

## **Special tax regime for new residents in Italy and EU-VISA**

As per 2017, Italy has launched a new special tax regime for foreign individuals who wish to transfer their tax residence to Italy and even for Italians who wish to come back to Italy.

### **Requirements**

- Foreigners who never had tax residence in Italy
- and even foreigners and Italians with foreign tax residence status for at least 9 out of the previous 10 fiscal years
- Tax Ruling

### **Italian tax treatment**

- Fixed annual tax of EUR 100'000 for new residents
- Additionally EUR 25'000 for each family member (e.g. wife, children)
- No taxation in Italy for foreign income resulting from: rental, capital, employment, self-employment, corporate income and other income
- Ordinary taxation in Italy only on:
  - capital gains from “qualifying holdings” realized in the first five years
  - Italian-based income
- No inheritance and gift tax on assets held abroad; only on Italian assets
- Duration: maximum 15 years

### **Attractive combination of Liechtenstein structure with new tax regime in Italy**

- No discrimination of Trusts and Foundations as Italy is member of the Hague Trust Convention
- Lump sum taxed residents usually cannot claim double tax benefits and have usually no possibility to claim back foreign withholding taxes on dividend and interest income (e.g. 35% withholding tax in Switzerland)
- BUT: Possibility to claim back foreign withholding taxes via discretionary FL Foundation
- Set-up of a discretionary structure (triggering regularly donation/inheritance tax) is not taxed under the Italian regime for new residents
- Assets can remain in FL/CH bank account or other countries

- Tax free distributions from discretionary FL Foundation to Italy do not trigger income tax in Italy and are not subject to any withholding tax in FL
- Automatic Exchange of Information to Italy without problem as the tax situation has been discussed in the ruling

### **Extra Plus for non-European new residents (Russia, Brazil, India etc.)**

EU-VISA – freedom of movement in the European Union to all Schengen treaty countries if:

- investment of minimum EUR 2 million in Italian government bonds for at least 2 years  
or
- investment of minimum EUR 1 million in an Italian company for at least 2 years  
or
- donation of minimum EUR 1 million for philanthropic purposes in a sector that furthers Italian economy

ATU, together with Italian based local tax advisors and local lawyers, supports interested persons to apply for the new regime and helps to cover all legal aspects (incl. real estate acquisition).

Please do not hesitate to contact us should you wish to receive further information. We shall be pleased to assist you in this matter.