

Italy

Italy has met all aspects of the terms of reference (OECD, 2021^[1]) (ToR) for the calendar year 2022 (year in review), and no recommendations are made.

Italy can legally issue three types of rulings within the scope of the transparency framework.

In practice, Italy issued rulings within the scope of the transparency framework as follows:

Type of ruling	Number of rulings
Past rulings	53
Future rulings in the period 1 April 2016 – 31 December 2016	39
Future rulings in the calendar year 2017	123
Future rulings in the calendar year 2018	308
Future rulings in the calendar year 2019	206
Future rulings in the calendar year 2020	224
Future rulings in the calendar year 2021	273
Future rulings in the year in review	136

Peer input was received from six jurisdictions in respect of the exchanges of information on rulings received from Italy. The input was generally positive, noting that overall information was complete, in a correct format and received in a timely manner.

Information gathering process (ToR I.A)

633. Italy can legally issue the following three types of rulings within the scope of the transparency framework: (i) preferential regimes;¹ (ii) cross-border unilateral APAs and any other cross-border unilateral tax rulings (such as an advance tax ruling) covering transfer pricing or the application of transfer pricing principles; and (iii) permanent establishment rulings.

634. For Italy, past rulings are any tax rulings within scope that are issued either: (i) on or after 1 January 2014 but before 1 April 2016; or (ii) on or after 1 January 2010 but before 1 January 2014, provided they were still in effect as at 1 January 2014. Future rulings are any tax rulings within scope that are issued on or after 1 April 2016.

635. In the prior years' peer review reports, it was determined that Italy's undertakings to identify past and future rulings and all potential exchange jurisdictions were sufficient to meet the minimum standard. In addition, it was determined that Italy's review and supervision mechanism was sufficient to meet the minimum standard. Italy's implementation remains unchanged, and therefore continues to meet the minimum standard.

636. Italy has met all of the ToR for the information gathering process and no recommendations are made.

Exchange of information (ToR II.B)

637. Italy has the necessary domestic legal basis to exchange information spontaneously. Italy notes that there are no legal or practical impediments that prevent the spontaneous exchange of information on rulings as contemplated in the Action 5 minimum standard.

638. Italy has international agreements permitting spontaneous exchange of information, including: (i) the *Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol* (OECD/Council of Europe, 2011^[2]) ("the Convention"), (ii) the Directive 2011/16/EU with all other European Union Member States and (iii) bilateral agreements in force with 104 jurisdictions.²

639. For the year in review, the timeliness of exchanges is as follows:

Future rulings within the scope of the transparency framework	Number of exchanges transmitted within three months of the information becoming available to the competent authority or immediately after legal impediments have been lifted	Delayed exchanges		
		Number of exchanges transmitted later than three months of the information on rulings becoming available to the competent authority	Reasons for the delays	Any other comments
	712	0	N/A	N/A

Follow-up requests received for exchange of the ruling	Number	Average time to provide response	Number of requests not answered
	9	95 days	0

640. Italy comments that in two cases the delays in responding to follow-up requests occurred due to difficulties in processing the requests. In one case the request of the ruling was part of a wider request and the information collection process involved more than one tax administration office. In the other case clarifications were needed from the requesting jurisdiction to identify which ruling was sought. In both cases, the requesting jurisdictions were informed during the information collection process.

641. In the prior years' peer review reports, it was determined that Italy's process for the completion and exchange of templates were sufficient to meet the minimum standard. With respect to past rulings, no further action was required. Italy's implementation in this regard remains unchanged and therefore continues to meet the minimum standard.

642. Italy has the necessary legal basis for spontaneous exchange of information, a process for completing the templates in a timely way and has completed all exchanges. Italy has met all of the ToR for the exchange of information process and no recommendations are made.

Statistics (ToR IV.D)

643. The statistics for the year in review are as follows:

Category of ruling	Number of exchanges	Jurisdictions exchanged with
Ruling related to a preferential regime	500	Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Cabo Verde, Canada, China, Chile, Colombia, Croatia, Czechia, Denmark, Dominican Republic, Egypt, Finland, France, Germany, Greece, Hong Kong (China), Hungary, India, Indonesia, Ireland, Japan, Kazakhstan, Korea, Luxembourg, Macedonia, Malaysia, Maldives, Mexico, Moldova, Morocco, Netherlands, Oman, Paraguay, Poland, Portugal, Romania, Slovak Republic, San Marino, Singapore, Slovenia, Spain, Sweden, Thailand, Tunisia, Türkiye, United Kingdom, United States
Cross-border unilateral APAs and any other cross-border unilateral tax rulings (such as an advance tax ruling) covering transfer pricing or the application of transfer pricing principles	207	Andorra, Australia, Austria, Belgium, Brazil, Bulgaria, Canada, China, Croatia, Czechia, Denmark, France, Germany, Greece, Hong Kong (China), Hungary, India, Ireland, Japan, Korea, Luxembourg, Macao (China), Malaysia, Mexico, Monaco, Netherlands, New Zealand, Pakistan, Panama, Poland, Portugal, Romania, Serbia, Singapore, Slovak Republic, Spain, Sweden, Switzerland, Thailand, Türkiye, United Kingdom, United States, Viet Nam
Permanent establishment rulings	5	France, Malta, Qatar, San Marino, United Kingdom
IP regimes: total exchanges on taxpayers benefitting from the third category of IP assets, new entrants benefitting from grandfathered IP regimes; and taxpayers making use of the option to treat the nexus ratio as a rebuttable presumption	0	N/A
Total	712	

Matters related to intellectual property regimes (ToR I.A.1.3)

644. In the prior years' peer review reports, it was determined that Italy's information gathering and exchange of information processes for matters related to intellectual property regimes³ were sufficient to

meet the minimum standard. Italy's implementation in this regard remains unchanged and therefore continues to meet the minimum standard.

Summary of recommendations on implementation of the transparency framework

Aspect of implementation of the transparency framework that should be improved	Recommendation for improvement
	No recommendations are made.

References

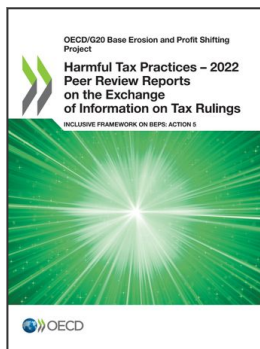
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- OECD (2015), *Countering Harmful Tax Practices More Effectively, Taking into Account Transparency and Substance, Action 5 - 2015 Final Report*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://doi.org/10.1787/9789264241190-en>. [3]
- OECD/Council of Europe (2011), *The Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264115606-en>. [2]

Notes

¹ 1) International shipping and 2) Patent Box.

² Participating jurisdictions to the Convention are available here: www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm. Italy also has bilateral agreements with Albania, Algeria, Argentina, Armenia, Australia, Austria, Azerbaijan, Bangladesh, Barbados, Belarus, Belgium, Bosnia and Herzegovina, Brazil, Bulgaria, Canada, Chile, China (People's Republic of), Colombia, Congo, Côte d'Ivoire, Croatia, Cyprus, Czechia, Denmark, Ecuador, Egypt, Estonia, Ethiopia, Finland, North Macedonia, France, Georgia, Germany, Ghana, Greece, Hong Kong (China), Hungary, Iceland, India, Indonesia, Ireland, Israel, Jamaica, Japan, Jordan, Kazakhstan, Korea, Kuwait, Kyrgyzstan, Latvia, Lebanon, Lithuania, Luxembourg, Malaysia, Malta, Mauritius, Mexico, Moldova, Mongolia, Montenegro, Morocco, Mozambique, Netherlands, New Zealand, Norway, Oman, Panama, Pakistan, Philippines, Poland, Portugal, Qatar, Romania, Russia, San Marino, Saudi Arabia, Senegal, Serbia, Singapore, Slovak Republic, Slovenia, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Syrian Arab Republic, Chinese Taipei, Tajikistan, Tanzania, Thailand, Trinidad and Tobago, Tunisia, Türkiye, Uganda, Ukraine, United Arab Emirates, United Kingdom, United States, Uruguay, Uzbekistan, Venezuela, Viet Nam and Zambia.

³ Partial exemption for income/gains derived from certain IP rights.



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