

In this issue:

**Italian Financial Transactions Tax: guidance and clarifications on derivative transactions by the Italian Revenue Agency**

#### Operational Tax contacts

**Pascal Noël**  
[pnoel@deloitte.lu](mailto:pnoel@deloitte.lu)  
+ 352 451 452 571

**Eric Centi**  
[ecenti@deloitte.lu](mailto:ecenti@deloitte.lu)  
+ 352 451 452 162

**Vilma Domenicucci**  
[vdomenicucci@deloitte.lu](mailto:vdomenicucci@deloitte.lu)  
+ 352 451 452 464

**Mauro Lagnese**  
[mlagnese@sts.deloitte.it](mailto:mlagnese@sts.deloitte.it)  
+ 39 02 83 32 40 97

**Luca Ferrari Trecate**  
[lferraritrecate@sts.deloitte.it](mailto:lferraritrecate@sts.deloitte.it)  
+ 39 02 83 32 40 57

Please contact  
**Christelle Piovano**  
[cpiovano@deloitte.lu](mailto:cpiovano@deloitte.lu)  
should you wish to be removed from this mailing list or if you would like to have any of your colleagues added to the mailing list.

**[Link to previous Operational Tax News](#)**

**[Link to Operational Tax webpage](#)**

## Operational Tax News

### Italy Update

18 September 2013



#### **Italian Financial Transaction Tax: guidance and clarifications on derivative transactions by the Italian Revenue Agency**

As mentioned in our Operational Tax News dated **9 January 2013**, a Financial Transactions Tax on certain transactions in Italian shares (and other in scope participating financial instruments) as well as high frequency trading on such shares and securities is in force in Italy since 1 March 2013.

#### **Italian Financial Transaction Tax white list**

The Italian Financial Transaction Tax (hereinafter "IFTT") is in principle due by the person acquiring the ownership of the shares. However, as stated in the attached news alerts dated **6 March 2013** and **21 March 2013**, financial intermediaries involved in the execution of relevant transaction which are not located in white list jurisdictions (defined as states and territories with which Italy has agreements in force for the purpose of exchange of information or assistance in the collection of the tax credits) would be considered as a "final buyer" for IFTT purposes and subject to taxation accordingly. Please note the IFTT white list is specific for FTT purposes and different from the one used by Italian tax authorities for other purposes.

#### **Issuance of derivatives FAQ**

As from 1 September 2013, the IFTT is also applicable to transactions in derivatives having as their underlying primarily Italian shares/in scope participating financial instruments, other transferable securities listed in Decree 21 February 2013 (hereinafter the "IFTT Decree") as well as high frequency trading transactions on such derivatives/securities.

Following the FAQ document concerning the application of the IFTT on shares and assimilated financial instruments published on 8 August 2013, last 26 August the Italian Ministry of Economy and Finance issued a second **FAQ document** (providing some clarifications and guidelines for the application of the IFTT in respect of transactions

involving derivatives and transferable securities (“Derivatives FAQ”).

A brief overview of the main topics covered by the Derivatives FAQ is summarised below:

**In scope derivatives:** Derivatives whose underlying is represented by indices, measures, returns on shares or indices fall within the scope of the IFTT, provided that these measures are related to the value of the shares (which is their market price) so that the change in the said price results in a change of the underlying measure or of the subordinated return.

As a consequence, transactions concerning derivatives not having the characteristics mentioned above (e.g. dividend swaps; credit default swaps; future on index dividend) are out of scope of the IFTT.

**Derivatives on equity funds’ share/quotas:** transactions concerning derivatives (or transferable securities listed in the IFTT Decree) having as underlying an ETF and/or a mutual fund which invests primarily in shares and/or assimilated financial instruments should be subject to the IFTT.

**Derivatives traded on regulated markets:** for transactions concerning derivatives traded on regulated markets, the financial intermediary responsible for the payment of the IFTT should be the clearing broker (rather than the executing broker).

### Impact for Luxembourg investment funds

Given the potential extraterritoriality effects of the tax, Luxembourg funds may be impacted when dealing with derivatives on Italian securities. Their liability to the IFTT must be tested with regards to these transactions in order to ensure their compliance with the IFTT Decree and guidance.

If you have any queries regarding the above, please do not hesitate to contact us.

---

[Home](#) | [Security](#) | [Legal](#) | [Privacy](#)

Deloitte General Services  
Société à responsabilité limitée  
560, rue de Neudorf  
L-2220 Luxembourg

© 2013 Deloitte General Services

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see [www.deloitte.com/luxembourg/about](http://www.deloitte.com/luxembourg/about) for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

 [Deloitte RSS feeds](#)

**Subscribe / Unsubscribe**

This message (including any attachments) contains confidential information intended for a specific individual and purpose, and is protected by law. If you are not the intended recipient, you should delete this message and are hereby notified that any disclosure, copying, or distribution of this message, or the taking of any action based on it, is strictly prohibited. Recipients should be aware that replies to e-mail messages may go through the servers of the Luxembourg member firm of Deloitte Touche Tohmatsu Limited and its affiliates and may be subject to monitoring and inspection in accordance with the firm's internal policies.