



Rules on split payment for 2018

Starting from 1st January 2018, rules on split payment will also apply to: national, regional and local public bodies, including “*aziende speciali*” and public entities providing services to individuals; foundations in which Public Administrations hold at least a 70% total interest in the endowment fund; companies directly or indirectly controlled by the abovementioned bodies, as well as companies in which such bodies hold at least a 70% total interest in share capital.

The decree related to the 2018 Budget Law (law decree dated 16 October 2017, no. 148)¹ further extended the subjects concerned by the rules on split payment, regulated under art. 17-ter of Presidential Decree no. 633/72. This extension derives, in particular, from the new version of para. 1-bis of abovementioned art. 17-ter, which provides that the special anti-avoidance measure shall apply to the supply of goods and

services (not subject to the reverse charge mechanism) performed towards the following entities²:

- national, regional and local public bodies, including “*aziende speciali*” and public entities providing services to individuals (letter 0a);
- foundations in which Public Administrations subject to split payment hold at least a 70% total interest in the endowment fund (letter 0b);
- companies directly controlled by the Presidency of the Council of Ministers and by Ministries, as per art. 2359, para. 1, no. 2 of the civil code (letter a);
- companies directly or indirectly controlled by Public Administrations subject to split payment or by bodies and companies under letters 0a), 0b), a) and c), as per art. 2359, para. 1 no. 1 of the civil code (letter b);
- companies in which Public Administrations subject to split payment or bodies and

¹ Law Decree no. 148/2017 turned with amendments into Law dated 4 December 2017, no. 172 (published in the Official Gazette dated 05/12/2017, no. 284).

² Letters indicated next to each category in the list refer to those contained in abovementioned art. 17-ter, para. 1-bis of Presidential Decree no. 633/1972

companies under the points above hold at least a 70% total interest in the share capital (letter c);

- companies listed at FTSE MIB index of the Italian Stock Exchange, or at another stock market index established under the decree issued by the Italian Ministry of Economy and Finance, which are registered for VAT purposes in Italy (letter d). However, the Ministry of Economy and Finance has the authority to identify an alternative stock market reference index through a proper decree.

To find the subjects concerned by the rules under examination, suppliers can refer to the lists available through a specific application on the official website of the Italian Department of Finance (http://www1.finanze.gov.it/finanze2/split_payment/public/#/#testata).

Such lists are updated at 10 January 2018.

These lists do not include Public Administrations (under art. 1, para. 2, of law dated 31 December 2009, no. 196) subject to the application of the split payment mechanism pursuant to para. 1 of art.17-ter of Presidential Decree no. 633/72.

To identify such Public Administrations, reference must be made to the list (so-called "IPA" list) published on the website of the Index of Public Administrations (www.indicepa.gov.it).

For all remaining entities, the website of the Department of Finance contains the following distinctions:

1. list of companies directly or indirectly controlled by the Presidency of the Council of Ministers and by Ministries (art. 2359, para. 1, no. 2 of the Italian Civil Code): available [here](#);
2. list of companies directly or indirectly controlled by Central Public Administrations: available [here](#);
3. list of bodies or companies directly or indirectly controlled by Local Public Administrations: available [here](#);
4. list of bodies or companies directly or indirectly controlled by National Social Security and Welfare institutions: available [here](#);
5. list of bodies, foundations or companies, in which Public Administrations directly or indirectly hold at least a 70% total interest: available [here](#);
6. list of companies listed at FTSE MIB index of the Italian Stock Exchange: available [here](#).

It is pointed out that:

- it is possible to identify a foundation, body or company included in the lists through the tax code of the concerned entity: available [here](#);
- except for companies listed at FTSE MIB index, concerned subjects can report any missing or incorrect entity in the list, in compliance with the provisions of the reference regulation, through the proper request form: available [here](#).

Contacts

Our professionals will be glad to assist you with any further clarification you may need



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