in which the assets are put into use.

8- IS DEPRECIATION DEDUCTIBILITY ACKNOWLEDGED?

Depreciation can be deducted for Italian tax purposes within the limits provided by Italian law and consistently with the limits set forth by Ministry of Finance Decree 31 December 1988.

Depreciation is calculated on the original cost. The following rules apply:

- Depreciation is calculated separately for each asset or category of assets: when an asset is sold its undepreciated cost is deducted from sale proceeds and any excess taxed as ordinary income. Any loss arising is deducted from taxable income.
- Assets with a unit cost lower than €516.46 are fully deductible as expenses in the year of occurrence.
- Depreciation is deductible starting from the year in which the asset is first utilised.

The Italian Ministry of Finance (MEF) fixes the rates of depreciation. These rates vary according to the type of asset and the industry in which a company operates. The following table illustrates examples of such rates:

<i>Type of asset</i>	<i>%</i>
Industrial buildings	3-5
Light buildings	10
Plant and machinery	6-30
Office furniture and equipment	12
Light equipment	7.5-40
Hardware	20
Motor vehicles	25

Italian law allows no tax depreciation for the land on which industrial buildings are situated. The same treatment applies when buildings are purchased with a finance leasing contract.

The depreciation of a company car is deductible within the limits set for the expenses of the company car.

9- WHAT TAX TREATMENT IS APPLIED TO RESIDENT COMPANIES?

Taxable income and capital gains of resident companies are subject to the payment of IRES (corporate income tax) at a rate of 24% (27.5% for banks and other financial institutions).

For fiscal years following 17 september 2011, the rate applied to shell companies is 38%.

A company is considered to be a shell company if:

- does not pass the so-called operational test, provided for by paragraph 1 of Law 724/94
- has been loss-making for 5 consecutive tax periods, or for 4 years is at a loss and for the fifth does not achieve the minimum income of shell companies.

Resident and non-resident companies pay IRAP on the value of net production, which can vary substantially from taxable income. The rates range from 3.9% to 5.9%, depending on the region and sector of activity (financial assets are subject to the higher tax rates). 10% of IRAP is deductible for IRES purposes.

Dividends paid by Italian or foreign companies are subject to IRES on 5% of the total.

10- ARE GROUP COMPANIES CONSIDERED SINGLE COMPANIES FOR FISCAL PURPOSES?

The election for domestic tax consolidation must be exercised by the controlling company and the controlled companies included in the consolidation. Resident companies that are granted a partial or total exemption from corporate income tax cannot be part of a group. A non-resident company may only exercise the option as a controlling company provided it is resident in a tax treaty country, and it carries on a business activity through a PE in Italy.

A company is controlled by another company if the latter directly and/or indirectly holds the majority of voting rights of the former and directly or indirectly holds more than 50% of the shares of the former company and is entitled to more than 50% of the profits of the former.

In order to elect for tax consolidation, the following conditions must be met:

- all companies in the group must have the same tax year end
- there is a joint election by all the companies in the group
- an election of domicile at the seat of the controlling company is made for notification purposes, and
- election forms are filed with the Revenue Agency by the 16th day of the sixth month of the first fiscal year to which the tax consolidation applies.

Taxable income and losses of the controlled companies are aggregated in a tax consolidated return and taxed at the level of the controlling company. The consolidated taxable base corresponds to the algebraic sum of the controlled company's total taxable income (or loss), irrespective of the participation actually owned by the controlling company.

Payments made between the participating companies as consideration for the "transfer" of the taxable base are not taxable or deductible. If the consolidated income is negative (ie an aggregate loss), the controlling entity is entitled to carry forward the loss. Tax losses incurred before election for the consolidation regime may be used only by the company that incurred the loss. Excess tax credits existing before election for the consolidation regime may be used either by the controlling company or the controlled company. Dividends distributed between companies that have elected for the consolidation regime are 95% exempt.

The election is irrevocable for a period of three tax years.

The controlling company is solely responsible for computing and paying the tax. The controlled companies are jointly and severally liable for all taxes, penalties and interest due with respect to their own share of the aggregate taxable income.

11- WHAT TAX TREATMENT IS APPLIED TO FOREIGN LOCAL UNITS AND NON-RESIDENT COMPANIES?

A foreign company is subject to Italian taxation on income accrued in Italy and effectively connected with a commercial activity in Italy.

The trading profits and capital gains of an Italian branch originating in Italy are calculated on the same basis and are subject to the same tax rates as an Italian company.

Non-resident companies are subject to IRES and IRAP on capital gains from the transfer of assets from an Italian permanent establishment.

Capital gains deriving from non-resident companies from the sale of real estate investments located in Italy are subject to IRES at the normal rate.

On the other hand, the transfer of real estate investments located in Italy not consisting of building land is exempt if the investment has been owned for more than five years.

Capital gains realized on shares of companies resident in Italy are, in principle, taxable in Italy unless a bilateral fiscal agreement exemption is provided for. Further exemptions are provided for the transfer of shares:

- of listed companies if the amount transferred over a period of 12 months does not exceed 2% of the voting rights or 5% of the share capital, and
- from foreign companies as long as they reside in white-list countries (ie countries with full exchange of information, such as EU countries, etc.).

When no exceptions apply, an effective tax rate of 13.7% applies to the transfer of qualifying holdings (i.e. the amount of holdings sold over a 12-month period exceeds 20% of the voting rights or 25% of the related share capital). A tax rate of 26% is applied to the transfer of other shareholdings.

12- ARE CAPITAL GAINS TAXED?

Capital gains are calculated by subtracting the net book value of an asset from the proceeds of the sale (net of costs directly attributable to the sale). In principle, capital gains are fully taxable as ordinary income regardless of the asset or right to which they relate.

Capital gains are relevant for corporate income tax purposes when they arise from:

- sale of the company's assets
- indemnity for loss or damage to property, including insurance payments
- assignment of corporate assets to shareholders or their disposal from the corporate entity (the capital gain is calculated as the difference between the fair market value of an asset and its original cost), and
- capital contribution of assets.

Capital gains can be taxed, at the choice of the taxpayer, in the year in which they are realized, or in equal amounts over a period of 5 years, starting from the year of realization. The installment option applies only to assets held for at least 3 years.

No capital gains tax is levied in the event of mergers or divisions (involving the transfer of all or part of the company's net assets), either at the level of the incorporated entities or at the level of shareholders in connection with the exchange of shares.

The consideration for the calculation of the capital gain is the greater of the value attributed by the taxpayer to the investment and that attributed by the recipient to the assets. The contribution of a company or an investment is fiscally neutral.

Capital gains from the sale of shares and other equity investments of legal persons are 95% exempt from IRES.

In order to benefit from this 95% exemption (participation exemption scheme) the following conditions must be met:

- The shareholding was maintained uninterrupted from the first day of the 12th month prior to the disposal (the LIFO principle is applied).

- The investment was accounted for as a long-term investment (fixed assets) in the first balance sheet of the holding period.
- The participating company has not been resident in a country that has a privileged tax regime for the purposes of foreign subsidiaries (CFC), since the beginning of the third year preceding the year of sale (“subject to tax” test). In particular, the law provides that:
 - the criterion is also met when a ruling has been obtained according to which the participating company does not carry out the transfer of the Italian income to a country with a privileged tax regime, and
 - when the shares are held in a holding company, this company is considered “subject to tax” if its subsidiaries, which represent the majority of the holding's assets, are subject to Italian tax.
- The participating company carries out a real business activity from the beginning of the third financial year preceding the year of sale (active company test). In particular, the law provides that:
 - companies, whose asset value is mainly represented by properties not used in business activities, are deemed not to carry out a real business activity
 - the "active company test" does not apply in the case of participating companies listed on the stock exchange, and
 - when the shares are in a holding company, the above criteria must be verified by the subsidiaries whose shares represent the majority of the holding's assets.

If the conditions for the participation exemption are met, losses are not deductible.

Capital gains relating to the sale of equity investments that do not fall under the participation exemption regime are fully taxable. Capital losses are fully deductible for the portion exceeding non-taxable dividends.

Losses deriving from the sale of equity investments that are not eligible for the participation exemption regime are not tax deductible up to the amount of the non-taxable portion of the dividend received from such equity investments in the previous 36 months.

From 1 January 2023, annual capital gains exceeding 2,000 euros resulting from the sale or transfer of cryptocurrencies are subject to taxation as ordinary income. Losses from cryptocurrencies can be offset against profits from cryptocurrencies and unused losses can be carried forward for 4 years.

13- WHAT TAX TREATMENT IS APPLIED IN CASE OF COMPANY LIQUIDATION?

An Italian company continues to be liable to national corporate income tax (IRES) and regional tax on productive activities (IRAP) on all profits and capital gains realised during its liquidation period. Assets distributed to shareholders are to be treated as disposed of at their fair market value and assessed for taxation (if any) accordingly.

The difference between the amount received by each shareholder (inclusive of the fair market value of distributions in kind, if any) and the tax base of the participation is taxable in the hands of the shareholder as a dividend, if the shareholder is an individual, and as a capital gain or a dividend (depending on nature of equity distributed), if the shareholder is a corporation.

The provisions that apply to ordinary dividends also apply to non-resident shareholders.

In cases where the liquidation procedure starts after the beginning of the ordinary tax period, the period between the date of the beginning of the ordinary tax period and the date of the beginning of liquidation is treated as a separate tax period.

Unless the liquidation procedures last more than five tax periods, each tax period in liquidation will have a non-definitive tax liability subject to definitive adjustment, based on the definitive consolidation of all tax liquidation periods.

14- TRANSFER OR REPURCHASE OF SHARES: HOW ARE THEY TAXED?

The outstanding paid-up capital of an Italian company may be reduced pursuant to a shareholders' resolution. Creditors may oppose such a reduction if the repayment of their receivables is endangered.

In the event of a reduction of capital, the portion of the amount in the hands of the shareholders repaid to shareholders that exceeds the purchase price of the redeemed shares is treated as a capital gain.

Under Italian company law, a joint-stock company (SpA) can repurchase, by resolution of the shareholders' meeting, no more than 20% of its own shares, provided that the available retained profit is at least equal to the cost of the repurchased shares.

The above limit does not apply in the case of a reverse merger or in other specific cases.

Dividends relative to repurchased shares have to be paid to shareholders, ie are proportionally re-attributed to other shares.

15- WHAT OTHER TAXES ARE APPLIED IN ITALY?

VAT

VAT (*imposta sul valore aggiunto (IVA)*) is charged at the ordinary rate of 22% on the supply of goods and services by Italian business entities. Certain supplies of goods and services are taxed at reduced rates of 4%, 5% or 10%; others are exempt.

The geographic areas of the country not subject to VAT are limited to Livigno, Campione d'Italia and Italian waters of the Lugano Lake.

Regional tax on production activities (IRAP)

Resident companies are also liable to regional tax known as IRAP (*imposta regionale attività produttive*). IRAP is a local tax payable on the added value produced by means of activities carried on in a given Italian region. IRAP is payable by any entity that carries on a commercial activity organised in the form of a business or practising a profession.

New IMU (*Imposta Municipale Unica - Single Municipal Tax*)

The Budget Law 2020 repealed the IUC (Single Municipal Tax, which included the Imu, the Tasi and the Tari taxes) and established the "new IMU" Tax starting from 1 January 2020. This tax partially merges the previous TASI, simplifying the management of local taxes and defining more precisely details related to the calculation of the tax. In addition, the TARI (waste tax) remains in place, to finance the cost of the waste collection and disposal service charged to the user.

In the new IMU the multipliers are unchanged.

The basic rates have been revised and become equal to the sum of the basic rates IMU and TASI.

The basic IMU rate for main luxury homes is 5 per thousand and the Municipality can increase it up to 6 per thousand or reduce it to zero.

The basic rate for other types of properties is 8.6 per thousand (7.6 IMU + 1 TASI), maximum rate 10.6 per thousand, or reduced to zero (except for group D which includes the state share). Municipalities that have previously used the TASI increase of 0.8 can continue to apply it and therefore have a maximum IMU rate of 11.4 per thousand.

The exemption for non-luxury main homes remains confirmed (cadastral categories from A2 to A7).

As for the other types of properties, those that were previously IMU exempt (rural capital and goods) are subject to IMU with the same basic TASI rates, that is:

- Rural instrumental buildings: basic rate 1 per thousand, maximum rate 1 per thousand, or reduced to zero
- Goods but only until 2021: base rate 1 per thousand, maximum rate 2.5 per thousand, or reduced to zero.
- Agricultural land: base rate 7.6 per thousand, maximum rate 10.6 per thousand, or reduced to zero. Uncultivated land is expressly mentioned and equated with agricultural land.
- Buildings for productive use - cadastral group D: base rate 8.6 per thousand (7.6 per thousand is reserved for the state) maximum rate 10.6 per thousand, minimum rate 7.6 per thousand.

The types of dwellings that can be assimilated to main dwellings have largely been reconfirmed with an important exception concerning AIRE retirees who now no longer benefit from the exemption for the house owned in Italy.

As regards the determination of the tax, the calculation is monthly.

For new properties, the first month is counted if the possession lasted for more than half of the days of which the same month is composed; in the event of the same number of days, it is in any case the responsibility of the buyer.

Until 2019, the payment was to be made in 2 equal installments equal to 50% of the amount (subject to balance adjustment). From 2020, the calculation is to be made on the basis of monthly possession or per semester, always considering the balance in the event of possible changes in rates by the Municipality.

The deadlines are June 16th and December 16th.

Real estate registration tax

The tax rates for property transfers vary depending on whether the transfer is subject to VAT.

For transfers that are not subject to VAT, a registration tax of 9% (2% for non-luxury primary residences) is generally payable by the purchaser, subject to a minimum of €1,000. A fixed mortgage tax of €50 and a fixed cadastral tax of €50 are also payable.

For transfers subject to VAT, the purchaser is generally subject to a fixed registration tax of €200, a fixed mortgage tax of €200 and a fixed cadastral tax of €200.

Shares, bond and other securities transfer tax

The transfer of shares and similar securities is subject to registration tax for the fixed amount of €200. However, transfers are exempt if executed through a recognised stock exchange or between a bank or other authorised dealer and a non-resident person.

Social security contributions

Social security contributions vary according to the category of employee and type of business. Taxes payable by employers and employees on gross remuneration are between 30% and 34%, and 9% and 10%, respectively.

Insurance premiums

Insurance premiums are subject to tax at rates which vary from between 2.5% and 7.5%, depending on the sector of insurance, eg damages, etc.

Motor vehicle taxes

Local taxes apply to the transfer of the ownership of motor vehicles (€150 for cars, with higher amounts applicable to the transfer of trucks and heavy transport systems).

More powerful cars are subject to an additional tax based on engine capacity.

Taxes on gambling

Winnings from gambling are subject to tax and payable by the company or individual conducting the gambling activity.

A 6% tax is imposed on all winnings above €500 from national instant lotteries (including, for example, scratch cards). *Superenalotto* is charged at 20%.

Financial transactions tax

A tax at the rate of 0.2% is applied to the transaction value of sales of shares (and other equity instruments) issued by Italian-resident companies. Where the transaction occurs on a regulated stock market, the tax rate is reduced to 0.1%.

The tax is payable even if the transaction is concluded outside Italy, and if both parties to the deal are also located abroad. However, it is not payable on transfers by way of inheritances or gifts, on new share issues, or on shares transacted over regulated markets in Italian companies that had a share capital of less than €500,000 in the month of November in the year preceding the relevant transaction.

There is also a tax on derivatives of up to €200 per transaction, depending on the type of instrument transacted and its value. The tax is reduced by 20% for transactions over regulated markets. A levy of 0.02% is charged on high-frequency trades on Italian financial markets.

Digital services tax

From 1 January 2020, a digital services tax applies to taxpayers whose individual or group turnover meets or exceeds €750 million and revenue from digital services meets or exceeds €5.5 million. The tax applies to revenue from digital services at the rate of 3%. Digital services include digital advertising, interactive digital interfaces and the transmission of digital data.

Extraordinary contribution of solidarity to energy companies

It applies to energy companies that in 2022 derived at least 75% of their profits from the production, import or sale of electricity or natural gas, or from the production, import, distribution or sale of petroleum products. The 50% contribution must be paid by 30 June 2023 and applies to the share of profits that in 2022 exceeded the average profits of the previous 4 years (from 2018 to 2021) by more than 10%.

16- DIVIDENDS, INTERESTS AND ROYALTIES: HOW ARE THEY CONSIDERED AND TAXED?**Dividends**

Dividends paid to resident shareholders who do not have a VAT number are subject to a withholding tax of 26%. Those paid to shareholders with a VAT number and / or to companies are subject to ordinary taxation on a taxable basis of:

- 58.14% for natural persons with a VAT number and partnerships;
- 5% for capital companies.

Dividends paid to non-resident shareholders are subject to 26% withholding tax. If the beneficiary entity can prove that it has paid a final tax on such dividends, a maximum of 11/26 of the 26% withholding tax taken in Italy (or the amount paid in the country of residence, whichever is less) can be reimbursed by the Italian tax authorities. The net rate after the maximum repayment is therefore 15%.

The above rates can be reduced under a tax treaty.

In addition, the applicable rate is reduced to 1.2% if the recipient of the dividends:

- is subject to corporate income tax in its home country, and
- is resident in another member state of the EU or the European Economic Area and is registered in the White List issued by the Ministry of Finance (MEF).

The reduction is not available to non-resident persons not subject to corporation tax, regardless of where they are located.

Interest

In general, interest payments to resident and non-resident companies are subject to a withholding tax of 26%. Interest paid on government bonds is taxed at 12.5%.

Interest on public and private bonds issued before 1 January 1997 may be subject to other rates.

Royalties

Royalties paid to resident companies are subject to ordinary taxation (IRES and IRAP). Those paid to non-resident companies are typically subject to a withholding tax of 30%, which is generally applied to 75% of the gross payment amount.

However, the above rates can be reduced under a relevant tax treaty.

17- HOW ARE CALCULATED STOCKS OR INVENTORIES?

Inventories are valued at the lower of the cost or market value. In establishing the cost, the LIFO (last-in first-out) method is generally used, but the FIFO (first-in first-out) or average cost method can also be used.

18- HOW ARE RESIDENT INDIVIDUALS TAXED?

Tax liability criteria

An individual is deemed to be resident in Italy if:

1. the individual is registered on the Resident Population Register (*Anagrafe*)
2. the individual utilises a house in Italy as an habitual abode
3. the individual has their centre of vital interests, principal seat of affairs, interests and domicile in Italy.

Residents are subject to Italian tax on their worldwide income. Foreign source income is taxed on a gross basis and taxes levied by the foreign country can be credited against the Italian tax liability on such income.

Tax rates

Tax on personal income (*imposta sul reddito delle persone fisiche* (IRPEF)) is chargeable at the following rates:

<i>Taxable income</i> €	<i>IRPEF</i> <i>rate</i>
0 – 15,000	23%
15,000 – 28,000	25%
28,000 – 50,000	35%
Over 50,000	43%

Self-employed workers and individual businesses with an annual turnover not exceeding 85,000 Euros, who do not have an employee or pension income exceeding 30,000 Euros, who do not pay salaries of more than 20,000 Euros, who are not members of partnerships or capital companies in transparency, are admitted to the flat rate regime which provides for the recognition of costs determined on a flat rate and the taxation on the profit at a rate of 5% or 15%, which replaces IRPEF, regional and municipal additional tax, VAT and IRAP.

In addition to personal income tax, natural persons are subject to the regional surcharge, with variable rates established by the Regions, and to the municipal surcharge that can be approved by each municipality with a maximum limit of 0.8%.

Main deductions and reliefs

There are several costs for which a resident taxpayer may claim a 19% reduction (ie a tax credit equal to 19% of their amount is allowed), including interest expenses on real estate mortgages, medical and surgical expenses, and premiums on life and permanent health insurance policies.

Compulsory social security contributions are fully deductible from taxable income

Other expenses may be deducted only if they are incurred as a result of business or self-employment activity. Such expenses may be deducted against business or self-employment income with any losses able to be offset against other personal income.

Spouses can elect to file a joint tax return (*Modello 730*).

A tax credit is granted for each dependent child and for a spouse. Specific provisions define when other relatives can be considered “dependent”. In such cases a deduction is allowed, the amount being the same as for dependent children.

Inheritance and gift tax

These taxes are due on all assets and rights to assets transferred wherever located as inheritance or gift and are paid by heirs and beneficiaries.

The rates are applied according to the asset taxable value:

<i>Amount of inheritance/gift</i> €	<i>Category of inheritor/beneficiary</i>		
	<i>I</i>	<i>II</i>	<i>III</i>
0 – 1,000,000	0	6	8
Over 1,000,000	4	6	8

The categories are as follows:

- I spouses, ascendants and descendants in direct line
- II other relations to the fourth degree, in collateral line to the third degree
- III all other persons.

Pension, social security and national health policy

Employees, certain self-employed persons and individuals earning business income through a trade activity are obliged to pay contributions into Italy’s state pension scheme (*Istituto Nazionale per la Previdenza Sociale* — INPS) or into different funds (either state-run or private), participation in which is mandatory.

Mandatory contributions to pension schemes are deductible, while benefits paid out from such schemes are liable to income tax. The calculation of the contribution for self-employed individuals is based on income, with the applicable rate subject to frequent amendment (24% calculated on a maximum income of € 113,520 for 2023).

Compulsory contributions do not apply to professionals contributing to a specific mandatory pension scheme (eg doctors, lawyers, notaries, engineers).

Employers are obliged to contribute to the state pension funds on behalf of their employees.

The employer share of mandatory social security contributions is equal to approximately 30% to 34% of the employee’s gross salary. The employee share is equal to approximately 9% to 10% of their salary. All these percentages are subject to continuous change.

The employer withholds the employee’s share of contributions and forwards the payment to the state pension fund of the total amount due

Employer contributions are not included in the employee’s taxable compensation and are tax deductible for corporate tax purposes. The same applies to employer contributions to company pension funds, providing certain conditions are met.

Employees are obliged to participate in state pension funds, but they can choose whether or not to participate in a company pension scheme. The TFR (*Trattamento di Fine Rapporto* — a compulsory bonus paid by companies in the case of interruption of employment for any reason) must be paid annually to the Public Pension Institution or another pension fund chosen by the employee.

The employee’s share of mandatory social security contributions is withheld at source by the employer. The total due is paid to the state pension funds on a monthly basis.

Pensions paid by public organisations or by private insurance are considered to be income from employment and, therefore, taxable at the same rates.

Italy’s tax treaties may provide for the taxation of pensions in either the country of residence of the recipient, or the country from where pensions are paid.

All individuals residing in Italy are entitled to free medical treatment by general practitioners and hospitals under the National Health Service. A small charge is made for drugs and medicines prescribed under the National Health Service. Low income individuals and certain other groups are exempt from these charges.

There is also an extensive private health network. There is no standard fee for private medical services. There are a number of private medical insurance schemes to cover the costs of private medical treatment.

The Italian social security system is financed through mandatory contributions, paid by residents who produce income and it provides for retirement pensions, unemployment benefits, health assistance and maternity benefits.

19- HOW ARE FOREIGN INDIVIDUALS TAXED? WHEN ARE THEY CONSIDERED RESIDENT?

Tax liability criteria

Foreigners who work in Italy are considered resident if for most of the tax period they are registered on the Resident Population Register (*Anagrafe*) or if they reside or are domiciled within the Italian territory.

Non-residents are subject to Italian tax only on their Italian source income. Dividend, interest and royalty income is subject to a final withholding tax at source and a tax return does not need to be filed in respect of such income.

Tax rates

Tax on personal income (*imposta sul reddito delle persone fisiche* (IRPEF)) is chargeable at the following rates:

<i>Taxable income</i> €	<i>IRPEF</i> <i>rate</i>
0 – 15,000	23%
15,000 – 28,000	25%
28,000 – 50,000	35%
Over 50,000	43%

Taxpayers are also liable to additional IRPEF at a local level (regional tax up to 1.4%, and municipal tax up to a further 0.5%) and, if certain conditions are fulfilled, are also liable to IRAP (*imposta regionale attività produttive*) up to a maximum 0.5%.

Main deductions and reliefs

Spouses can elect to file a joint tax return (*Modello 730*).

Inheritance and gift tax

Non-residents are liable to inheritance or gift tax only on assets located in Italy.

Pension, social security and national health policy

Italy has a vast network of social security agreements, most of which provide for exemption from contributions to the Italian social security system for foreigners working temporarily in Italy, provided they maintain their participation in the health system of their country of origin.

Italy has signed this type of agreement with: Argentina, Australia, Austria, Brazil, Canada, Mexico, Norway, the United States, Sweden, Switzerland, Tunisia, the European Union (multilateral agreements) and Venezuela.

20- TERMS FOR TAX PAYMENT: THE FISCAL YEAR IN ITALY

The Italian tax system is based on self-assessment. A company's financial statements must be approved by shareholders within 120 days of the end of the fiscal year or, in special cases, by 180 days (eg when consolidated financial statements have to be prepared).

Companies must file their annual tax return by the end of the eleventh month following the end of the fiscal year. IRES and IRAP must be fully paid by the last day of the sixth month after the end of the company's fiscal year, unless special cases apply.

Two advance payments are due before the end of the company's fiscal year. The first payment must equal approximately 40% of the amount of tax due for the previous year, and the second payment must generally equal approximately 60% of that amount. Total advance payments must equal 100% of the tax payable for the previous fiscal year.

A non-payment is normally subject to a penalty of 30% of the tax due, but this penalty is reduced by one-half (to 15%) if the payment is made within 90 days. For payments made within 15 days, the 15% penalty is reduced by one-fifteenth for each day of delay.

In addition, late payments are subject to interest at an annual rate of between 0.5% and 4.5%, as determined by the Ministry of Finance.

21- WHAT TAX INSPECTIONS ARE MADE?

The Italian tax authorities are entitled to perform inspections at a company's premises (field audits) and on the basis of information and documents obtained (desk audits).

Italian tax audits are mainly based on 2 kinds of controls:

- an automatic formal control of all tax returns — this kind of audit may be performed within 2 calendar years following the year in which a tax return is filed
- a substantial control of a company's accounts and tax return — this kind of audit may be performed within 4 calendar years following the year in which a tax return has been filed.

Large companies are subject to an annual tax audit within 24 months from year-end. A company qualifies as "large" if annual revenue is greater than €100 million.

If a tax return is not filed within 90 days of its due date, the normal penalty is between 120% and 240% of the tax due, with a minimum of €250. If tax is not due, the penalty is between €250 and €1,000. If the return is presented within the time limit for presenting the next annual return, and before formal notice of a tax audit, the penalty is reduced by one-half, to between 60% and 120%, with a minimum of €200, or, if tax is not due, to between €150 and €500.

In the case of inaccurate declarations, if the tax declared is less than the tax due, the normal penalty is between 90% and 180% of the additional tax payable, which is increased by one-half if fraudulent activity is involved. However, if there has been no fraudulent activity, and it is found that the additional tax due (or reduced tax credit) is less than 3% of the tax originally declared and, in any case, less than €30,000, the normal penalty may be reduced by one-third.

Tax data must be kept for the entire period open to tax assessment (ie to 31 December of the fifth year following the year in which the last yearly tax return was filed). Data for civil and corporate law purposes must be kept for 10 years.

22- CAN TAXPAYERS AGREE IN ADVANCE THEIR TAX TREATMENT?

A specific advance tax ruling process is available for new investments (including the restructuring of companies in difficulty if there would be a positive effect on employment) of at least €30 million regarding taxation issues of the development plan. Investors are required to submit a business plan including information such as the investment amount, the timing and methods of implementation of the investment, the increase in employment as a result of the investment, and the impact of the investment on the Italian tax system. Tax authorities are required to issue a written reply within 120 days, extendable by a further 90 days if further information is required.

23- WHAT EXCHANGE CONTROLS ARE CARRIED OUT?

Exchange controls were abolished in Italy on 1 January 1990.

However, any business transaction higher than €12,500 must be reported to the Italian Exchange Agency, for statistical purposes, by Italian business operators and Italian financial intermediaries involved in the relevant business transaction.

24- WHAT TAX RELIEFS AND INCENTIVES ARE GRANTED BY THE ITALIAN GOVERNMENT?

Research & development tax credit

A tax credit is available in respect of qualifying R&D expenditure as follows:

- 10% for technological innovation and aesthetic designs, subject to a maximum tax credit of €2 million
- 10% for technological innovation that achieves ecological transition or digital innovation, subject to a maximum tax credit of € 4 million
- 45% for scientific and technological R&D activities conducted by small enterprises, subject to a maximum tax credit of €3 million
- 35% for scientific and technological R&D activities conducted by medium-sized enterprises, subject to a maximum tax credit of €3 million
- 25% for scientific and technological R&D activities conducted by large enterprises in specific geographic locations, subject to a maximum tax credit of €3 million, and
- 10% for other scientific and technological R&D activities, subject to a maximum tax credit of € 5 million.

Patent box regime

It is an optional regime that applies for a period of 5 years, possibly renewable, which allows for an increase, for IRES and IRAP purposes, of the expenses incurred by the company for software protected by copyright, industrial patents, designs and models, which are directly or indirectly used by the same subjects in carrying out their business activities.

Under the scheme, businesses can deduct 210% of costs eligible for IRES or IRPEF and IRAP purposes. Costs incurred between related parties are not deductible.

Tax deduction for equity contributions

A tax deduction is granted in relation to new cash equity contributions. The deduction is equal to 4.75% of the new equity contribution up to a limit of €500,000. However, the deduction is only allowed if the contributor is an individual. It can be used for IRES and IRAP purposes starting from the tax year the contribution is made and for the next 4 tax years.

Incentives for the film industry

Tax incentives for the Italian film industry are run by the *Fondo Unico per lo Spettacolo* (Single Fund for Performing Arts). The incentives include a tax credit of up to 25% of eligible production costs, with a maximum of €10 million per film and 60% of the film's overall production budget. Those costs may include expenses incurred in other EU countries, as long as they are not more than 30% of the film's overall production budget.

Tax credit for cultural donations

A tax credit of 65% per year is available for certain cultural donations, including those for the maintenance, protection and restoration of public cultural heritage sites, or to support public institutions, places of culture, concert/orchestra institutions, national theatres, theatres with a significant cultural interest, festivals, or theatrical and dance production centres. The tax credit is deducted equally over 3 years, and is subject to a maximum annual deduction of 0.5% of annual revenue for companies and other taxpayers deriving business income and of 15% of taxable income for individuals and non-commercial entities.

IRES rate reduction for investments

A reduced IRES rate of 15% applies to taxable income that equals the lower of the total value of qualifying investments in new personnel costs and new fixed assets, or the amount of profits from the previous year that have been set aside for balance sheet reserves.

IRES rate reduction for reinvestments

Companies can benefit from a reduced IRES rate in respect of taxable income that is reinvested in the company. The reduced rate is 20% for 2023. To qualify, the net equity of the company for the current year must exceed the net equity of the company for 2018.

Tax credit for investments

Investments in certain assets made between 1 January 2020 and 31 December 2020 (extended to 30 June 2021 if at least 20% of the purchase price was paid by the end of 2020) benefit from the following tax credits:

- 6% for new machinery with a maximum cost of 2 million euros
- 15% for intangible assets with a maximum cost of 1 million euros
- 40% for innovative machinery with a maximum cost of 2.5 million euros
- 20% for innovative machinery with a cost between 2.5 million euros and 10 million euros.

A tax credit is available for investments in new capital goods intended for production plants in Italy. To qualify, the investment must be made between November 16, 2020 and December 31, 2022 (extended to June 30, 2023 if at least 20% of the purchase price is paid by the end of 2022). The tax credit varies from 6% to 50%, depending on the type of asset.

25- HAS ITALY SIGNED BILATERAL TAX AGREEMENTS WITH OTHER COUNTRIES? TABLE OF WITHHOLDING TAXES

The following rates apply to dividends, interest and royalties received from residents of countries that have signed tax agreements with Italy.

	<i>Dividends</i>	<i>Interest</i>	<i>Royalties</i>
	<i>%</i>	<i>%</i>	<i>%</i>
<i>Non-treaty countries</i>	1.2/26	12.5/26	22.5
<i>Treaty countries</i>			
Albania	10	0/5	5
Algeria	15	0/15	5/15
Argentina	15	0/20	10/18
Armenia	5/10	0/10	7
Australia	15	0/10	10
Austria	0/15	0/10	0/10
Azerbaijan	10	0/10	5/10
Bangladesh	10/15	0/10/15	10
Barbados	5/15	0/5	5
Belarus	5/15	0/8	6
Belgium	0/15	0/10	0/5
Bosnia and Herzegovina	10	10	10
Brazil	15	0/15	15/22.5
Bulgaria	0/10	0	0/5
Canada	5/15	0/10	0/5/10
Chile	5/10	5/15	5/10
China	10	0/10	7/10
Colombia	5/15	0/5/10	10
Congo	8/15	0	10
Croatia	15	0/10	5
Cyprus	0/15	0/10	0
Czech Republic	0/15	0	0/5
Denmark	0/15	0/10	0/5
Ecuador	15	0/10	10
Egypt	26	0/25	15
Estonia	0/5/15	0/10	0/5/10
Ethiopia	10	0/10	20
Finland	0/10/15	0/15	0/5

France	0/5/15	0/10	0/5
Georgia	5/10	0	0
Germany	0/10/15	0/10	0/5
Ghana	5/15	10	10
Grecia	0/15	0/10	0/5
Hong Kong	10	0/12.5	15
Hungary	0/10	0	0
Iceland	5/15	0	5
India	15/25	0/15	20
Indonesia	10/15	0/10	10/15
Ireland	0/15	0/10	0
Israel	10/15	10	0/10
Ivory Coast	15	0/15	10
Jamaica	0/5	0/10	10
Japan	10/15	10	10
Jordan	10	0/10	10
Kazakhstan	5/15	0/10	10
Korea	10/15	0/10	10
Kuwait	0/5	0	10
Kyrgyzstan	15	0	0
Latvia	0/5/15	0/10	0/5/10
Lebanon	5/15	0	0
Lithuania	0/5/15	0/10	0/5/10
Luxembourg	0/12	0/10	0/10
Macedonia	5/15	0/10	0
Malaysia	10	0/15	15/22.5
Malta	0/15	0/10	0/10
Mauritius	5/15	0/26	15
Mexico	15	0/15	0/15
Moldova	5/15	5	5
Mongolia	5/15	0/10	5
Montenegro	10	10	10
Morocco	10/15	0/10	5/10
Mozambico	15	0/10	10
Netherlands	0/5/10/15	0/10	0/5
New Zealand	15	0/10	10
Norway	15	0/15	5
Oman	5/10	0/5	10
Pakistan	15/25	26	22.5
Panama	5/10	0/5/10	10
Philippines	15	0/10/15	15/22.5
Poland	0/10	0/10	0/10
Portugal	0/15	0/15	0/12
Qatar	5/15	0/5	5
Romania	0/5	0/5	0/5
Russia	5/10	10	0
San Marino	0/15	0/13	0/10
Saudi Arabia	5/10	0/5	10
Senegal	15	0/15	15
Serbia	10	10	10
Singapore	10	0/12.5	15/20
Slovak Republic	0/15	0	0/5
Slovenia	0/5/15	0/10	0/5
South Africa	5/15	0/10	6
Spain	0/15	0/12	0/4/8
Sri Lanka	15	0/10	10/15

Sweden	0/10/15	0/15	0/5
Switzerland	0/15	0/12.5	0/5
Syria	5/10	10	18
Taiwan	10	10	10
Tajikistan	15	0	0
Tanzania	10	15	15
Thailand	15/20	0/10/26	5/15
Trinidad and Tobago	10/20	10	0/5
Tunisia	15	0/12	5/12/16
Turkey	15	15	10
Turkmenistan	15	0	0
Uganda	15	0/10	10
Ukraine	5/15	0/10	7
United Arab Emirates	5/15	0	10
United Kingdom	5/15	0/10	8
United States	0/5/15	0/10	0/5/8
Uruguay	0/15	0/10	10
Uzbekistan	10	0/5	5
Venezuela	10	0/10	7/10
Vietnam	5/10/15	0/10	7.5/10
Zambia	5/15	0/10	10

Italy has signed TIEAs with the following countries, based on the OECD model convention: Andorra, Bermuda, Vatican City, Costa Rica, Gibraltar Guernsey, Isle of Man, Cayman Islands, Cook Islands, Jersey, Liechtenstein, Monaco, Turkmenistan.