Italian Financial Transaction Tax
Who is responsible for accounting for the tax?
The rate of the Italian Financial Transaction Tax is 0.22% tax. The rate is reduced to 0.12% where the transaction is undertaken on certain regulated financial markets or multilateral trading facilities. From 1 January 2014, the rates will drop to 0.2% and 0.1% respectively.

Please note that certain transactions (e.g. stock loans/repos) and entities (e.g. market makers, pension funds) are excluded or exempt. However reporting may still be required.

Please note that the end purchaser remains liable for the Italian Financial Transaction Tax. This decision tree is concerned with the person responsible for paying and reporting the tax.
Stage 2

Is the intermediary resident in Italy?

- Yes: The intermediary accounts for the tax. The tax is paid through form F24 or by appointing Monte Titoli.
- No:
  - Does the intermediary have a permanent establishment (PE) in Italy?
    - Yes: The PE accounts for the tax, regardless of whether or not it was involved with the trade. The tax is paid through form F24 or by appointing Monte Titoli.
    - No:
      - Is the intermediary located (i.e. has its legal seat) in a “white list” country?
        - Yes: Monte Titoli accounts for the tax.
        - No:
          - Does the intermediary have or intend to appoint a fiscal representative in Italy?
            - Yes: Has the intermediary appointed a PE in a “white list” country, which has elected to pay and account for the tax?
              - Yes: Monte Titoli accounts for the tax.
              - No: Has the intermediary appointed as a fiscal representative one of the following entities: (i) financial intermediary (or fiduciary company) resident in Italy; or (ii) a PE in Italy of such intermediary/fiduciary company?
                - Yes: Has the intermediary appointed Monte Titoli for the payment of the tax.
                - No: The intermediary will be treated as the final purchaser and liable party to the tax (even as agent) and should be charged by the selling “white list” broker.
            - No: The intermediary accounts for the tax. The tax is paid through form F24 (or wire transfer if it does not have an Italian cash account) or by appointing Monte Titoli.

This information is intended to be indicative only and should not be used as a substitute for a reading of the relevant law and regulations.

Monte Titoli S.p.A. is the Italian Central Security Depositary and is part of London Stock Exchange Group.

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