



Regione Toscana
Diritti Valori Innovazione Sostenibilità



Guide to *Investors*



Regione Toscana

Invest *in* Tuscany



cutting through complexity™

Guide to Investors

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Introductions





The goal of this “**Guide to investors**” is to provide valuable tools of work and information for foreign companies wishing to invest in Tuscany.


The Guide is designed according to the following logic:


 The first thing that a foreign investor will evaluate and choose in **starting a business** in Tuscany is, the legal form which is better suited to the business needs of its future activities. **Chapter 1** describes (in addition to the main corporate forms) the administrative procedures for business start up, the establishment costs as well as the main financing channels and the most important Italian regulations to which the company must comply.


 Once the corporate form is best suited to your needs, the investor will have the basics of the tax system concerning the legal form chosen **Chapter 2**.

 Another point of concern in starting a business could be the recruitment of staff. It will therefore be appropriate to have notions of the Labor Law, the different forms of contracts provided for in the legislation and the contribution system in force. **Chapter 3** of this guide provides information about the entry into Italy of community and foreign citizens to stay and perform a working activity.

 Another aspect to consider is the opening of the company's headquarters. The entrepreneur must therefore decide whether to buy or rent a property. **Chapter 4** describes general characteristics tied to lease contracts of an immovable and is from a civil point of view rather than tax.

 The economy and the market of the Tuscany region is continuously developing mainly thanks to the many districts present that make the region famous throughout the world for product quality and characteristics. Tuscany offers several tools in order to foster the development of the territory and the emergence of new enterprises, and in **Chapter 5**, a brief description of the main industrial districts are listed and detailed in the many incentives for companies that constitute crucial help for people wishing to undertake business activities in Tuscany.

 In **Chapter 6** an overview of the market infrastructure will be provided that facilitate the creation and development of enterprises as well as the custom systems that regulate the movement of goods within and outside the EU community.

 Finally in **Chapter 7** the guide offers an overview of the quality of life in Tuscany and costs relating to the purchase and lettings of immovable property and related utilities, as well as information on health and educational systems.



Tuscany and Invest in Tuscany

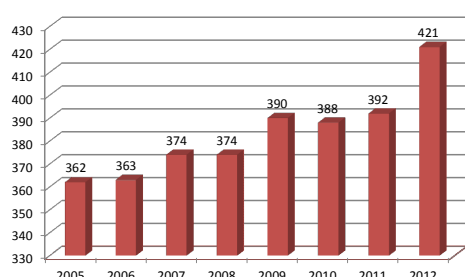
Tuscany is one of the most beautiful and productive regions of Italy, known around the world for the beauty of its landscapes and its natural and cultural heritage. Currently there are **6 sites recognized by UNESCO as a World Heritage Site** (Val D'Orcia, historical centers of Florence, Siena, Pienza, San Gimignano, Piazza dei Miracoli in Pisa).

Holding a population of **3.65** million inhabitants (about 6% of the Italian population) and a regional GDP per capita of **28,300 euros** (14% compared to 2011).

Traditionally open to international markets, Tuscany is the leader at the top for export and quality with more than **32 billion euros** in 2012 (**+6.9%** compared to 2011), the region exports a lot more than the average Italian (which reaches only 3.7% in 2012).

Situated in central Italy and in the Mediterranean, the region is a perfect logistic platform and gateway to the European market and the Mediterranean. It has a structured and efficient system of infrastructures and services that is embodied in eight airports (including the two international airports of Pisa and Florence), three strategic motorways (A1, A11 and A12) linking the Northern and Southern regions of the country, a railway, three excellent commercial ports (Livorno, Piombino and Carrara) and two logistics (Prato and Livorno) that provide excellent services to businesses.

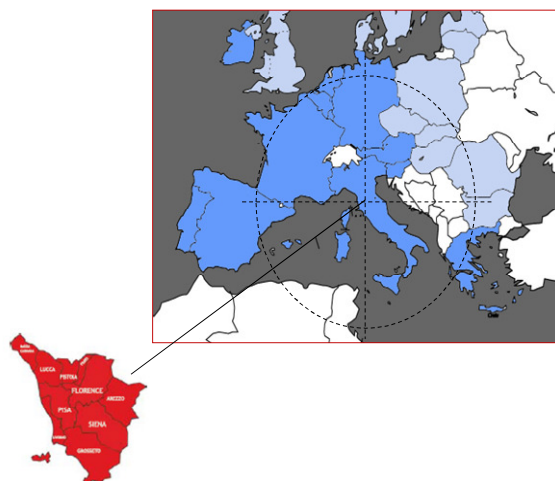
Number of foreign companies in Tuscany, 2005-2012



Source: KPMG analysis on data provided by Politecnico di Milano (2012)

The sixth Italian region in absolute terms for the **concentration of foreign multinational companies (421 in 2012)**, as evidenced by the many investors already present. Tuscany offers a **different set of skills and vocations** from the traditional and typical Made in Italy, those related to **research** and **innovative** technology with life sciences (pharmaceutical, biotechnology, medical devices), the green economy, ICT and advanced mechanics, make the area a great attraction for investments.

Tuscany is the thirtieth region EU27 expenditure on research and development (2012) and the 16th region in Europe (EU27) for density with 163 scientific publications per capita. The Tuscany region is among the top 15 in Europe in terms of number of publications in numerous disciplines of



considerable interest for the future of European research such as mathematics, earth science and the universe, physics, engineering sciences, applied biology and medical research and chemistry.

The quality of human resources and skills availability is guaranteed by **three university** centers (Florence, Pisa and Siena), two public schools with highly recognized international status (**Sant'Anna School of Advanced Studies and Scuola Normale Superiore**), 5 schools of higher education, more than 30 institutes and centers of the CNR and a training system to meet the demand.



Tuscany has created a portal called "Invest in Tuscany" in order to support investors at www.investintuscany.com. It is a network of public partners that is made up by the Department for Regional Policies for the attraction of investments. It has been established by the President of the Tuscany Region in collaboration with Promotion Tuscany, Tuscan provinces and municipalities. This network is a point of reference for companies and corporations interested in investing in Tuscany. Invest in Tuscany (email: investintuscany@regione.toscana.it) is available for investors to:

- ✓ Help choose the most suitable location site of projects through a dedicated database and network of local partners (provinces and municipalities), the companies concerned may take note of possible locations in Tuscany
- ✓ Put Investors in contact with the main entities, research centers, universities and businesses in Tuscany in order to facilitate the decision-making process regarding the investment project
- ✓ Arrange the investors visit in Tuscany, with the support of local partners in order to enable you to make an informed decision on choosing the most suitable place for your business strategy
- ✓ Supporting investors with information services, consulting, answering questions and helping in the decision path of making an investment.
- ✓ Invest in Tuscany guarantees the maximum company confidentiality, projects and specific information requests.

TUSCANY REGION – PRESIDENCY

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1. Starting a business in Tuscany

The **time needed to start a new business in** Italy (and Tuscany) **is very fast** and in recent years the **constitutional process** has been greatly **simplified** and made more affordable by the current regulations at national level.

In 2010, "**ComUnica**" was a Single Communication introduced, www.registroimprese.it/comunica, **simplifying the relationship between Enterprises and Public Administration**. Now all the requirements can be fulfilled by applying to one electronic pole (<http://www.registroimprese.it/web/guest/comunica#tab=cosa&under-tab=corsi>).

This procedure allows **simultaneous** incorporation registration of the company in the **Register of Companies** at the **Chamber of Commerce** and other relevant paperwork required, although addressed to offices other than the first.

It is also noted, which is currently also the **electronic service national** "**Business in one day**", www.impresainungiorno.gov.it. It is a portal that, in accordance with the administrative reform, aims to facilitate communication between business and public administration in order to make the relationships and processes among all stakeholders and interested bodies more efficient and clear.

In Tuscany, investors will then find the appropriate legal form for the type of activities they wish to initiate and enjoy the legal tranquility in carrying out their projects in a simple and dynamic environment.

1.1. What legal forms to choose?

One of the first structural elements that should be evaluated by an investor who wishes to establish a company in Italy is, represented by the corporate choice form **best suited** to the Business which it intends to implement. An investor, who wants to start a business, **must first take** in to account **the type of company activity, strategic choices** and the **costs that they must bear**.

Consequences of the legal form decision are, in fact, the civil and fiscal obligations that the entrepreneur and the company will face.

Among the most significant elements that come into play for determining this type of choice are the following:

- **the capital that you want to invest:** to define the legal form choice, it is important to know the amount of capital that the entrepreneur intends to make available
- **the type of risk:** the entrepreneur can decide whether to limit his/her liability to the subscribed capital or to involve his/her entire amount of assets
- **organization:** depending on the type of organization that you intend to implement, the entrepreneurs choice can focus on partnerships or corporations

- **the activity you want to perform:** production and/or sale, provision of services or the promotion and representation.

On the basis of the assessment of the elements mentioned above investors have the possibility to choose between:

- establishing a **representative office**
- establishing a **branch office of a foreign company (branch)**
- establishing a **subsidiary**, which is an overall Italian company controlled by foreign companies
- establishing an **independent Italian company**.

1.1.1. The Representative Office

The establishment of a Representative Office allows investors to promote themselves directly in Tuscany with low cost of deployment and management without being subject to **income** tax.

Definition: This is a **fixed place of a Foreign Company that is allocated on the territory and which has the task to perform functions purely and solely promotional, advertising and the collection of information for scientific research or market.**

The representative office **doesn't exercise any business activity (production or sales).**

Setting up procedure: To open a representative office in the foreign company, one must simply make a complaint to the **R.E.A.** competent according to the place where one wants to open that office.

The legal representative of the foreign company with an Italian **Fiscal Code** (or of a special prosecutor specially indicated, also with Italian **Fiscal Code**) may make a complaint by sending it through ComUnica. After the submission of this communication, the **Revenue Agency** will provide a **tax code** to the representative office.

For these bureaucratic procedures the intervention of a **notary isn't necessary**.



Links: Revenue Agency
www.agenzia.entrato.gov.it

Tel.: 848.800.444
 Cell.: 06 9666 8907
 From abroad: + 39 06 9666 8933
 For Tuscany: <http://toscana.agenziaentrato.it>
 Regional Directorate: dr.toscana.gtpec@pec.agenziaentrato.it
 Via della Fortezza 8, 50129, Firenze



1.1.2. *The Branch of the foreign company*

A second alternative that the foreign entrepreneur can undertake is by establishing a branch office of a foreign company (e.g. a "**branch**").

Definition: The branch is a **fixed place of business**, consisting of goods and / or people, **by which a company resident in a foreign country carries out its production activities in Italy and / or commercial**. It is, therefore, a "branch" operational and administrative staff of the foreign companies in Italy that is not, however, an autonomous entity.

Procedure for the Constitution: to open a branch or a second office, the legal representative of the foreign company will have to proceed through a notary act of the "articles of incorporation"¹, the same act by which the foreign company establishing the branch office duly translated into Italian.

The legal representative, supported by a **notary** public reference must also (within 30 days of the constituent filing of the branch at the notary's office (and in any event not later than 45 days from the wording of 'act) proceed to make the following bureaucracy:

- Register the branch in the **Register of Companies** Competent
- Present **SCIA** (certified reporting of initiation activity)at the **REA**
- Request from the **Revenue Agency** the **tax code** and **VAT** number.

The presentation of the previous application is via **ComUnica**.


In the event that employees are recruited for the second site, all the inherent obligations need to be carried in pension obligations and welfare at **INPS** and **INAIL**².

¹ See paragraph 1.3 "Administration procedures and requirements for starting a business in Tuscany"

² See paragraph 3.3. "The contributory system of legal persons"



Links: INPS
<http://www.inps.it/portale/default.aspx>
Provincial Directorate
TUSCANY Region
Centralino: 0039 - 055 49751
Pec: direzione.provinciale.firenze@postacert.inps.gov.it



Links: INAIL
http://www.inail.it/internet_web/appmanager/internet/home
Via Delle Porte Nuove 61
50144 Firenze (FI)
Tel: 055/32051 - Fax: 055/3205503
Email: firenze@inail.it - PEC: firenze@postacert.inail

1.1.3. The Subsidiary of the foreign company

A third alternative for the foreign entrepreneur could be configured in opening a *"subsidiary"*.

Definition: The Subsidiary is, **an independent legal entity incorporated under the forms provided by the Italian jurisdiction and distinct from the foreign parent company.** The results of its assets (**income** or loss) will remain self-contained and will not affect the results of the parent company.

Establishment process: Regarding the legal forms, necessary arrangements and related costs in opening a Subsidiary in Italy all can be found in the next sections and exposed by the Italian company forms.



Differences between Subsidiary and Branch: Not only a tax advantage choice

The choice between opening a **Subsidiary** company and the installation of a **Branch** arises both as an alternative “economic-structural”, which as an option tax and particular reference to income tax.

The **advantages related to the Branch** are the following:

- a minimum capital endowment isn’t normally expected for the branch, while in the case of the local company a required minimum capital is normally required
- there are no legal obligations related to the presence of an administrative or supervisory bodies
- in case of leakage, the same can be brought directly into the parent company's balance sheet and have immediate validity even for tax purposes
- the transfer of earnings by the parent company is not subject to withholding tax
- taxes paid in Italy by the permanent establishment of the foreign company can be recovered with the mechanism of the tax credit.

On the other hand, it is necessary to consider the following **strengths of the subsidiary**:

- the foreign parent company has no responsibilities in relating to the operations carried out by the company in Italy. Those responsibilities are instead provided in the case of operation made by the branch
- ability to take advantage of the benefits on local tax relief (e.g. discounts on start-up);
- greater administrative simplicity. Although both structures must keep books and records relevant to VAT³, in the case of the same subsidiary are Italian purposes only, in the case of branch accounting data must then merge in the financial statements of the parent company.

Overview		
Characteristics	Branch	Subsidiary
Legal autonomy	NO	YES
Minimum capital	NO	YES
Company obligations	NO	YES
Company liability	NO	YES
Accounting obligations	YES	YES
Refund of foreign taxes paid	YES	NO
Taxable income	YES	YES
Parent company loss carry forwards	YES	NO
Local tax benefits on <i>start up</i>	NO	YES

³ See paragraph 2.3.1 “Value added tax”

1.1.4. Companies under Italian law

In case the foreign investor decides to start an entrepreneurial activity through the establishment of an Italian company, completely autonomous and not controlled by the foreign **parent** company will operate its choice between the various legal forms provided for by law.

Italian law provides **various legal forms of companies** that can be divided into **two large groups**:

- **Individual companies**, i.e. those that consist of a single individual who has unlimited responsibility of all personal assets and obligations of the company. This group joined the family business.
- **Collective undertakings**, i.e. those consisting of two or more persons, which in turn are divided depending on whether the shareholders or the capital contributed prevail, in:
 - ✓ **partnership companies**
 - ✓ **corporate companies.**

In the following chart we compare the **two business categories**:

Chart 1: The compare of the individual and collective companies

	Individual Companies	Collective Companies
Characteristics	The company and company owner is one person.	When the company is formed, a new legal entity is created which is different to the founder members.
Formation	The company is formed in a simple way and does not entail any particular formalities.	Forming the company requires particular formalities; contract drafting, approval of instruments of incorporation, articles of association, registration in public registries.
Assets	Business and private assets are legally combined.	The company's assets are different to those of the founder members.
Management	The company manager, who is the sole owner, has the freedom to make all business decisions.	The manager or managers appointed to represent the company to third company, do not act in their own interests but on behalf of and in the interest of a separate legal entity. They must therefore respect certain formalities and report to the members of the company's management.

Source: KPMG analysis

In the following paragraphs we will study aspects related to collective businesses, excluding individual enterprises from the discussion as it is a legal form suitable to small businesses and crafts and enterprise activities.

1.2. The collective enterprises: partnership and corporation

Collective firms, whose profit can be distinguished in two categories described in the previous paragraph, **partnership** and **corporation**, are distinguished in the following corporate forms in the chart below:

Chart 2: Collective company's categories

Collective Companies	
Partnership	Sole proprietorship (S.s)
	Partnership (S.n.c)
	Limited partnership (S.a.s.)
Corporation	Limited liability company (S.r.l.)
	Simplified limited liability company (S.r.l.s.)
	Reduced capital limited liability company (S.r.l.c.r.)
	Public limited company (S.p.A.)
	Limited partnership with a share capital (S.a.p.a.)

Source: KPMG analysis

Below is a summary chart of the main **differences between partnerships and corporations:**

Chart 3: Difference between partnerships and corporations

Characteristics	Partnership Company	Corporations
Company activity	partnership companies cannot engage in banking or insurance activity. A sole proprietorship may not engage in commercial activity.	Corporations may engage in any kind of activity.
Legal personality	partnership companies never acquire legal personality but only legal status.	Corporations acquire legal personality
Share capital	The law does not stipulate a minimum amount of share capital.	The law lays down a minimum obligatory amount of share capital
Financial autonomy	Partial: in partnership companies, there is confusion between the company assets and the assets of individual members. This means that the company's liabilities are paid off by the company itself with its' own equity (the members' shares). However, in the event that these shares are not enough, the members shall pay off the liabilities (personally and fully) using their personal shares.	Full: for corporations, company liabilities are paid off, solely and exclusively by the company through its' own equity. Members are not personally liable for the company obligations and assets transferred by members become the company's property. It follows that specific creditors of the company may not ask members to pay off liabilities contracted by the company with their own personal equity.
Organization and operation	No company organs are provided. Each member who is fully liable by law, may manage the company.	A wide range of company organs are provided which have specific responsibilities and operate based on a majority principle, in accordance with the law.
Participation in share capital	Participation in share capital may be transferred with the agreement of all members.	Participation may be transferred freely, in accordance with the law.
Registration in the Business Registry	Registration in the Business Registry is for legal advertising purpose and has declaratory (vis-à-vis third parties) and legal (application of specific laws) effect and is unincorporated (the partnership company exists even if it is not registered).	The company acquires legal personality through its registration in the Business Registry and is incorporated.
Effects of company liquidation	Automatic extension of the company's liquidation to individual members who are fully liable.	Individual members are not liable.

Source: KPMG analysis

1.2.1. Partnerships

Partnerships are defined as such, because they outweigh the subjective element represented by the members. This is corporate structures that are meeting the needs of those who wish to build a society without using considerable financial resources and organization.

If you want to opt for the partnerships you must then evaluate the following items:

- **Social Capital:** in the company of people, unlike that in corporations, the law does not provide for a mandatory minimum capital, simply that it is merely adequate to the pursuit of social object
- **Type of Risk:** regarding the risk, it should be noted that the entrepreneur setting up a partnership assumes all risks of enterprise with unlimited financial liability while for the capital limit company the risk is limited to the capital
- **Organization:** partnerships are structurally simpler than those of capital and need few resources to operate.

Below is a summary chart of the main differences between all the company partnerships:

Chart 4: Partnership features

Characteristics	Sole proprietorship (S.s.)	Partnership (S.n.c)	Limited partnership (S.a.s)
Legal status	Only non-commercial activity	Commercial and non-commercial activity.	Commercial and non-commercial activity.
Instrument of incorporation	No specific structure is required for the authenticity of the company.	A company contract is required (an instrument of incorporation) with a minimum content (required by law) governing company operation.	A company contract is required (an instrument of incorporation) indicating the two categories of members: general partners and silent partners.
Share capital	A minimum amount of share capital is not required.	A minimum amount of share capital is not required.	A minimum amount of share capital is not required.
Management	If no management is set up, it is presumed that a separate management system shall apply.	By law, all members are managers, unless otherwise agreed.	By law, general partners are managers.
Liability for company obligations	Members shall pay off company liabilities in full using their own personal equity.	Members of a partnership are fully and jointly liable for company obligations.	In limited partnerships, only general partners are fully and personally liable for paying off company liabilities. Silent partners are exempt from paying off liabilities except where they are explicitly appointed by the general partners for specific management or representation activities.
Registration in the business registry	Is registered in a specific section of the Registry for certification requirements and advertising-information purposes.	Partnerships are registered in the ordinary section of the Business Registry, legally advertised and with legal effect.	Limited partnerships are registered in the ordinary section of the Business Registry, legally advertised and with legal effect.

Source: KPMG analysis

1.2.2. Corporations

Compared to partnerships in the corporations **prevail the capital element instead of the individual element**, in consequence of the partners fund contribution.

In case the decision on corporate type relates to one of the corporations, **consider the following elements**:

- **Share capital**: business corporation's law has always included a mandatory minimum capital.
- **Type of risk**: in the limited company the liability of members is limited to the subscribed capital; this means that, in case of loss or bankruptcy, creditors can recover solely on the company's assets and not on that of staff members.
- **Organization**: the structure of limited companies is a more complex structure than that of partnerships from a formal point of view (accounting and tax) that from a standpoint of substantial management (i.e. no direct administration of members, you must call the Assembly).

In the table below **we highlight the main features of the various types** of corporations and their formation modes.

Chart 5: Main corporation features

Characteristics	Limited liability company (S.r.l.)	Single-member company (S.u.r.l.)	Simplified limited liability company (S.r.l.s.)	Public limited company (S.p.A.)	Limited partnership with a share capital (S.a.p.a.)
Member requirements	Natural persons or company	Natural persons or company	Only natural persons less than 35 years old	Natural persons or company	Natural persons or company
Form of instrument of	Authentic instrument	Authentic instrument	Authentic instrument confirming to the	Authentic instrument	Authentic instrument
Share capital	Minimum € 10.000,00. When the company is formed, at least 25% of share capital must be paid into a bank.	Minimum € 10.000,00. When the company is formed, all of the share capital must be paid into a bank.	From € 1 to € 9.999,99. When the company is formed, the share capital must be paid in full to the administrative entity.	Minimum € 120.000,00. When the company is formed, at least 25% of share capital must be paid into a bank.	Minimum € 120.000,00. When the company is formed, at least 25% of share capital must be paid into a bank.
Management	Managers may be individual persons or legal members; individual or legal persons who are not members, only if provided for in the statute.	Managers may be individual persons or legal members; individual or legal persons who are not members, only if provided for in the statute.	Managers may only be individual persons who are partners.	Managers may only be individual persons who are partners and non-partners.	Managers may only be individual persons who are general partners.
Transfer of shares	Free, except for limitations stipulated in the instrument of incorporation.	Free, except for limitations stipulated in the instrument of incorporation	Only individual persons	Free, except for limitations stipulated in the instrument of incorporation.	Free, except for limitations stipulated in the instrument of incorporation.
Registration in the Business Registry	Registration establishes the company, i.e. when it is registered the company acquires legal personality and becomes an autonomous legal entity.	In the Business Registry it must be stated: a) that the shares belong to a single member; b) any change to the single member; c) change of the single-member company to a multi-member company.		Registration in the business registry gives the company legal personality.	Registration in the business registry gives the company legal personality.

Source: KPMG analysis, information update at October 2013.

1.2.3. Supervision of the Board of Auditors and Auditor

In corporations it is provided the **Board of Auditors**, which is responsible for supervising the observance of the law and of the Statute, the compliance with the administration principles and in particular, the adequacy of the organizational, administrative and accounting procedures adopted by the company and the concrete operation.⁴

In essence, the auditors are required to review the legality of compliance with procedural and substantive rules of law, regulations, article of incorporation and for a review of the substance designed to ensure that operations carried out cannot be justified in relation to its purpose and in any case to harm the company.

The Board of Auditors may carry on the business of the audit if the company is not required to prepare consolidated financial statements and is explicitly required by the Statute.

Otherwise, the statutory audit is carried out by a **Statutory Auditor** or an **Independent Auditors** on record.

⁴ Art. 2403 Civil Code.

1.3. Administrative procedures in starting a company in Tuscany

After choosing **the legal form** that best fits the needs of the foreign investor, it is necessary to establish a **procedure for the establishment of the company** whose duration and whose formalities vary depending on the type of activity chosen and company that you intend to exercise.

The **foreign investor** can enter Italy with a business visa that can be assisted by a notary on site in setting up a company in Italy. The documentation that the foreign investor must present can vary depending on whether the citizen is resident into the European Community or not.



Foreign citizens

European Union Citizens

Periods of stay, less than 3 months: EU citizens who intend to stay in Italy for a period of less than three months, on business, tourism, visit or study may present at a Police Office "statement of presence on national territory". The Office returns copy, duly stamped, that will be performed on every request from police forces. In the absence of the Declaration of the presence, the EU citizen is presumed resident in Italy for more than three months.

Periods of stay exceeding 3 months: must register at the Municipality Registry Office of residence. To register you must provide documentation indicating the performance of work, study or vocational training.

Non EU Citizens

All citizens who do not belong to the European Union countries can enter Italy by presenting a passport and, in cases where it is required, the visa issued in the country of origin. Once in Italy one must apply for a residence permit that will have similar motives to that described on the visa.

No permission required if one is staying for business, tourism, holiday or study if it is less than three months.

Foreigners wishing to stay in Italy for longer than three months must apply for a residence permit within eight working days.

In general the formation process of a company is divided into three phases:

- a) Preparation of the Memorandum and articles of incorporation
- b) Execution of the social contract consists of: memorandum and articles of incorporation
- c) Additional requirements (including the presentation of the **SCIA**).

Chart 6: Conclusion of contract

Company Agreement	
Memorandum	This is the document for the purposes of forming a company and varies according to the type of company chosen. It is more detailed for corporations and less detailed unincorporated partnerships. It must be signed with the notary. This applies to both corporations, whose instrument of incorporation must be drawn up by a notarial authentic instrument, and unincorporated partnerships whose instrument of incorporation, to be registered in the Business Registry, must be drawn up in writing and notary signature authenticated.
Articles of Incorporation	This is the document, attached to the instrument of incorporation, containing the regulations for carrying out the business activity constituting the company's operational objective established by the members for the purposes of adapting them to the company's practical requirements.

Source: KPMG analysis

Establishment procedures differ on whether it intends to establish a partnership or a corporation.

1.3.1. Procedures for the establishment of partnerships

As a result of the establishment of the partnerships, the **notary** presents exclusively electronically, the Unique Communication (**ComUnica**) to the register of companies competent.

As we have already mentioned, the **ComUnica** provides a unique performance for carrying out all formalities necessary to the Constitution of the company and, in particular:

- Request the allocation of the **Tax Code** or **VAT Code** to the **Revenue Agency**
- Registration and modification of the company in the **Company Register** or in the handcraft business
- Compliance with the **INPS** social security purposes
- Compliance **INAIL** for insurance purposes

The preparation of ComUnica can take place through the use of special software provided free of charge by the Chambers of Commerce, the place where the company has its registered office.

Chart 7: Chambers of Commerce in Tuscany: where to turn

Chamber of Commerce		
City	Phone/Fax number	web site
CCIAA AREZZO	Phone (+39) 0575.3030 - Fax. (+39) 0575.300953	www.ar.camcom.it
CCIAA FIRENZE	Phone (+39) 055.29810 - Fax. (+39) 055.2981171	www.fi.camcom.it
CCIAA GROSSETO	Phone (+39) 0564.414982 - Fax. (+39) 0564.41064	www.gr.camcom.it
CCIAA MASSA CARRARA	Phone (+39) 0585.7641 - Fax. (+39) 0585.776515	www.ms.camcom.it
CCIAA LIVORNO	Phone (+39) 0586.231111 - Fax. (+39) 0586.231229	www.li.camcom.it
CCIAA LUCCA	Phone (+39) 0583.9765 - Fax. (+39) 0583.199.99.82	www.lu.camcom.it
CCIAA PISA	Phone (+39) 050 512.111 - Fax (+39) 050 512.250	www.pi.camcom.it
CCIAA PISTOIA	Phone (+39) 0573 99141	www.pt.camcom.it
CCIAA PRATO	Phone (+39) 0574.61261	www.po.camcom.it
CCIAA SIENA	Phone (+39) 0577.202511 - Fax. (+39) 0577.270981/288020	www.si.camcom.it

Source:

ce: KPMG Data Processing websites - Chamber of Commerce.



Presentation mode of ComUnica

The preparation of **ComUnica** is done by using free downloadable software provided by www.registroimprese.it.

Electronic submission is allowed prior to the registration on the website.

The company also must provide:

- **A digital signature device**, the *Smart Card* that can be issued by an accredited certification body
- **A box of certified electronic mail (PEC)**: At this address the **Register of Companies** sends records, documents and communications relating to **ComUnica**, the newly formed company PEC indicate the address at the time of compilation of the **ComUnica**
- **Specific software**: Software **ComUnica**, to fill those additional models to the **Companies Registry** and the **Revenue Agency**, as well as those for the digital signature.

The **Register of Companies** sends the address stated by the PEC registration procedure of **ComUnica** which is the title to start their own business activities.


At the same time the **Register of Companies** forwards the information to the competence of other bodies recipients of the communication.

The formalities to be carried out with **ComUnica** often have different terms, so the **ComUnica** must be filed within the term that will expire first and then:

- For companies of persons: **within 30 days** from the date of incorporation
- For corporations: **within 20 days** the date of incorporation

Immediately after shipping the **ComUnica** the **Register of Companies** sends it to the certified e-mail (PEC) declared by the receipt of filing of **ComUnica** which is the title to start their own business activities. At the same time the **Register of Companies** arranges for, automatically, information about the competence of other bodies recipients of the communication.

Moreover, at the certified e-mail address of the company are communicated the results and, in particular:

- Immediately after filling the documentation requested by the **Revenue Agency**
- until **5 days** from the document registration the **Register of the company** will confirm to the company the subscription
- until **7 days** from the document registration the **INAIL (worker insurance institute)** will confirm to the company the subscription
- until **7 days** by the registration at the **Register of the company**, **INPS (Italian previdential system)** the subscription 



Links: **ComUnica**

www.registroimprese.it/comunica



Revenue Agency fulfillments with ComUnica

Companies can apply for **VAT registration** at the **Revenue Agency** in conjunction with the filing of the application for registration in the **Register of the Company**, by completing the related electronic forms provided in to the software **ComUnica** or by filling out the electronic forms available on the web-site www.agenziaentrate.it and subsequently send it through **Comunica** with the other documentation provided.

To qualify, it is necessary to identify the **VAT number** in advance and before the activities will be undertaken and their encoding **Ateco 2007**. A useful online tool to locate the NACE code is the link <http://ateco.infocamere.it/ateg/home.action>.

The allocation of the **VAT number** (Value Added Tax) takes place immediately after the shipment practice of **ComUnica** at the **Register of Companies** and a receipt in filing for the application is contained.

The **VAT** is a firm identification code, which is required for tax purposes.

Chart 8: Revenue Agency: where to go

Provincial Directorate	
City	Contacts
Arezzo	Address: VIA CAMPO DI MARTE, 28 - 52100 AREZZO Phone: 0575/91741 - Fax: 0575/917650 E-mail: DP.AREZZO@AGENZIAENTRATE.IT - PEC: dp.arezzo@pce.agenziaentrate.it
Firenze	Address: VIA SANTA CATERINA D'ALESSANDRIA, 23 - 50129 FIRENZE Phone: 055/505141 - Fax: 055/50514559 E-mail: DP.FIRENZE@AGENZIAENTRATE.IT - PEC: dp.firenze@pce.agenziaentrate.it
Grosseto	Address: PIAZZA FERRETTI 1 - 58100 GROSSETO Phone: 0564/44771 - Fax: 0564/447722 E-mail: DP.GROSSETO@AGENZIAENTRATE.IT - PEC: dp.grosseto@pce.agenziaentrate.it
Livorno	Address: VIA LAMPREDI 71-LOC. PORTA A TERRA - 57121 LIVORNO Phone: 0586/013111 - Fax: 0586/013579 E-mail: DP.LIVORNO@AGENZIAENTRATE.IT - PEC: dp.livorno@pce.agenziaentrate.it
Lucca	Address: VIA DI SOTTOMONTE, 3 - LOC. GUAMO - 55060 CAPANNORI Phone: 0583/1796111 - Fax: 0583/1796277 E-mail: DP.LUCCA@AGENZIAENTRATE.IT - PEC: dp.lucca@pce.agenziaentrate.it
Massa Carrara	Address: VIA AURELIA OVEST, 193 - 54100 MASSA Phone: 0585/896111 - Fax: 0585/896502 E-mail: DP.MASSACARRARA@AGENZIAENTRATE.IT - PEC: dp.massacarrara@pce.agenziaentrate.it
Pisa	Address: GALLERIA G.B. GERACE, 7/15 - 56124 PISA Phone: 050/315471 - Fax: 050/3154823 E-mail: DP.PISA@AGENZIAENTRATE.IT - PEC: dp.pisa@pce.agenziaentrate.it
Pistoia	Address: VIA LUIGI GALVANI, 13 - 51100 PISTOIA Phone: 0573/1948111 - Fax: 0573/1948299 E-mail: DP.PISTOIA@AGENZIAENTRATE.IT - PEC: dp.pistoia@pce.agenziaentrate.it
Prato	Address: VIA RIMINI 17 - 59100 PRATO Phone: 0574/49941 - Fax: 0574/499420 E-mail: DP.PRATO@AGENZIAENTRATE.IT - PEC: dp.prato@pce.agenziaentrate.it
Siena	Address: VIALE EUROPA, 69 - LOC. DUE PONTI - 53100 SIENA Phone: 0577/56121 - Fax: 0577/561204 E-mail: DP.SIENA@AGENZIAENTRATE.IT - PEC: dp.siena@pce.agenziaentrate.it

So

urce: Based on data from KPMG websites Revenue Agency.



ComUnica obligations related to the Company's Register

Within 30 days of the company establishment, the **notary** must apply for registration to the **Company's Register** at the **Chamber of Commerce**, by completing the appropriate forms contained in the computer software **ComUnica**.

The identifying elements of the company should be given a (name, place, etc.) as well as those relating to members (directors or not).

Upon enrollment, one is expected to pay **90 euro** for administrative fees (except for the simple society where it is equal to **19 euro**)⁵.

However, the **annual fee** is a tribute that must be paid each year by companies registered with the **Company's Register** and shall be paid in a lump sum by the **Model F24 Revenue Agency** found at banks, post offices or internet (web site www.agenziaentrate.it), and only the enrollment may also

⁵ See paragraph 1.4 "Costs for the establishment of the Company" - Chart 13 "Constitution partnerships"

be paid at the time of application submission. In Tuscany, according to the **Chamber of Commerce** of reference it varies from € 200.00 to € 240.00⁶.



ComUnica obligations related to INPS

If the company, at the time of the constitution has employees or coordinated and continuous, must open a position to **INPS**. The previdential position is usually only one, even if the employer will open new units (places where one or more employees are permanently employed).

In this case, the employer must manage its compliance using the tax position already in place; communicate the identification data of the new unit and the duration if it is notice. If the employer hires the employees after starting the business he could open the previdential position with **ComUnica** or also through the **INPS** electronic channel.

Chart 9: Social Security: where to go

INPS Offices	
District	Local offices
Arezzo	Arezzo, Montevarchi, Sansepolcro
Firenze	Borgo San Lorenzo, Empoli, Firenze, Firenze Sud Est, Pontassieve, Scandicci, Sesto Fiorentino
Grosseto	Grosseto, Orbetello
Livorno	Cecina, Livorno, Piombino
Lucca	Capannori, Castelnuovo Garfagnana, Lucca, Viareggio
Massa Carrara	Aulla, Massa, Massa Carrara
Pisa	Pisa, Pontedera
Pistoia	Montecatini Terme, Pistoia
Prato	Prato
Siena	Colle di Val d'Elsa, Montepulciano, Siena

Source: KPMG analysis based on data from INPS websites.



Links: INPS Provincial directorate

<http://www.inps.it/portale/default.aspx>

Tuscany REGION

phone: 0039 - 055 49751

certified Email: direzione.provinciale.firenze@postacert.inps.gov.it



ComUnica obligations related to Inail

INAIL operates a mandatory form of insurance which aims to protect workers engaged in dangerous activities from the risk of injury at work or occupational diseases caused by work. In this way, the employer is exempt from civil liability, except for liability resulting from the offenses prosecuted ex officio or committed in violation of the rules on accident prevention and occupational health. The insurance requirement is thus expected for all activities defined by law as risky. The following are considered risky assets by law:

⁶ See paragraph 1.4. "Costs for the establishment of the Company" - Chart 13 "Constitution partnerships"

- activities carried out by the use of machines and equipment (which can also be electrical and electronic devices such as cash registers, phone systems, etc.).
- other work activities that may express a high degree of risk even without the use of machines and equipment.

The **INAIL** insurance is required for employers and parasubordinate workers employed in activities which the law defines as at risk.

Insurance isn't requested for those (self-employed workers) who perform management, organization or administration activities as long as they do not use electrical or electronic equipment or vehicles.

At the same time, the employer should notify **INAIL** by completing the appropriate forms available in the **ComUnica** software and, subsequently, by attaching the bill to the **ComUnica** practice.

Any change and possible termination of the insured risk must be communicated to **INAIL within 30 days** of the occurrence.

All employers, principals and other insurers are obliged to the establishment, the endorsement the compilation, and storage of payroll as well as the **register of accidents**.

Chart 10: INAIL: where to go

INAIL Offices	
Local Department	Contacts
Firenze	Address: Via Delle Porte Nuove, 61 - 50144 Firenze Phone: 055/32051 Fax: 055/3205275 Email: firenze.r.dipartimento@inail.it Certified Email: firenze-ricerca@postacert.inail.it
Livorno	Address: Via A. Pieroni, 11 - 57123 Livorno 57123 Livorno (LI) Phone: 0586/254111 Email: livorno.r.dipartimento@inail.it Certified Email: livorno-ricerca@postacert.inail.it
Lucca	Address: Via Luperini, 1021- 55100 Lucca 55100 Lucca (LU) Phone: 0583/526-1 Fax: 0583/526298 Email: lucca.r.dipartimento@inail.it Certified Email: lucca-ricerca@postacert.inail.it

Source: KPMG analysis based on INAIL websites data.



Links:

INAIL Regional directorate of Tuscany

Via Maurizio Bufalini 7
50122 Firenze (FI)

Phone: 055/32051 - Fax: 055/3205302

Email: toscana@inail.it – Certified Email: toscana@postacert.inail.it

1.3.2. Procedures for the establishment of corporations

Corporations have a minimum share capital, unlike partnerships.

Therefore, after signing the Memorandum and the articles of incorporation **it's necessary** to make a **25% payment** of the entire share capital or in cases where appropriate. In order to pay the share capital it will be necessary that the legal representative, equipped with memorandum and articles of incorporation, proceed to open a **bank account** under the name of the **new-company**.

If a foreign citizen intends to open a company in Italy, the documentation to be produced at this stage is always formed by the entry visa (stamp in case of exemption) and personal documents of citizens. Once the Company has been registered in the **Register of Companies**, the bank will also require the related certificate.

Once the payment is made, **the bank will deliver a receipt that must be brought by the Notary** who will photocopy and attach the file for **register the act at the Chamber of Commerce (CCIAA)**.

As for partnerships and even corporations, in order to form the company, the **notary** presents exclusively in an electronically way, the Unique Communication (**ComUnica**) to the competent **Register of Companies** in order to:

- Require the attribution of the **tax code** or **VAT number** to the Revenue Agency
- Require registration and modification of the company in the **Register of Companies**
- Proceed to the **INPS** obligations social security purposes
- Proceed to the **INAIL** obligations for insurance purposes.



ComUnica obligations for the Revenue Agency

Like partnerships, corporations, may require the assignment of the **VAT number** at the **Revenue Agency** also at the same time of the application related to the **Register of Companies** by filling the related forms into **ComUnica** or by filling the official form available to the web site www.agenziaentrate.it. In this last case please note that the official form should be attached too at the **ComUnica** practice.

For the assignment of the **VAT number** is necessary to identify in advance the activities being undertaken and their encoding **Ateco 2007**. A useful online tool to locate the ATECO code is the link <http://ateco.infocamere.it/ateq/home.action>.

The **VAT number** (Value Added Tax) is assigned immediately after the electronically submission of the **ComUnica** practice to the **Register of Companies** and is contained in the related receipt.



ComUnica obligations related to the Register of Companies

In partnerships and even in the corporations, **within 30 days** of the establishment of the company, the **notary** must apply for registration to the **Register of Companies** at the **Chamber of Commerce** by completing the appropriate forms contained in the **ComUnica** software.

The identifying elements of the company should be given (company name, location, etc.) as well as those relating to members (directors or not). Upon enrollment a **30 euro** administrative⁷ fee is expected to be paid.

The **annual fee** is a tax that must be paid each year by companies registered into the **Register of Companies** and should be paid by the **Model F24** provided by the **Revenue Agency** available at banks, post offices or on line (on the web site www.agenziaentrate.it) and only enrollment may also be paid at the time of application submission. The annual fee for corporations is equally amounted to 200,00 euro.



ComUnica obligations related to INPS

Even in corporations, if the company at the time of the constitution has employees or coordinated and continuous workers, an **INPS** previdential position must be open. If the employer hires the employees after starting the business he could open the previdential position with **ComUnica** or also through the **INPS** electronic channel.



Comunica obligations related to Inail

Equally in Partnerships and Corporations, employers must notify **INAIL** at the same time of the beginning of the activity. Any change and possible termination of the insured risk must be communicated to **INAIL** within 30 days.

All employers, principals and other insurers are obliged to the establishment, the endorsement the compilation and the storage of **payroll** as well as the **accidents registered**.

It should also be noted that with the introduction of Business in one day one will not only start the business entity, but it is also possible to declare the respect of the legal provisions.



Business in one day

"**Business in one Day**" is a portal which is the only point of reference for the administrative matters relating to the production activity of the entrepreneur, with the task of providing a unique and timely response in place of all the administrations involved in the proceedings.

With **Business in one day** can be started on the same day not only the formal obligation required for start the business, but it is also possible to declare the conformity with the legal provisions that allow the exercise.

Infact, this portal helps the entrepreneur follow all administrative matters and procedures concerning the operation of productive activities, provision of services and procedures. These matters allow one to locate, construct, transform, remodel or renovate, expand or relocate, stop and resume such activities.

The portal provides high level information and companies assistance in receiving and transmitting practices regarding the formalities required for the entrepreneur:

- Through the section "**electronically sending to the SUAP**" the portal puts the entrepreneur directly in contact with the local SUAP (the unique desk provided by the city

⁷ See paragraph 1.4 "Establishing company costs" -chart 14 "Constitution corporations."

hall for the commercial activities) that gives a direct electronical access at the procedure available for start a business or any other performance expected

- Through the section **"Information about procedures"** it is possible to consult the section on checks carried out by the public administration to which companies are subject according to their size or business sector. Also, to know the list of the types of control and the obligations provided
- Through **"Business & Europe"**, you can get assistance and information to help businesses that want to provide services on all European Union territory, either permanently or on a temporary and occasional basis.



Links: Business in one day

www.impresainungiorno.gov.it

Chart 11: Summary of compliance with the ComUnica procedure

ComUnica Requirements	
Registration in the Business Registry	When the company is registered in the Business Registry: → Corporations acquire legal personality and become legal entities for all intents and purposes: this means that the company exists and can operate only once they are registered; → the partnerships acquire full effect vis-à-vis third parties, even if they are formed when the instrument of incorporation is signed.
Registration and activity reporting to the Economic Administrative Index (REA)	When the company is formed, it must always be registered with the Economic Administrative Index even if business activity does not begin when the company is formed. Financial, statistical and administrative data not included in the Business Registry are collected by the Economic Administrative Index.
Requests to the Revenue Agency for allocating tax codes and VAT numbers	The tax code number and VAT numbers identify the company in a whole range of documents drawn up throughout the life of the company. For example, they must be indicated in tax declarations, payment forms, applications, on the company home page and any other website. The VAT number is also needed for intra-Community trade and is a distinctive feature of European businesses. Italian VAT becomes European with the prefix "IT".
Declaring business start-up VAT	The company must also notify the Revenue Agency of its' formation (business start-up VAT declaration) even if business activity does not begin when the company is formed.
Notification of business start-up certificate to the competent local authority	If the company carries out financial activity, known as "regulated activity" (specific activities which may be carried out subject to meeting the technical-professional requirements) a business start-up certificate notification must be submitted.
Making social security contributions to the INPS (in the case of employees)	If, when it is formed, the company has employees or regular collaborators, it must make social security contributions to the INPS. The contributions are usually single contributions, even if the employer creates a new operating unit (sites that are permanently occupied by one or more employees).
Making insurance contributions to the INAIL (in the case of employees and regular collaborators)	If, when it is formed, the company has employees or regular collaborators, it must also make insurance contributions to the INAIL, declaring, at the same time as activity begins, the work it intends to carry out. Within 7 days of receiving the declaration, shall send the company the information concerning the insurance contributions via email.

Source: Prepared by KPMG.

Subsequently, the presentation of ComUnica, must perform the following additional tasks:

Chart 12: Additional requirements

Subsequent requirements	
Registering of the articles of incorporation	The articles of incorporation must be registered by the authenticating notary at the Revenue Agency of the district where the public official who drew up the document resides. Registration is carried out on the date it was requested. The registration fee must be calculated on the basis of the type and value of the contributions at a fixed rate or proportional.
Preparation of company books	<p>The administrative body must prepare, according to the type of company and the accounting system chosen, the necessary account books and, with regards to corporations, company books. Authentication (or stamping) of the books before they are used is only obligatory for company books and may be carried out at the Business Registry or by a notary. It is optional for account books.</p> <p>The administrative body must also draw up the inventory before business activity begins.</p> <p>Any company that recruits employees after it is formed, must establish, keep and update its books and documents related to the working relationship or the single employment ledger and accident book.</p>

Source: Prepared by KPMG.

1.4. Establishing company cost

The underlying charts indicate at glance the main costs for the establishment and management of partnerships and capital⁸:

Chart 13: Costs for setting up management partnerships

Costs per type of company			S.s.	S.n.c.	S.a.s.
Fixed formation expenses	Notary fees		0	From € 1000,00 ad	From € 1,000.00 ad
	Registration fees		€ 168,00*	€ 168,00*	€ 168,00*
	Chamber fees	Administrative fees	€ 19,00	€ 19,00	€ 19,00
	Registration at Business	Stamp duty	€ 59,00	€ 59,00	€ 59,00
	Business start-up declaration	Administrative fees	€ 18,00	€ 30,00	€ 30,00
	Economic Administrative Index	Stamp duty	Exempted (if agricultural company € 59)	€ 59,00	€ 59,00
	Registration at Business Registry CCIAA Annual fee		If Agricultural activity from € 100.00-120.00 If commercial activity from € 200,00 a €240,00*	From € 200.00 to € 240.00*	From € 200.00 to 240.00*
Management expenses	Authentication Accounting records	Licence taxes	€ 67,00	€ 67,00	€ 67,00
		Stamp duty	€ 14.62 for every 100 pages	€ 14.62 for every 100 pages	€ 14.62 for every 100 pages
		Administrative fees	€ 25,00	€ 25,00	€ 25,00
Total			From € 470.62 to € 669.62	From € 1,712.62 to € 2,341.62	From € 1,712.62 to € 2,251.62

Source: Prepared by KPMG, information updated in October 2013 taken from the Guide to the presentation of the questions and complaints to the Registrar of Companies and the REA (August 2013).

Chart 14: Costs for the basic administration of the corporate companies

⁸ Depending on the chambers of commerce of the different Provinces costs could vary.

Costs/type of company			S.r.l.	S.r.l.s	S.p.a	S.a.p.a.
Costs/type of company	Notary fees		Approx. € 1,500		Approx. € 2,500	Approx. € 2,500
			-	Exempt	-	-
			€ 2,000.00		€ 3,000.00	€ 3,000.00
	Registration fee		€ 168,00*	€ 168,00*	€ 168,00*	€ 168,00*
	Chamber fees	Stamp Duty	€ 65,00	Exempt	€ 65,00	€ 65,00
	Registration at Business Registry	Administrative fees	€ 90,00	Exempt	€ 90,00	€ 90,00
	Economic administrative index	Administrative fees	€ 30,00	€ 30,00	€ 30,00	€ 30,00
Registration at Business			€ 200,00	€ 200,00	€ 200,00	€ 200,00
Management expenses	Authentication Accounting records	Licence taxes	€ 309.87 if capital is less than € 516.46 a year if capital is more than € 516,456.87	€ 309.87 if capital is less than € 516.46 a year if capital is more than € 516,456.87	€ 309.87if capital is less than € 516.46 a year if capital is more than € 516,456.87	€ 309.87 if capital is less than € 516.46 a year if capital is more than € 516,456.87
		Stamp Duty	€ 14.62 every 100 pag.	€ 14.62 every 100 pag.	€ 14.62 every 100 pag.	€ 14.62 every 100 pag.
		Administrative fees	€ 25,00	€ 25,00	€ 25,00	€ 25,00
	Annual budget and list of members	Administrative fees	€ 63,00	€ 63,00	€ 63,00	€ 63,00
		Stamp Duty	€ 65,00	€ 65,00	€ 65,00	€ 65,00
		Total		From € 2,530 to € 3,237,08	Approx. € 875.49	From € 3,530.49 to € 4,237.08

Source: Prepared by KPMG, information updated in October 2013 taken from the Guide to the presentation of the questions and complaints to the Registrar of Companies and the REA (August 2013).

* Due to the combined provisions of Article 10 of Legislative Decree no. 23/2011 and Article 26 of DL 104/2013 (the so-called Decree "Education"), issued September 9, 2013 and published in the Official Gazette September 12, 2013, from 1 January 2014, the **registration tax** will be increased to 32 euro, more in details will increase from the previous 168 to 200 Euros.

1.5. The Corporate Compliance

A business in Italy **must conform to a series of laws, regulations, procedures and codes of conduct.**

By way of example, one of the most well-known regulations that "govern" the company's activities includes:

- the D.Lgs. 81/08 " Consolidated Safety at work "
- the D.Lgs. 231/01 " Governing the administrative liability of legal persons "
- the D.Lgs. 196/03 "Code regarding the protection of personal data "cd. Privacy Code.

Below we analyze **the main requirements** that must be implemented by companies to be *compliant* with the regulations listed above.

1.5.1. The Health and Safety at Work Act (Legislative Decree 81/08)

In Italy, the health and safety at work is regulated by Legislative Decree no. 81 of 9 April 2008, also known as "**Code of health and safety at work**", and the related corrective measures⁹.

The following chart explains the main requirements to be met by companies in the field of safety at work:

Chart 15: Compliance with Health and Safety at Work Act, Legislative Decree no. 81/2008

Requirement	Description	Carried out by	Period
Notification	Before beginning a business activity, the Local Authority in which the company to be opened is based must be notified of the start-up of the business. Businesses with more than 3 workers and which intend to carry out work on premises or buildings, must inform the territorial supervisory board (Occupational Health and Safety Functional Unit, UF PISSL, of the local health administration unit), indicating the location of the work and the main methods of execution and the features of the premises and systems.	Employer (E) or Delegate	At the start of the business and when significant changes are made
Risk assessment drafting or self-certification if the company has less than 10 employees (within 90 days from the start of activity or 30 days following any significant changes made)	Legislative Decree 81/08 stipulates that every Employer (E) must draft a risk assessment document known as a DVR (on a transitional basis, companies employing up to 10 employees may carry out self-certification) with the help of the Prevention and Protection Service Supervisor , a technical role for which the Employer must nominate a candidate for each business activity. In the DVR, the Employer must show that they have taken account of all the risks in the workplace and those relating to the work carried out by their employees, members or relatives working in the company (Art. 17 D.Lgs 81/08)	Employer (E)	At the start of the business and updated tri-quarterly
Prevention and Protection Service Supervisor, (annual - may be external only for small businesses)	The Prevention and Protection Service Supervisor may be someone from inside or outside of the company, must have the professional skills and requirements set out by Art. 32 of Legislative Decree 81/2008 and must be capable of coordinating the Risk Prevention and Protection Service or " <i>all staff, systems and external or internal systems used in the professional risk prevention and protection activity for employees.</i> "	Employer (E)	Annually
Appointment of competent Doctor	In cases provided for by the law (or if an individual employee requests so and the competent doctor considers it relevant), the employer shall appoint the competent doctor. Appointment is not always obligatory. It becomes obligatory when workers are exposed to higher risks .	Employer (E)	Annually
Appointment of first-aiders and firewardens	The employer is also obliged to appoint first aiders and firewardens. They must obtain certification after attending the appropriate courses.	Employer (E) and Employee Safety Supervisor (ESS)	
Appointment of Employee Safety Supervisor	Employees, within trade unions, must nominate or appoint a Employee Safety Supervisor (ESS) who must attend all safety checks.	Employees	3 years
Training and informing staff	In accordance with Articles 36 and 37 of Legislative Decree 81/2008, the Employer must themselves (or through other organisations they have identified as suitable) train and inform employees on the health and safety risks of work related to business activity, first aid and workplace evacuation procedures.	Prevention and Protection Service Supervisor or experts	At the start of changes and periodical updates
Accident recording	All companies with at least one worker, as set out by Legislative Decree 81/08, are subject to keep an accident recording . Workers include, other than employees, members, interns and school and university students.	Prevention and Protection Service Supervisor and Human Resources	At the start of approval and occasional registration

Source: Prepared by KPMG, C. Areco & C. Sas di Alberto Recami

⁹ Legislative Decree No.106 of 3 August 2009 and further by subsequent decrees.



Links:

INPS, INAIL and ASL of Tuscany Region

www.inps.it; www.inail.it; www.regione.toscana.it/-/aziende-sanitarie-locali-asl-

Consolidated Safety at Work

www.lavoro.gov.it/SicurezzaLavoro/Pages/home.aspx

1.5.2. Lgs. D. no. 231/01 "administrative liability of legal persons"

The Decree of 8 June 2001 no. 231 has introduced a new profile in the Italian administrative liability of entities. Corporate responsibility stems from the fact that the material author of the crime is a senior person (e.g. equipped with powers of representation, administration or management) or a person under the direction and supervision of the same.

The Company is liable due to the advantage it gets, or the interest that follows, due to the occurrence of one of the offenses specifically by Decree (so-called "offenses assumption").

The Entity's liability is added to individuals that represent them and who actually have realized the offense.

The regulation provides the institution the opportunity to escape this responsibility if he/she is able to prove the correct realization and implementation of a "**Models of organization and management for the prevention of the offenses under the Decree.**" The practice followed by most companies for this service is to contact a consulting firm that offers services of compliance with Legislative Decree 231/2001.

1.5.3. Lgs. D. no. 196/03 "Code regarding the protection of personal data" known as "Privacy Code"

Each company "data controller" of personal data must **comply with all the fundamental principles established by the Lgs. Decree no. 196/03** for the data processing (data accuracy, relevance, not excessively, and conservation treatment needs only for the time needed).

The owner then has to appoint the processors and any responsible, give the information to the individuals, obtain their consent where appropriate and above all respect (at least) all the minimum security measures established by the privacy code and periodically check their application.

The main Privacy requirements which companies must make include:

Chart 16: Tasks Privacy D.Lgs. 196/2003

Requirement	Description
Drafting of suitable information documents	A business which handles personal data must explain to the parties concerned (e.g. clients and employees) through a clear and full information document, the main methods of handling the personal data affecting them. The purposes and methods of handling, if the data should or may be provided, the parties concerned and any parties who may be given or informed of the data are included.
Consent	After informing the parties concerned, the business must ask for the consent to use the personal data - Informed Consent. The consent must be freely given and informed in writing.
Appointment of staff for handling personal data	Staff authorized to handle data are natural persons handling data physically and work under the direct authority of the holder of the data (or the supervisor if nominated) in accordance with specific instructions. In order to carry out this work legally, the staff must be appointed in writing.
Appointment of staff for handling personal data and analysing data-handling outsourcing	The person in charge of the personal data may appoint one or more Data-handling Supervisors . The person appointed must be authorized by a written document where their allocated tasks must be specified.
System Administrator	Within a company, a particular person may be nominated as System Administrator . This is a professional who has access to the company's most confidential data.

Source: Prepared by KPMG.



Links:

Protection commissioner

www.garanteprivacy.it

1.6. Bank financing forms for businesses

Depending on the type of investment that the investor wants to open, there are various possibilities of bank financing, as described in the following table:

Chart 17: Types of bank loans

Financing options	
Short term financing: has a contractual term of 18 months	
Advances on current account	Through an advance on a current account the bank will make the payment directly to the current account.
Exchange subsidy	Guarantees a certain flexibility vis-à-vis unscheduled cash needs.
Medium and long-term financing: provide a repayment from 18 months to 15 years.	
Mortgage loan	This is a form of financing granted for a mortgage credit on a property and is usually contracted for large amounts.
Unsecured loan	As opposed to a mortgage loan, it should not be backed by a real estate credit. Only used to purchase property needed for the business and is used for medium-sized loans. As it is not backed by a mortgage, an unsecured loan requires other types of guarantee (bills, deed of pledge, sureties etc.).
Overdraft: this a commitment undertaken by the bank vis-à-vis its own clients (which could be a company or an individual) through granting the use of a sum of money or by issuing a bond through a third party.	
Bank account overdraft	This is a particular form of financing granted to natural and legal persons. It is a credit line which may be used each time the client needs it. The difference between financing and an advance on the current account is that the amount is paid once and in full for the financing to be repayed by a set deadline while in an advance on the current account, the bank must make an amount of cash available for the client for a fixed or indefinite period. The parties concerned will therefore only be paid on the effective use.
Disposal of receivables	This term (known as a credit line) means credit lines which permit the disposal of receivables that a third party holds in respect of another third party. The most important types are: <ul style="list-style-type: none"> - Advances on invoices: advances that the bank grants on invoices that the client has issued to a third party - Trust portfolio: advances that the bank grants on bank receivables and bills - Exposure by sign: guarantees granted by a credit institution to third parties on behalf of third parties. The technical form most often issued is the bank exposure. - Foreign exposure: all credit lines which support a company in its commercial activity abroad.

Source: prepared by KPMG.



Links: Tuscan bank addresses
www.comuni-italiani.it/09/banche/sedi.html



Links: Italian Banks Association (ABI)
www.abi.it
Phone: + 39 06 67671
Fax: + 39 06 6767457

Once the foreign investor has assessed the financing form that is best suited to his entrepreneurial choice, the banks will require the foreign investor (both EU and non-EU citizen) the documentation relating to the legal form chosen (representative office, branch, branch office, etc.), data administrators, legal representatives and all that will be useful to the bank to evaluate the project.

1.6.1. Business procedure in applying for bank loans

If someone starts a business, one of the documents that the foreign investor must necessarily predispose **in obtaining financing from banks** it is a plan of action **so called Business Plan** that allows the financial institution to assess whether the activity that the investor intends to launch will be able to produce enough income to cover its **debt** and to ensure adequate return for the investor. In addition, the **Business Plan** must be attached to the grant application and the following documents are needed at the Institute for the assessment of the investor:

- Article of incorporations
- Appointment of directors
- Any investments in other companies
- Last 2 budgets (if any)
- Updated statement to the date of application for funding
- List of banks (including foreign) with which you have dealings (indication of any trust, mortgages, advances on invoices, or other).

In addition to the above documents, it is of fundamental importance also a description of collateral held by shareholders. In fact, before granting a loan the bank must assess the "probability of default", e.g. the probability of default, the risk of a debtor, on a certain time horizon, go into default by not honoring its commitments in terms of repayment of the principal and/or interest payments within the time agreed in the contract.

The evaluation of existing safeguards, or that the bank can acquire it is possible to assess more specifically the balance sheet and solvency of the members.

The guarantees are divided into two main categories: **Collateral** and **Guarantees**. The **collateral**, are those related to a physical goods and are distinguished:

Chart 18: Collateral and features

Collaterals	
Mortgage	The mortgage is imposed either on a immovable property (e.g. the property whose purchase requires a mortgage) or a registered movable property (e.g. a car) or on State pensions (State securities).
Pledge	The pledge is imposed on a movable property to guarantee a credit. In a pledge, ownership of the property, which must be specifically indicated, shall be transferred to the creditor. Unregistered movable property and financial instruments (pledges on securities) may be pledged.
Special pledge	The pledge enables the bank to guarantee medium and long-term financing to business during the registration of a bond related to movable property that is not registered in the public records. Systems, machinery, capital goods in general but also consumables and products, goods purchased with financing granted and receivables arising from the sale of pledged properties.

Source: prepared by KPMG.

Personal guarantees are those related to the assets of a person. The main guarantees are:

Chart 19: Personal guarantees and characteristics

Personal guarantees	
Sureties	When a surety is issued it guarantees the bank, up to the maximum amount stipulated in the contract, for the fulfillment of obligations undertaken with the bank itself by the guaranteed debtor.
Endorsement of bills	This is a guarantee loaned to the creditor bank of a third party by signing bills issued by the main debtor to the bank itself, for a payment or a guarantee (full or partial) of the credit obtained.
Comfort letter	The comfort letter is a particular form of personal guarantee with which a third party, usually a natural or legal person with a controlling or significant interest in the capital of a debtor company vis-à-vis the bank, provides declarations and undertakes commitments vis-à-vis the creditor bank.

Source: prepared by KPMG.



The Consortia (I Confidi)

The Consortia (Confidi) - Credit Guarantee Consortiums - play an important role among all the guarantees to access at the bank credit.

The consortia engages in the provision of guarantees to facilitate companies' access to finance in the short medium and long term, for the economic and productive activities. The trust companies offer:

- expansion of credit worthiness (prevention of usuary)
- reducing the cost of money
- transparency and certainty of conditions
- financial advice and guidance

The Guarantees of Consortia (also called “Confidi”)

- **The First Demand Guarantee:** The consortia meet its obligations (guarantees) with all of its assets, and the occurrence of the default company, shall stand at the simple request of the Bank guaranteed.
- **The guarantee Captive:** The consortia facilitate the access to credit through the Consortium Funds, consisting either through public resources or through the contributions of entrepreneurs associated. Funds with the Consortia, establishing the intermediaries' bank guarantee funds by virtue of specific agreements, which act as a lever for the provision of credit, according to a multiplier recognized based on the riskiness of the trust itself. The multiplier can range from one to thirty. Normally the consortia are assigned a credit limit of use. On loans granted by the bank, the Fund assumes a percentage of risk between 5% and 100% in case of insolvency depending on the type of financing and its destination. In case of company default, the guarantee is set aside by the bank and finally collected after having heard as a witness and as a priority, the principal debtor and its eventual guarantors. The bank agreement has a right of access to the Fund of consortia for the amount of guarantee provided for in the agreements.

The major Consortia (Confidi) in Tuscany are: **Fidi Toscana** e **Artigiancredito Toscano**.

- **Fidi Toscana:** is the first financial Tuscan company with the aim of facilitating access to credit for small and medium-sized enterprises that have viable prospects for growth but do not have adequate collateral.
- **Artigiancredito Toscano-ACT:** is one of the most representative Italian consortia guarantee access to credit for Small and Medium Enterprises, units promoted by associations of small and medium enterprises CNA and Confartigianato and the Region of Tuscany. Currently including over 60,000 companies, through which the performance of ACT benefit from facilitations on loans granted by the banking system and take advantage of other financial products and services.



Links: Fidi Toscana

www.fiditoscana.it



Links: Artigiancredito Toscano

www.artigiancreditoscano.it/confidi.html

1.7. The main extraordinary operations

Outside of ordinary businesses when a company wishes:

- to change the structure or legal form
- to transfer ownership or control of the company
- to liquidate the company and then pay off the firm

May carry out a series of extraordinary transactions, including the main ones are:

- the transformation
- mergers and demergers
- the sale
- the rent
- the company transfer

All these operations are regulated by both our Civil Code and the fiscal regulation.



Extraordinary tax transaction features

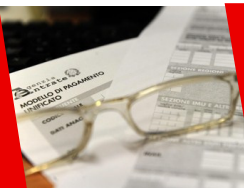
Extraordinary transactions are characterized by some peculiarities from a tax point of view. In fact, the laws provide that the extraordinary transformation, merger, division, and contributions are "neutral" from a direct tax point of view (**IRES** and **IRAP**¹⁰), which means that the capital gains arising from the transaction are not subject to taxation. In case of a negative result, the same is not deductible from **income**.

In terms of indirect taxes, these operations provide strong incentives: the same are excluded from the VAT application, and **registration tax** is applied at a fixed rate of € 168,00 (due to the combined provisions of Article 10 of Legislative Decree no. 23/2011 and Article 26 of DL 104/2013, the so-called Decree "Education", issued on September 9, 2013 and published in the Official Gazette of September 12, 2013. Starting from 1 January 2014, the **registration tax** is to be increased to € 200,00).

The last extraordinary operation, the company's rent, which instead follows the ordinary rules: the tenant may deduct the lease payments while the owner will tax its revenues. All revenues and costs related to the management company (including the license fee and amortization of corporate assets) are retained by the tenant.

The rentals are subject to **VAT** with the ordinary rate of 22%. The **registration tax** is applied at a fixed rate for €168.00 (€200.00 in 2014).

¹⁰ See paragraph 2.1 "Tax on income of the Company "(IRES) and paragraph 2.2" regional tax on productive activities "(IRAP).



2. The corporate tax system in Tuscany

Any entity carrying out a business activity in Italy is subject to Italian taxation, according to the general territorial principle.

Applied taxes change according to the type of company it is referred to:

- corporations that have their own legal entity are subject to **the income tax of the Company** (or also known as **IRES**)
- individual companies or persons not having legal entities are not subject to a specific tax. In this case, same members have to pay taxes on business income produced by the company. The tax reference is **the personal income tax** (called **IRPEF**) for further details see Chapter 7.

All companies, regardless of the juridical form chosen, are subject to the **regional tax on productive activities** (called **IRAP**) due to the Tuscany Region on the basis of the company business activity in the territory. They are also subject to the **Municipal tax** (called **IMU**) but in this case, only if companies are owners of property, land, building land for any use, including those utilized for the business activity or those in production and exchange.

In Italy, there is no specific tax for permanent establishments of foreign companies: these are subject to the same taxes referred to above, along the lines of Italian companies. In this case, the tax paid in Italy is a credit for the foreign company and the taxes should be paid in the country of origin regarding their income and the permanent establishment income.

Italian tax law also provides **only for certain types of income**, the tax payment through the **withholding tax**: in these cases, at the time of a specific fee payment (defined according to the presidential decree no. 600 of 29 September 1973) the entity that owns the business activity must apply the withholding tax and pay the same sum to the tax authorities. In this case, the provider of the **income** retains the amounts of the withholding tax that is defined as **withholding agent**. Among the main income subject to withholding are: the employee's income, self-employed income, income from commissions, dividends, interest and *royalties* (about the last subjects, see in particular the following below).

Dealing with tax issues, it is necessary to point out that in Italy there is a general principal of **anti avoidance**, contained in art. 37-bis of Presidential Decree no. 600/1973 mentioned above. This article refers to all acts or facts entered into by any person characterized by the following three components:

- the absence of valid economic reasons;
- avoiding obligations and prohibitions laid down by law
- achieving a tax saving one could not otherwise have.

Upon the occurrence of these conditions, the **tax authorities** may disregard the tax effect resulting from these transactions requiring the taxpayer to pay higher taxes.

A further fundamental principle that exists in Italian tax law is the principle of the **prohibition of double taxation**. In order to prevent several different taxes from being established for the same purpose, or on the same source of **income** or assets. To this end, the legislature has set specific regulations to sustain the principle of fairness, which must always be based on taxation.

In the international field, the phenomenon of double taxation may occur in relations between different states, which on the basis of its internal rules may find themselves having to tax the same source of **income** in relation to a single subject.

The principle of the prohibition of double taxation is not universally recognized in the international level: therefore it often creates conflicts that are resolved with the so called **bilateral conventions to prevent double taxation**. **On the topic, as a member of OECD, Italy has a particularly favorable position, having signed numerous bilateral agreements with most of the countries that carry out trade relations (over 100 countries)**, and offering foreign investors a remarkable protection against double taxation. For more information, visit the website www.fiscooggi.it/accordi-e-convenzioni/accordi-vigenti where the current texts of the conventions in Italy are available.

2.1. The corporate income tax

Corporate income tax, or **IRES**, has a **27.5%** rate applied to the total income earned by corporations. In some cases, a reduced rate may be provided, while there is a surcharge for ordinary people who work in the oil and gas industry.

The **IRES** is applicable without distinction on resident and non-resident capital companies in Italy. However, for the resident company **IRES** is applied on all types of income. Therefore the income produced in Italy and abroad for the non-resident company, IRES is applied only on the income produced in Italy.

In this regard, the Italian tax law considers companies residing in Italy for most of the tax period (e.g. for more than 183 days) to:

- have their head offices in Italy
- have the administration office in Italy
- establish the business activity in Italy



Tax period

The corporate **income** tax is determined by **every single financial year** (that corresponds to the **fiscal year**), whose effect is generally given in the articles of the company and that coincides with the calendar year¹¹. They can also be established periods that do not coincide. If nothing is set in the articles of incorporation, the period shall be determined by law as coinciding with the calendar year.

¹¹ Usually, for the first year of activity, the period may not coincide with the calendar year and may even exceed 12 months.



Taxable amount calculation

The **taxable amount** of corporate **income** tax is determined by the difference between the revenues arising from the business activities done during the year, and deductible expenses based on the provisions of the Italian tax regulations¹².

In practice, the calculation is performed starting from the financial statement results. These can be a profit or a loss, by bringing the increases or decreases resulting from the application of the criteria established by tax legislation.

The tax base can be positive (in which case the company has **taxable income**) or negative (in this case, the company has achieved a **tax loss**).

Revenues and **taxable income** include any contribution received during the regular activity. Such as, revenues from the provision of goods and services, both financial income, income from investments and interest and also the real estate income (income from land and buildings).

Not all income is taxed in full: financial gains from the disposal of investments in **subsidiaries** or **associates** are eligible for particular consideration (called **participation exemption**, or **Pex**) which are subject to only 5% taxation if certain conditions are met (see the following below regarding this



Participation exemption (o PEX)

Capital gains from the sale of equity investments are exempt for 95% of the amount (and therefore only taxed at 5%) if the following requirements are met:

- ownership of the investment for a minimum period of 12 months
- classification of participation among financial assets in the Financial Statements
- tax residence of the subsidiary in a country not a tax haven
- investee company must exercise a commercial enterprise, that is, an activity that give rise to business **income** of at least three years.

subject).

Costs and expenses incurred during the year are deductible if they are inherent in the business and may include:

- costs for the purchase of raw materials, semi-finished products
- service costs (energy consumption, promotional activities and representation consultants, etc.)
- employee expenses
- costs for rental premises and equipment
- depreciation and amortization
- financial expenses, extraordinary etc.

To avoid forms of abuse, there are **limits for certain deductions of expenses** mentioned above. For example, telephone and internet costs are limited to a deductible of 80%. Hotel and restaurant expenses are limited to a deductible of 75%(representation expenses). Vehicles having a non-exclusive use within the enterprise have a limited deductible of 20 %. These limits are deductible up

¹² The reference standard for the determination of business income is contained in Section I, Chapter II, Title II of Presidential Decree 917/1986.

to a maximum of € 18,076 in the case of purchase of ownership or leasing and € 3,615 in the case of rental.

The application **rate of 27,5%** on taxable income determines the amount **of income tax** to be paid (which is the taxable **income** of the company).

2.1.1. Carry forward of losses

As mentioned, if the result of increases and decreases made to the tax base determines a negative result, the company will end the year with a **fiscal loss**.

This **can be brought down from the total income** of the subsequent tax periods, **without time limits, but not exceeding 80% of that income**, for the full amount that is in this capacity.

In practice, if the company produces an **income** in a tax period and even in the presence of losses carried forward, they will have to tax an amount equal to 20% of predicted **income**. The remaining portion of the losses will be carried forward in subsequent periods with the same rules.

The carryover **is allowed an amount equal to 100% when it comes to losses incurred in the first three fiscal years** from the date of establishment of the company and refers to a new productive activity.

2.1.2. Group taxation

The Italian tax system offers the advantage of a **special taxation which allows the companies belonging to the same group to calculate the IRES in a unified way** that is in relation to a parent company taking the taxable total **income**.

The main **advantages** offered by this mechanism of taxation are: compensating intercompany gains and losses and the ability to make some adjustments to the taxable **income** that is not normally accessible with the purpose of canceling the tax effects of certain intra-group transactions.

In addition, the tax credits to a company of the group such as those relating to research if not used directly by the companies can be transferred to the parent company and used for the determination of the global **income**.

Companies can take advantage of this special tax regime if they meet certain conditions:

- companies are subject to **IRES**
- the fiscal year coincides
- having exercised the option of tax consolidation.

The option can be exercised by sending a special form available on the website of the Italian **Revenue Agency** and will expire in 3 fiscal years.

www.agenziaentrate.gov.it/wps/content/Nsilib/Nsi/Home/CosaDeviFare/Richiedere/Regimi+Opzioni/Opzione+regime+Consolidato+Nazionale/.



Corporate groups and international aspects



Withholding tax on dividends, interest and royalties

In general, payments of dividends, interest and royalties from Italy to a foreign country are subject to withholding tax. In practice, at the time of payment, the amount due by the Italian company must retain a percentage to be paid to the Italian State.

The domestic tax legislation establishes the following withholding tax rate on these incomes:

- 20% on dividends;
- 20% on interest;
- 22,5% o 30% royalties, depending on the case.

But there are exceptions that allow reduced or even no rates to apply to the withholding tax. This depends on the country of residence of the foreign company and the relationship with the Italian company.

In fact, if an Italian company must pay **dividends, interest or royalties** to their foreign parent **company resident** in the European Union, it is also provided the exemption from **withholding tax on payments out of Italy**.



In particular, **dividends** paid to a European **parent company** by a company resident in Italy, are **exempt** from withholding tax if they meet the requirements set by the European Directive no.96 of 30 November 2011 (also known the directive "mother-daughter"):

- **legal form**: the companies involved must take one of the forms provided for the **corporation** and must be subject to corporate income tax without benefit of option considerations or exemption
- **minimum share**: foreign companies must hold a direct share in the Italian company not less than 10% of the capital
- **possession period**: participation must be held continuously for at least one year
- **the foreign entity** must be the **beneficial owner** of the dividends.

To enjoy exemption from withholding, the above documentation must be acquired by the Italian company by the date of payment of dividends and retained, along with the request for exemption, as long as they are not time-barred to the tax **assessments** (5 years).

In the absence of the above features, **the payment of dividends out of the national territory to persons residing in the Member States of the European Union, a reduced withholding rate of 1.375 per cent is applied.**

In all other cases, dividends paid to non-residents in a Member State of the European Union, the exemption or tax reduction cannot be applied: in this case a withholding of 20% is applicable according to the ordinary regime. However, the rate provided in the conventions against double taxation are applicable. Those are generally more favourable than the domestic legislations.

Regarding the **interest payment and royalties** paid by a company resident in Italy to a company resident in another EU member state. These are exempt from tax if it meets the requirements of EU Directive on interest and *royalties* (49 directive of 3 June 2003), which must be companies with legal form indicated in the same Directive (corporation) tax resident in one of the EU countries and subject to income tax without the benefit of consideration, options or exemption.

In this field the following characteristics are necessary:

- **the foreign entity** must be the **beneficial owner** of interest or *royalties*
- **among the companies** there must be a relationship of direct participation not less than 25% in the company
- **shares** should be held continuously for at least one year.

In the absence of the above features, the deductions for interest and royalties leaving the Italian territory are applied in the ordinary measure, representing respectively **20%** and **30%**. However, the rate provided into the conventions against double taxation are applicable. Those are generally more favourable than the domestic legislations.



Transfer pricing regulation

As part of international groups engaged in trade in goods and services within the Group, the Italian tax law provides for a system of rewards for companies that hold a particular documentation on transfer pricing applied.

The legislation provides for intra-group transactions to be carried out at market value. In this respect, the **Financial Administration** has the power to ensure that this rule is respected. This legislation has a clear anti avoidance impact that tends to avoid subtle transfers of income in countries with a more favourable taxation at the expense of Italy.

However, if taxpayers have specific documents, required by the **Ordinance of the Revenue** of 29 September 2010, there is a reward system that consists of the non-application of penalties in case of price adjustments by the **Revenue Agency**. The documentation consists of a **Masterfile**, which contains information about the group. **National Documentation** shows information about the resident enterprise and provides all the information required by law to demonstrate the reasonable prices charged in transactions within the group. The possession of this documentation must be indicated in the tax return of the company.



International ruling procedure

Regarding legislation on the transfer **pricing regime**, taxation of **dividends**, **interest**, and **royalties**, the Italian legislature has provided the possibility to use a specific procedure of questioning Internationals ("**International Ruling**").

International ruling seeks to ensure legal certainty and transparency in the relationship between tax authorities and taxpayers by reducing the risk of international double taxation. It is a procedure that allows companies to submit certain types of international characters in advance to the **Financial Administration** and after several phases leads to the signing of an agreement that is binding on both parties for the tax year in which the agreement was concluded and for two fiscal years.

The provisions to allow companies with international activities to access the above procedure were defined by Order of the **Revenue Agency** Director on 23 July 2004, outlining the subjective and objective requirements for access to the ruling and establishing the operating procedures for the procedure initiation, which involves the following steps:

- the taxpayer has an opportunity to complete on blank paper at Office Ruling Central Investigation - Directorate International - International Sector, Rome Office (which is responsible for the region of Tuscany)
- the international Ruling Office assesses the existence of the subjective and objective requirements of the instance, and if necessary, it may request further information considered necessary
- within 30 days after receiving the instance or further investigation activities, the Office declares the admissibility and invites the legal representative of the enterprise to establish the adversarial phase
- at the end of the latter, we will proceed with the signing agreement between the parties.

The entire procedure has a duration of 180 days (extendable) and for the entire period of the investigation, the company can not go under assessment regarding the same themes of the instance.

There is also an additional procedure of international "ruling", called **Mutual Agreement Procedures** (or **MAP**), which represents a means of settling international disputes based on the cooperation between the tax authorities of two or more Contracting States. This procedure is **applicable only on topics related to transfer pricing regulations**.

This procedure is activated as a result of **assessment** and adjustments from the tax authorities relating to intercompany transfer pricing, as these are issues that affect other foreign countries and allows the taxpayer to have a definition of the assessment that applies to all the countries involved.

The company must submit a specific request (before at the Italian **Financial Administration**, then the foreign) containing all the necessary information and documents, including details of the economic and trade relations between companies associated.

The procedure can be completed:

- with an agreement between the competent authorities within the period of 2 years, or
- within six months, with the issue of an opinion by a referee (Advisory Committee) appointed for this purpose.

2.2. Regional tax on productive activities (IRAP)

The **regional tax on productive activities (IRAP)** is applicable to productive activities within the territory of Tuscany and is due for all companies carrying out activities of goods and services.

The **IRAP** tax base is the difference between revenues and cost of production, as reported in the profit and loss account of the financial statements by applying the relative increases or decreases. By way of example, all revenues and expenses arising from ordinary or typical activity, excluding financial and extraordinary items are relevant for IRAP.

The following exceptions are costs that are not deductible in any case:

- the interest portion of finance lease payments
- expenses for job performance
- losses on receivables
- Municipal Tax on real estate.

The **IRAP** tax base is determined by applying the tax rate established by the Tuscany region of **3.9%**. There are different rates for certain types of individuals (i.e. farmers, government agencies, banks, real estate companies). From 2012, **IRAP** funds paid are a **deductible** expense by the **IRES** tax base payable by companies.

As for the costs of **job performance**, the law provides some exceptions regarding the **non-deductibility**. There are, two types of deductions: one related to small and medium enterprises with limited tax base and the other relating to the presence of employees.

The deduction for small/medium businesses is predicted on the basis of the following table:


Chart 20: detailed deductions for small and medium-sized enterprises taxable

Taxable amount		Deduction (€)
Small and Medium sized enterprises	Less than € 180.759,91	7.350 (8.000 from 2014)
	From € 180.759,91 to € 180.839,91	5.500 (6.000 from 2014)
	From € 180.839,91 to € 180.919,91	3.700 (4.000 from 2014)
	From € 180.919,91 to € 180.999,91	1.850 (2.000 from 2014)


Source: KPMG analysis according to legislative decree no. 446/1997. Data updated through October 2013.

Deductions for employees provide strong incentives for hiring. Those who support costs for employees eligible for either one of the following deductions:

- **Deduction up to a maximum of 5 employees:** each company can deduct € 1.850, on an annual basis, for each employee (other than apprentices, and workers with disabilities in training contract), up to a maximum of 5 (thus, for a maximum amount of € 9,250), provided that the positive components which form part of the taxable amount does not exceed, during the tax period, to € 400,000;
- **Deduction for permanent workers:** each company hiring permanent workers may deduct their social security contributions up to € 4,600 for each worker. The deduction increases to € 10,600 for the women hired for an indefinite period and for all workers under the age of 35 years. From 2014, the deductions are to be increased from € 9,200 to € 15,200.



Links: IRAP guide
www.regione.toscana.it/-/guida-all-irap



Links: IRAP information
www.agenziaentrate.gov.it/wps/content/Nsilib/Nsi/Home/CosaDeviFare/Dichiarare/IRAP+2013/schedainfo+irap2013/

2.3. Indirect taxes

2.3.1. Value Added Tax

Value added tax (VAT) is a tax on goods and services sold to the consumer. For companies subject to this tax, the effect is neutral: companies confine themselves to collect VAT on sales (VAT debt) and deduct the amount of VAT that they have paid for the purchase of goods and services (VAT credit).

If the VAT payable is higher than the VAT credit in the reporting period (transactions in the month / as the case), the company is required to pay the difference. If, however, the VAT credit is higher than the VAT payable, the difference will be refunded, if it is made a specific request, otherwise, the same can be used for the deduction of payments may be due in subsequent periods.

The supply of goods outside the European Union does not discount the VAT ("non-taxable transactions"). Imports of goods instead discount the VAT in Italy.

Deliveries of goods between EU member states are also non-VAT taxable, but the acquiring company will have to integrate the invoice received by the EU seller with the VAT included.

The **standard VAT rate in Italy is set to 22%**. There are two reduced rates, respectively 10% and 4%, with respect to certain services including those of: catering, hotel, food and basic necessities.

2.3.2. Registration tax

The **registration tax** is due on all written documents of any kind (negotiating, administrative or judicial) that produce legal effects.

The tax base is the amount stated in the act recorded, such as the value of the assets or of the rights mentioned in the deed registered.

The tax is payable at the time of registration of the acts to the **Revenue Agency**. May be paid at proportional rates (depending on the assets or rights transferred) or as a fixed amount of € 168 (€ 200 in 2014).

2.3.3. Unique municipal tax

The Municipal Tax on Real Estate (or **IMU**) is payable by all property owners (buildings and land). The IMU is a municipal tax, so it is regulated and payable to the municipality in which the property is

situated, and is applied to the ratable value of the buildings, raised by 5% and multiplied by certain factors according to the cadastral category of membership¹³:

Chart 21: Multipliers by type of cadastral category for buildings

Gear boxes manufactured		Gear boxes
Manufactured	Cat A (excluding A/10), C/2, C/6 and C/7	160
	Cat. B	140
	Cat. C/3, C/4, C/5	140
	Cat. A/10 e D/5	80
	Cat. D (excluding D/5)	65
	Cat. C/1	55

Source: KPMG analysis data provided by the Ministry of economy and finance. Data updated through October 2013.

The standard rate of tax is **0.76%** and each municipality may change increasing or decreasing up to 0.3 percentage points. Then the standard rate can vary from **0.46%** to **1.06%**. Finally, for rural buildings, the rate is equal to **0.2%** that each Municipality can reduce up to **0.1%**. Therefore the same rate can vary from **0.1%** to **0.3%**.

To know the definitive duty rates established by the individual Municipalities, it is necessary to consult the related local web site, tributes section and check the rates applied.

The following table outlines the IMU of municipalities provincial capitals:

Chart 22: IMU rates the ten municipalities Tuscan provincial capitals

Type of property	Town (amount in %)										
	Firenze	Siena	Grosseto	Pisa	Arezzo	Livorno	Prato	Pistoia	Massa	Carrara	Lucca
Main residence (cat.A, certification: C02, C06, C07)	0,40	0,55	0,44	0,4	0,4	0,56	0,4	0,4	0,4	0,4	0,4
Main residence (cat.A01,A08,A09, certification: C02, C06, C07)	0,40	0,55	0,44	0,4	0,4	0,56	0,4	0,4	0,4	0,4	0,5
Other properties (cat. A, C02, C06, C07)	1,06	1,06	0,86	1,06	0,99	0,96	0,76	0,96	0,9	0,96	1,06
General buildings (cat. B, C03, C04, C05)	1,06	1,06	0,86	1,06	0,99	0,96	0,76	0,96	0,9	0,96	1,06
Offices and private studios (cat. A10)	1,06	1,06	0,86	1,06	0,99	0,96	0,76	0,96	0,9	0,96	1,06
Commercial and industrial property (cat. D, except D05)	1,06	1,06	0,86	1,06	0,99	0,96	0,76	0,96	0,9	0,96	1,06
Shops and workshops (cat. C01)	1,06	1,06	0,86	1,06	0,99	0,96	0,76	0,96	0,9	0,96	1,06

Source: KPMG analysis data provided by the Ministry of economy and finance. Data updated through October 2013.

The IMU payment is made in two installments of equal value:

- the first ("account") by 16 June of the reference year
- the second ("balance") by 16 December of the same year.



By the deadline of 16 June, the taxpayer may also provide for the annual lump sum payment of the tax due (both pouring "down payment" and "balance"), if you already know the definitive rates set by the municipalities.

¹³ The cadastral categories are symbols that indicate the intended use of the building units urban areas. For a complete reading of the legend cadastral please see the website www.catasto.it.

To facilitate the tax determination it is available on the website www.riscotel.it, where it is possible to obtain the data of the property, the calculation of the tax due, the model to make the payment and the compilation of IMU statement, if necessary.

Please note that this tax is currently undergoing a review by the national legislature, from 2014, to include it with other municipal taxes in a single tax called **TRISE** (municipal tax on services).



Links: Unique Municipal Tax

www.riscotel.it

2.3.4. *Waste tax and services*

Waste tax and services (known as **TARES**) is a fee established by the Decree Law no. 206 of 2011.

The tax is levied by municipalities of all those property owners and is based on the reference surface of the building, the number of residents, the use, the average production of waste and other specific parameters.

This is due to the service of collection and disposal of municipal solid waste, as well as the cleaning of public land.

Every year, companies receive a statement showing the amount due and the date of expiry by the municipality.

Please note that this tax is currently undergoing a review by the national legislature with the goal, from 2014, to include it with other municipal taxes in a single tax called **TRISE** (municipal tax on services).

2.3.5. *Vehicle tax*

Vehicle tax is payable by all Italian residents who own vehicles, and is based on maximum engine power expressed in KW, to locate on the registration certificate of the vehicle.

It is available on the Regione Toscana website (www.regione.toscana.it/-/guida-alla-tassa-automobilistica-2013) a table showing the rates and deadlines relating to the above-mentioned fee.



Links: Vehicle Tax

www.regione.toscana.it/-/guida-alla-tassa-automobilistica-2013



Links: Italian Vehicle Club

www.aci.it

2.4. The payment of Income tax

Italian tax law provides the self-assessed system for the **payment of the taxes**: applying this system means determining the tax prior to the production of **income** and then proceed with the balance payment of what is actually due: this system can lead to the payment of the balance or the

existence of a credit. The policy of the self-declaration system is therefore based on **advance** and **balance payment**.

Advances are calculated during the year to which they relate but determined on the basis of the previous tax year, and are paid in two installments, one in the sixth month and the eleventh month of the year. Following the determination of the tax, the taxpayer is able to know the tax payable for the period and can proceed with the adjustment. If the difference is a debit balance, the deadline coincides with the payment on account due for the following year.

The payment is made through Bank channels presenting the **F24 Model**, a model provided by the **Revenue Agency** for payment of taxes.



Example of self-declaration and payment of taxes

The company ABC Ltd has the fiscal year coincidence with the financial year, from January 1st to December 31st.

During the year 2013, the company had paid two installments:

- the first advance payment in June 2013 (sixth month of year)
- the second advance in November 2013 (the eleventh month of the year).

The amount of advance payments was determined on the basis of the tax due for the previous year of 2012.

After the end of the financial year ended December 31, 2013, then in 2014, the company proceeds with the computation of taxable profit IRES and it's for 2013.

For that, the company determines the payment difference between what was paid in advance for 2013 and the tax payable for the same operation. There are two scenarios:

- If the tax due for 2013 is higher than the installments, it is due to the payment of the balance by June 2014, together with the payment of the first advance payment provided for the fiscal year 2014;
- If the tax due for 2013 is lower than the advances, the excess is a credit to the company and can be used for the deduction of taxes due, for example, the first installment for 2014.




Links: F24 Model

www.agenziaentrate.gov.it/wps/content/nsilib/nsi/home/cosadevifare/versare/f24/modello+e+istruzioni+f24

2.5. Tax returns to be presented

By the ninth month following the end of the year, corporations are required to prepare and send to the **Revenue Agency** the **UNICO SC Model**, it is possible to declare all income earned by the company and the tax due for the exercise. The model consists of various sections, marked with the

letter R. It must also be presented by the non-resident companies carrying on their activities in Italy through a permanent establishment.



Links: UNICO SC Model

<http://www.agenziaentrate.gov.it/wps/content/Nsilib/Nsi/Home/CosaDeviFare/Dichiarare/DichiarazioneredditiSocEnti/UnicoSC2013/Scheda+informativa+UnicoSC2013/>

Chart 23: The tax declaration through the unique model SC

Income Tax Return: UNICO SC Form	
Obligated parties	All business for each year of activity
Submission	Only electronically (direct or through an intermediary).
Deadline for submission	Before the last day of the 9th month following the reporting date of the fiscal period.
Undersigning	The declaration must be signed by the legal representative of the company and the parties responsible for accounting.

Source: KPMG Data analysis according to the information provided on ministerial UNICO SC model 2013.

Regarding individual companies or persons, as mentioned in the introduction, corporate income is taxed to shareholders, who must submit their tax return. Individual shareholders must present the **UNICO PF Model**, which contains the determination of the total individual **income** and the amount of tax payable for the period (For further details see chapter 7).

Despite not having legal personality, partnerships (snc or sas) are still required to submit the **UNICO SP Model**, which is required to declare the business **income** earned by the company and to be divided between the partners. In this case, the model does not contain the determination of the tax (which will be visible in the declarative model of each member). This form must be returned by 30 September of each year.

All taxpayers who pay **IRAP** must submit the **IRAP Model**, which for every fiscal year reports the positive and negative components that contribute to the formation of the tax base, even if you do not generate any tax liability.

The **IRAP** statement must be submitted electronically only to the **Revenue Agency** by the ninth month following the end of the fiscal year, with regard to the corporation, and by September 30 for all other subjects.


Finally, all taxpayers who carry out transactions subject to **VAT** must submit a **VAT Form**, which must be submitted no later than 30 September of each year.

This form can be independently presented or it could be included in the UNICO SC model.

Taxpayers acted as **withholding agents** (for the payment of the withholding taxes applied during the fiscal year) are required to present also the following form models:


- **770 models** must be given all the information and withholdings of people in receipt of **income** subject to withholding tax. The Model 770 is of two types, Simplified and Ordinary. For the generality of withholding taxes on income (income from employment, self-employment income, etc.) the simplified model is required, while the Ordinary Shall be submitted only in the event of withholding tax on dividends, investment income, capital gains and financial transactions. For both models the deadline is 31 July of each year.
- **CUD model**, (certifying employee of earned income), is a model that the withholding agent must issue to the income earners in employment and pensions, in order to certify the amounts paid and the related withholding. Must be provided to people in receipt of **income** by 28 February of each year and should not be sent to the tax authorities.
- **Model CUPE** (certification of profits and equivalent) awarded exclusively by the corporation to the residents and non-residents in Italy useful earners arising from participation in the companies themselves. Must be delivered to individuals for the **income** earners by 28 February of each year, and should not be sent to the tax authorities.

Finally, only the fiscal unit that calculate the **IRES** through the consolidated system must submit the **CNM Model** (Consolidated national and global Model), in which converge the incomes of all companies and the tax payable is determined by the same group.




Links: UNICO SP Model

www.agenziaentrate.gov.it/wps/content/Nsilib/Nsi/Home/CosaDeviFare/Dichiarare/DichiarazioneRedditiSocEnti/UnicoSP2013/schedainfo+unicosp2013/




Links: IRAP Model

www.regione.toscana.it/-/irap-imposta-regionale-attivita-produttive e
www.agenziaentrate.gov.it/wps/content/Nsilib/Nsi/Home/CosaDeviFare/Dichiarare/IRAP+2013/SchedaInfo+IRAP2013/




Links: IVA Model

www.agenziaentrate.gov.it/wps/content/Nsilib/Nsi/Home/CosaDeviFare/Dichiarare/DichiarazioneIva/Iva+2013/schedaiiva2013/



Links: statements of the Withholding Agent

www.agenziaentrate.gov.it/wps/content/Nsilib/Nsi/Home/CosaDeviFare/Dichiarare/DichiarazioneSostitutoImposta/



Links: tax consolidation model – CNM

www.agenziaentrate.gov.it/wps/content/Nsilib/Nsi/Home/CosaDeviFare/Dichiarare/DichiarazioneRedditiSocEnti/CNM2013/SchedaInfo+CNM2013/

2.6. How to present tax returns

The **Revenue Agency** provides various electronically services that simplify the fiscal obligation provided.

Taxpayers, who complete their declaration, can file it:

- directly through the electronically services of the **Revenue Agency**
- through authorized intermediaries (professionals, **CAF**, associations, etc.).

Those who choose to submit tax returns in a direct way can use:

- **the electronic service known as Fisconline**, used by all individual and legal entity (please note that legal persons can use this service only if they are not obliged to file the withholding tax return - 770 model - for a number of subjects above 20). To access Fisconline, you must have a PIN code provided by the **Revenue Agency**
- **the electronic service known as Entratel**, used only by the legal entity if the taxpayer is obliged to submit the withholding tax return (770 model).

At the day when the data are receipt in total by the **Agency Revenue** the tax return is considered submitted and the agency release the related presentation receipt.

Telematics services also allow taxpayers to have a direct access to their **Tax profile on line** (known as "cassetto fiscale"), which allows taxpayers registered in Entratel or Fisconline to consult the tax information related to his own position such as:

- submission of the tax return
- reimbursement related to direct taxes and **VAT**
- payments made by F24 model and F23 form
- **tax Code** and personal information (e.g. the fiscal residence)
- company name, **VAT number** and tax domicile
- real estate information (e.g. acts registered).



3. The labour law in Tuscany

In Tuscany and as the rest of Italy, the labor Law is designed to protect both interests of those working together and that those individuals who wish to carry out business activities.

The employment relationship is governed by the following **main types of sources**:

- National legislation
- Regional legislation
- Collective bargaining agreements applicable reference (national or company)
- Corporate Uses (which consists, in conduct that the employer adopts repeatedly against their employees and that, therefore, become binding on the parties)
- The individual employment contract signed by each worker, which can also provide for more favorable treatment to the worker than with applicable regulations and / or collective agreements, national or company.

For the analysis of collective bargaining, see the section on labor relations and bargaining procedures.

3.1. How to find the professionalism in Tuscany

To find the professionalism in Tuscany can be used at both public and private channels. Among the public channels may include¹⁴:

- the **Employment Centers**: providing assistance to companies that need qualified staff through information services, reception, guidance, junction demand/supply
- the **universities** offer job placement and work orientation services (the OJP of the University of Florence, the Diogene Service of the University of Pisa, the Placement Office of the University of Siena, etc.). They organize weekly meetings between graduates and companies interested in presenting their activities and in proposing job opportunities or internships.



Links: Employment Center

<http://www.centroimpiego.it>

We underline that also the largest recruitment agencies are available (Adecco, Manpower, GI Group, Humangest, etc.). These agencies deal with temporary and permanent (Staff Leasing) employment, research and selection of personnel, outplacement, and professional training.

¹⁴ We point out also the web site of the Immigration desk: <http://www.provincia.fi.it/lavoro/per-chi-cerca-lavoro/sportello-immigrati>.



Links: *Listo f the Tuscany Region partner*

www.regione.toscana.it/documents/10180/23127/ElencoAccreditamenti.pdf/801a7516-9728-466e-a0df-767500af906f



Links: *ClicJob*

www.cliclavoro.gov.it/Pagine/default.aspx

3.2. Main forms of employment contracts

There are several forms contracts depending on the needs of the companies and the employee that allow a different level of flexibility. This was further encouraged by the recent reforms of the labor law so called Fornero reform (D.l. no. 92/2012) e Labor decree (D.l. no. 76/2013, conv. in law. no. 99/2013).

In the follow chart we report the main forms of employment contracts indicated above:

- **The main regulation**
- **The obligation that the company should follow**
- **The eventually limit that the law provided for that specific contract.**

Chart 24: Features of the contracts – First part

Contract type	Law	Contract features	Company requirements	Limitations of use
Permanent contract	Art. 2094 c.c. Art. 01 D.Lgs. 368/2001 Art. 1, paragraph 9, letter a), Law 92/2012	A permanent employment contract is the most common form of employment contract, i.e. it is usually used for hiring staff. The contract must be drafted in writing and must contain the main information on the working relationship including, job, grading, applicable collective contract, start date, salary period, place of work and working hours, holidays and hours of leave and termination terms. The contract must be terminated in written form and may be agreed by the parties, by the employee (resignation) or by the employer (redundancy).	The contract must be made in writing and must contain key information on the employment agreed by the parties, chosen by the employee or chosen by the employer (dismissal). applicable collective agreement, the date of the (dismissal). report, duration of test period, salary, location and working hours, days off and hours of permission and terms for withdrawal.	The termination must be in writing and may be usually used for hiring staff. The contract must be drafted in writing and must contain the main information on the working relationship including, job, grading, applicable collective contract, start date, salary period, place of work and working hours, holidays and hours of leave and termination terms. The contract must be terminated in written form and may be agreed by the parties, by the employee (resignation) or by the employer (redundancy).
Fixed-term contract	Art. 1, paragraph 1 et. seq, D.Lgs. 368/2001 Art. 1, paragraph 9, letter a), Law 92/2012	In general, paid employment laws apply in fixed-term contracts, but the termination of contract may arise at the contract expiry date set by the parties or after a specific event. The contract makes it possible to hire an employee for a fixed period limited, in all cases, duration of no more than 12 months, may be months. to 36 months (where this period exceeds 36 months, the contract shall be considered permanent). Fixed-term employees have the same rights in the event of illness, maternity and accidents as permanent employees. The contract must be drafted in writing and between the end of one contract and the start of another, determined organizational procedures, subject to the condition that it has a collective contract more than 6 months and 90 days must pass if the first contract is for more than 6 months.	By law, a fixed-term contract may be drawn up for technical, production, organization or substitution purposes, even if it relates to the employee's normal business activity. However, the first fixed-term contract, for a must pass if the first contract is for more than 6 months. entered into even in the absence of technical, organization or substitution periods (respectively to 20 and 30 days) if the collective contract may reduce these reasons. Furthermore, the law states that the employee is re-hired as part of an employer shall be free from the obligation to organizational procedure. The applicable CCNL (collective labour contract) may set further restrictions and requirements for using this type of contract.	Length and extension: before the end of a fixed-term contract and the start of another: • 60 days must pass if the first contract is for no more than 6 months • 90 days must pass if the first contract is for more than 6 months. The contract term must be stipulated in writing, including the reasons for recruiting on a fixed-term basis when requested. Failure to do this will result in the contract being considered permanent. The written contract is not required when the working relationship does not exceed 12 days.
Part-time contract	D.Lgs. 61/2000 Law 92/2012	This is a paid employment contract for a fixed term with reduced working hours in respect of general legal provisions on employment and full time working hours. The employee's full contracts, the duration of the working service salary, including allowances for sickness, is and the working timetable according to the day, calculated based on the number of working week, month and year. The terms set by the hours. The part-time working relationship may contract provide the possibility of varying the working timetable, or in the event of vertical or • horizontal, when the reduction of full time mixed part-time hours, increasing hours hours is made on the basis of normal daily through a specific written agreement, to be signed at the same time as the employment • vertical, when working activity is carried out contract or during the subsequent working on a full time basis but limited to fixed periods relationship, only within the terms and in during the week, month or year. accordance with the law. A part-time contract • mixed, when the working activity is carried out allows provides for a trial period, in using a mix of horizontal part-time and vertical accordance with the terms and conditions for part time hours. A part-time contract must be full-time employees. drafted in writing for trial purposes. However, its written form is advised.	The contract must indicate, in addition to all The applicable CCNL (collective labour contract) may set further restrictions and requirements for using this type of contract.	The applicable CCNL (collective labour contract) may set further restrictions and requirements for using this type of contract.

Source: KPMG analysis

Chart 25: Features of the contracts –Second part

Contract type	Law	Contract features	Company requirements	Limitations of use
Project-based contract	Art. 61 et seq. D.Lgs. 276/2003 Law 92/2012	This is contract in which activity is mainly personal and is carried out without a subordination obligation with regards to the client. It is therefore characterised by the autonomy of the party engaging in the contract. The collaborator's activity must be attributable to one or several specific projects identified by the client and managed independently by the collaborator. The employment contract must be drafted in writing and must provide for the payment based on the quantity and quality of the work and must not be less than the minimum amounts set specifically by collective contracts on the basis of equivalent jobs carried out by paid employees.	The employment contract must contain a description of the project, identifying its specific features and the final result desired. Recruitment shall take place in accordance with the general terms for employees. The worker must register with the E18	The project: <ul style="list-style-type: none"> • must be operationally linked to an identified final result (length determined or determinable by the collaboration); • may not involve merely re-proposing the client's company, having regard to coordination with the client's manager and regardless of the time required to carry out the work; • it may not involve carrying out merely executive or repetitive tasks which may be identified in collective contracts.
Administrative employment contract	Art. 20-28 D.Lgs. 276/2003 Law 92/2012	An administrative employment contract is a specific paid employment contract involving three parties: <ul style="list-style-type: none"> · the administrator (an authorized party, for example, the administration agency); · the user (company); · the employee. The employee is hired by the administrator but is sent to carry out their own activity with the user. This type of relationship has two contracts: <ul style="list-style-type: none"> • an administrative contract, of a commercial nature, between the user and the administrator; • an employment contract between the administrator and the employee. The administrative contract may be fixed-term or permanent and may also be concluded on a part-time basis. During the mission, the employee has the right to the same salary as an employee at the user's company carrying out the same activity.	Rules governing fixed-term contracts shall apply to administrative contracts, with the exception of provisions on re-hiring, the right of precedence, sequence of contracts and total duration.	<ul style="list-style-type: none"> • a permanent administrative employment contract is permitted for specific activities provided for the law and subject to the general legislation on permanent working relationships. During the period when the contract is not used, the employee shall remain available to the administrator. During this period of inactivity, an availability compensation shall be paid to the employee. <ul style="list-style-type: none"> • the fixed-term administrative contract is permitted only for technical, production, organization or substitution reasons, even if it relates to the user's normal business activity, excluding certain exceptions defined explicitly provided for by the law.
Apprenticeship contract	D.Lgs. 167/2011 Legge 99/2013	This is an employment contract based on training. The employer, other than paying a salary to the apprentice for the work carried out, must provide the apprentice with the training required to the professional skills for the role and the tasks for which they have been hired. The apprentice is obliged to follow a training course which may be carried out internally or externally. There are three types of apprenticeships, characterized by different training courses: <ul style="list-style-type: none"> - Apprenticeship for qualification and professional diploma; - Professional or ; - High level or research apprenticeship. 	Apprentices can be paid less with respect to other employees with the same jobs to the extent that the apprentice may be graded up to two levels lower than that stipulated by the CCNL for jobs or roles the apprenticeship is intended for. The duration of the contract, which may be no less than 6 months, varies according to the type of apprenticeship and the objective of definitive recruitment.	The law provides for a total number of apprenticeships that an employee may give. In general, the recruitment of new apprentices is subject to continuing the working relationships, in the 36 months preceding the new recruitment, of at least 50% of the apprentices employed. Apprentices who are not hired within these terms are considered permanent paid employees.

Source: KPMG analysis.

Chart 26: Features of the Contract – Third part

Contract type	Law	Contract features	Company requirements	Limitations of use
Intermittent employment contract	Art. 33-40 D.Lgs. 276/2003 Law 92/2012	<p>This is a contract through which an employee is made available to carry out a specific service when requested by the employer in accordance with the legal terms and conditions. As opposed to a part-time contract, in an intermittent contract, the employer holds the rights normally granted to employees only in the periods they are actually employed, while they do not enjoy purposes, any protection in the periods they are available to the employer. There are two forms of intermittent employment contract:</p> <ul style="list-style-type: none"> • with an obligation to meet the request - the employer must be available to carry out the services when requested by the employer. In this case, a monthly availability compensation is paid to the employee for the periods in which they are waiting for the request, calculated on the basis of the collective contracts and may not be less than 20% of the monthly salary. • without an obligation to meet the request - the worker is free to refuse, if requested, to provide their services. In this case, the worker shall have the right to a salary corresponding only to the hours actually worked. 	<p>Recruitment is carried out under the same conditions as all employees in general. In addition, the competent DTL in each region must be notified in the most convenient way of the days the employee will be contracts;</p> <p>The contract, do be drafting in writing for trial month or year including weekends, summer, Easter or Christmas holidays;</p> <p>may be permanent or fixed-term. In the latter case however, fixed-term contract if legislation shall not apply.</p>	<p>An intermittent employment contract may be drawn up in three situations:</p> <ul style="list-style-type: none"> • for discontinuous activity, according to the requirements identified by the collective contracts; • for pre-determined periods during the week, month or year including weekends, summer, Easter or Christmas holidays; • for services carried out by employees over 55 years old and those under 24 years old (in this case, the service must be carried out before their 25th birthday).
Transitory employment contract	Art. 61, paragraph 2, D.Lgs. 276/2003	<p>This is a transitory working relationship with two requirements:</p> <ul style="list-style-type: none"> • total duration of no more than 30 days a year with the same client, or, with regards to people care and assistance services, no more than 240 hours with the same client; • compensation of no more than five thousand Euros in the same year with the same client. 		Transitory services may concern any type of employment activity.
Accessory work contract	Art. 70 D.Lgs. 276/2003	<p>Occasional accessory services are activities carried out occasional, or in an irregular manner, without any continuous employment relationship with the client, for a total compensation, for all clients, of no more than five thousand Euros during the year and no more than two thousand Euros for one client.</p>	<p>Compensation shall be paid through voucher. To All parties may be employed with this type of benefit from accessory services, the employer contract. Financial limit - the compensation (the beneficiary) shall obtain a voucher book from an authorized operator, the nominal value of which is set by the relevant ministerial decrees. The accessory service provider shall collect their compensation from the operator by submitting the vouchers given to them by the beneficiary of the accessory services. This compensation is tax free and does not affect the unemployed or employed status of the accessory service provider.</p>	<p>To All parties may be employed with this type of contract. Financial limit - the compensation may not exceed 5,000 Euros in total each year.</p>

Source: KPMG analysis.

Chart 27: Features of the Contract – fourth part

Contract Type	Law	Contract features	Company requirements	Litations of use
Job Sharing	artt. 41-45 Legislative Decree no. 276/2003	The job sharing (or contract job-sharing) is an employment contract by which two workers taking into solid commitment to fulfill one and the same work obligations. a) the extent and the timing percentage of the work; b) the workplace, as well as the economic being concluded in writing. The employer must be informed in advance and in any case at least once a week, regarding the working hours that each worker will be carried out, in relation to the type of activities outlined to determine the salary and treatments for illness, injury, days of leave taken, etc.	The Job sharing contract is concluded in writing with the purposes to proof the collective bargaining, in accordance with the provisions of the law. In the absence of collective agreements, and except as required by law, in the case of services rendered on behalf of an employer shall apply the general rules of employment as being compatible with the particular nature of that relationship.	The regulation of the contract is left to the provisions of the law. In the absence of collective agreements, and except as required by law, in the case of services rendered on behalf of an employer shall apply the general rules of employment as being compatible with the particular nature of that relationship.
The professional collaborations	art. 2222 c.c. art. 69-bis Legislative Decree no. 276/2003 Legislative Decree no. 92/2012	As an alternative to the subordinate employment, a company can also hire professional employees, or suppliers of self-employment. In this case, as a rule, the employee carries out work on behalf of a client or service through the use of VAT, conventionally defined as "individual VAT identification."	Between the buyer and the self-employed professional employees, or suppliers of which is not required the writing form.	The legislation in force provides that the services provided by a VAT position are considered continuous and coordinated collaboration if certain conditions are fulfilled. Where on the basis of that presumption, the service rendered by the VAT position is reduced to a coordinated and continuous collaboration, is to be found the existence of a project. If the project doesn't exist the contract is converted in a coordinated and continuous collaboration from the first day of work.
Joint ventures	Art. 2549 c.c. art. 1, c. 28, Law no. 92/2012	With the agreement of a joint venture entity (associating) it gives another (associate) a share of the profits of his business or of one or more business in return for a given input: the latter may consist of a benefit of a financial nature (such as the provision of a good or a capital) and / or of a personal nature (such as the creation of a work or service, or the pursuit of employment).	The assumption is made in the manner provided for all workers in general. The employee must subscribe to the INPS position known as "Gestione Separata".	If the contribution of the associated is the same activity can not be more than three, regardless of the number of associating with the only exception in the case where the members are related from conjugal relationship within the third degree of kinship or affinity within the second. In case of violation of the prohibition, the relationship with all members whose contribution consists in the provision of work, is considered employment for an indefinite period.

Fonte: KPMG Analysis.

3.3. Additional terms relating to key employment contracts



Employment contract for an undefined period

In addition to the information already reflected in the above table 27, it is reported that the contract stipulated for an undefined period must be **in writing** and contain all the essential information on the employment relationship, including, job, grading, e.g. the level and qualification attributed to the worker; the starting day of the contract; the possible duration of the **trial period**; the remuneration; the place and the working hours; vacation days and hours of leave; notice periods in case of withdrawal.

It is also possible that the individual contract, for some information, defer to the related labor collective National agreement (so called CCNL).

Considering that this contract does not have an expiration date, for the resolution, it is necessary an act of withdrawal. This act must be made in writing form and can be decided between both parties, such as chose by the employee (resigns) or by the employer (termination of employment).

As a rule, in both case of dismissal or employment termination, who decides to terminate the employment contract, must give notice to the other party involved, the duration of which is usually determined by the collective reference. If the notice is missing, who withdraws is required to pay the other party compensation equivalent to the amount of the remuneration which would have been entitled for the period of notice. The worker has the right to immediately withdraw from the contract, without any obligation to give notice, in the presence of a serious failure by the employer that does not allow the continuation, even temporary, of the contract (e.g. in the case of non-payment of wages).

The worker, however, is free to resign without giving any motivation. However, in general, the resignation and/or consensual resolutions of the contract must be validated at the Territorial Directorate of Labor and Employment Centre or other locations identified by the National Collective Bargaining Agreement signed at the bottom of the receipt or transmission of the notice of termination of employment that the employer work must submit to the Job Centre.



Fixed-term employment contract

It is the employment contract that provides fixed terms, and after will expired. As already shown in Table 27, the fixed-term contract shall apply, in general, the rules on the employment relationship, with the particularity that the resolution can be made at the time normally given between the parties or to the realization of a given event.

Beyond the final date and except for a few minor exceptions, the fixed term employee has the right to receive the **same treatment of employee under undefined contracts** who perform the same activity, or have the same contractual status. The fixed-term employees have the same treatment and the same social security in the event of sickness, maternity, accidents, compared to permanent workers.

In addition, at the termination of the employment relationship, if it is demonstrate that the fixed term was affixing against law, the employee may avoid the contract and get her conversion to permanent contracts, in addition to compensation for damages.

However, at the end of the contract term, including any extension thereof, the employment relationship may **in fact continue** for a number of days, beyond which the employment contract is considered permanent. Specifically, the relationship can continue (with a higher salary for each day of continued the report, 20% of the first 10 days, 40% for subsequent ones) for more:

- **30 days**, if the duration of the contract is under 6 month;
- **50 days**, if the duration of the contract is over 6 month.

As a result of the **succession of fixed-term contracts**, the employment relationship between the same employer and the same worker concerning the same position **should not exceed 36 months**, including extensions and renewals, and regardless of the period of interruption between a

contract and the other. If 36-month has passed, the employment relationship is considered permanent.



Trial period

The **trial period**, which can be used for each type of contract in order to allow both parties to assess the convenience of the employment relationship, and its duration, are normally established by the various collective agreements, within the maximum duration fixed, of rule, by the law of 6 months.

The employee is also entitled during the trial period to receive a salary not less than that provided by the collective labor agreement.

The only peculiarity of the trial period is that the parties may freely withdraw from the contract without notice and motivation. The trial period must be made in writing and signed by both parties. Otherwise, the same is void and is not considered established.

3.4. Remuneration and benefits

The **remuneration** constitutes the fee for the service provided by the employee. In general the pay is determined freely by the parties in accordance with a minimum salary defined by the jurisprudence - principle of the minimum salary – set by collective agreements in relation to each contractual qualification.

The monthly salary is characterized by basic elements, which constitute the base salary paid to the employee, in addition to ancillary elements that depend on the type of tasks and conditions of work.

The basic elements are the following:

- **Minimum contract:** is the minimum wage paid to the worker, the amount of which is fixed by collective agreements. May be subject to increases in the case of passing from one position of the worker or the renewal of the national collective agreement
 - **Allowance contingency:** is an amount that follows the variation of the living cost. In many collective agreements is now incorporated in the minimum salary
 - **Seniority benefit:** a voice of remuneration determined by collective agreement and delivered upon the completion of a certain length of service of the employee at the same company.

On the other hand, accessory items consist into the following elements:

- **super-minimum:** consists of a sum agreed in the individual contract between the parties, or as part of the contract. The employer and the employee are free to determine a minimum individual depending on the type of service or by special merits of the worker. The super-minimum, moreover, can be added to the salary also for changing category.
- **Indemnity:** they are generally provided by national collective agreement and enterprise for employee involved in the most difficult job
- **Fringe benefits:** are added to the normal remuneration paid in order to supplement the normal reward or encourage the employee to greater productivity. The most significant assumptions relate to the granting of automobiles, housing and insurance policies underwritten.

For more information, please refer to the [Guide to the Business Costs](#) of Tuscany.

3.5. Working hours and additional wages

With reference to the **working time**, every collective agreement establishes the extent of the hours of work performance in accordance with the general rule that provides should not exceed 48 hours per week.

At the employee shall incumbent also the following elements:

- **Thirteenth:** also called "Christmas bonus" is regulated by collective agreements and is paid once a year during the Christmas holidays as determined under the contract or, if more favorable, from practices existing in the individual companies. The amount paid is equal to the amount of regular monthly payments.
- **Fourteenth:** it is only required by a few collective agreements and includes the provision of additional monthly payments in the manner provided for the payment of the thirteenth if there are no express provisions that regulate. Generally, the payment of the fourteenth takes place in the period prior to the summer holidays (June-July).
- **Indemnity:** it consists of a "deferred fee" (equal to approximately one month's salary for each year) is not immediately paid to the employee, but gained per month and paid only at the end of the employment relationship with the company.
- **Holidays:** non-working days are paid at 100% of the daily wage of the worker and quantified annually by law or contract. Untaken holidays may be deferred within the terms established by law and only at the end of the relationship can be paid through an allowance replaced.
- **Maternity/Paternity:** is the period of compulsory leave from work paid to the worker during the period of pregnancy and for the period after the birth of the child. During the period of absence from work required the worker receives an allowance in lieu of the economic remuneration. The maternity leave can be:
 - ✓ **Mandatory:** for five-month period in which she required by law to be absent from work;
 - ✓ **Optional:** in the first 8 years of life of the child, the mother has the right to abstain from voluntary work, with the right in the first three years at allowance for parental leave paid by INPS to the extent of 30% of pay.

They are also planned for the baby's first year of paid rest days (**permits for lactation**). If the duration of the working day is equal to or greater than 6 hours, the permit of which the employee is eligible is 2 hours (one hour each, cumulative) but if the day is less than 6 hours permission amounts to only one hour.

Under certain conditions that prevent the mother to benefit from maternity leave, the right to abstain from work and entitled to its benefits to the father (**paternity**).

3.6. The contributory system of legal persons

The required contributory to the entrepreneur arises as soon as the employee assumption is the same. **The employer is responsible for the debt contribution** towards the National Social Security Institute (INPS).

The recruitment procedure is subject to the fulfillment of specific employer obligations which are:

- **Opening the INPS position:** it is necessary to precede in the contribution payments. This procedure may be done by the employer or through intermediary steps online at INPS. The Institute will notify the identification employer of the tax position and business framework in order to precede the determination of the contribution rate to apply.
- **Opening the INAIL position:** it is necessary to insure their workers against accidents at work. This procedure may be done by the employer or intermediary through an online procedure on the INAIL site. The Institute will notify the employer rate risk to be applied on the basis of the type of activity performed.

The employer or other authorized persons must communicate **electronically the day before starting the employment relationship** (between "Unified Lav" form) hiring workers **at the Center of the relevant Province** within a district located at the headquarters of the company.

The communication must be done by having certain **dated documentation of transmission** and shall include at least the following elements:

- Personal employee details;
- The termination date of employment and expected (except in the case of open-ended contract);
- The type of contract;
- The professional qualification;
- The economic and regulatory treatment applied.

The electronic communication is **applies to the reporting requirements also against the following entities:**

- DRL (Regional Directorate of Labor);
- DTL (Territorial Directorate of Labor);
- **INPS** (National Social Security Institute);
- **INAIL** (National Institute for Insurance against accidents at work).

The contributions are divided into a different shape between the employer and the employee, but the unique subject due to the payment is usually the employer.

The contribution is a **percentage to be applied** on the employee taxable income. The sum of all insurance is applicable to each category of workers (e.g., IVS, Illness, **CIGS**, etc.) to determine the total rate.



Links:

INPS, INAIL, regional directorate of labor and territorial directorate of Labor

www.inps.it; www.inail.it; <http://www.regione.toscana.it/-/uffici-provinciali-per-la-formazione-e-l-occupazione>; <http://www.regione.toscana.it/cittadini/lavoro/centri-per-l-impiego>

The contribution rate is determined on the basis of the following elements:

- business activity (i.e., Industry, Commerce etc.);
- company size (more or less than 15 employees for **CIGS** and mobility, more or less than 50 employees for their **CIGS** contribution etc);
- the qualifications of the worker (worker, employee, manager, director, apprentice).

To know how much the company must spend on monthly contributions it's necessary to know:

- **The contribution rates** to be applied to social security;
- **The amount of the employee's taxable income** (taxable social security).

The payment of contributions should be made by **F24 form** by the **16th day of the month following the month to which it relates** debt contributory (e.g. the contributions of February shall be paid before the 16th of March).

In the event of default or delay in payment of the taxes due, the **penalties** are administrative in nature and will be estimated by the Institute.

The employer (who is required to pay contributions for his part and for the worker) **recovers the share of the employed in the calculation of the monthly wages by taking it directly from the paycheck.**

Among the obligations of the employer is also to report **the INPS monthly salaries paid to employees, the contributions due and any balance of the anticipated performance on behalf of the Institute, the benefit and the relief** through a special electronic flow called "**UNIEMENS**".

With specific reference to the **INAIL**, once established the position of insurance, **the Institute shall notify the employer references and the corresponding premium rate.** The latter differs depending on the type of processing and based on the risk inherent in each. The risk rate also varies depending on the status of the worker (i.e. worker 20x1000, employee 4x1000, 7x1000 managerial staff).

It is important to know that the premium payable is calculated on the basis of so-called "**taxable income**" consists of payment of employees on which contributions are calculated due to the **INPS**.

The **payment** is annually through **self-assessment procedure by February 16th**, using the procedure **AI.P.I** (Self-assessment Awards **INAIL**) online, through which it is possible to:

- calculate the advance premium for the current year (installment), based on the actual earnings of the previous year (installment) and the adjustment for the previous year (adjustment)
- count the bonus of self assessment given by the sum of the installment and adjustment, net of any contribution
- pay the premium of self assessment using the "Model consolidated payment - F24" or "F24 Model payment EP (Public Bodies)" in case of public organizations or public entity

By 16 March, in addition, the company must submit a declaration of wages via electronically, including the possible communication of the payment in four installments (Laws 449/1997 and 144/1999), as well as demand reduction in the premium craftsmen (Law 296 / 2006) in the presence of the requirements, using e-services enter wage statement or AL.PI (Self-assessment Awards INAIL) online.

With this procedure, in addition, are also collected by the **INAIL membership dues on behalf of the affiliated associations**.

From 2012 premium payments and accessories made with a payment receipt unified F24 and F24EP expiring between August 1st and August 20th of each year may be carried out before August 20 without any increase, pursuant to Article 3-quater of the Decree-Law 16/2012 ratified by Law 44/2012.

Within December 31st, INAIL will send to the company:

- Communication of the premium rate that will be applied to the following year of every insurance position and territorial criteria applied to establish (Model 20SM "Classification and taxation risk insured")
- the documentation concerning the statement of earnings (Model 1031 "Form for statement of earnings" and related information)
- the bases of calculations with the data for the count of premiums and any membership fees for adjusting the premium and the advance installment (Form for the provision of the Basis of premiums and membership fees) available in the "self-payment Guide"

3.7. The relationship between the company and employees: labor relations and collective bargaining procedures

All employees have the right to join unions to pursue the purpose outside the company (through the establishment of so-called employee trade union out of the company) and inside¹⁵.

Against anti-union behavior implemented by the employer it is provide a specific judicial procedure.

3.7.1. Trade Unions

Trade union organization of workers comprises both outside and inside the workplace, giving rise to two organizational levels:

- Trade unions out of the company;
- Trade unions in the company recognized by external union and affiliated to it.

The main role played by **trade unions** consists of participation together with the representative bodies of the employer and collective bargaining on several levels.

In practice, workers associations are open to all stakeholders and with different qualifications. Whether the workers are employed, unemployed or retired and provided that they belong to the reference category.

Membership is formalized with the registration and the payment of dues and general involvement with the contribution to union of a power of attorney. This aspect determines the precise

¹⁵ In companies with more than 15 employees are made up of union representatives other union bodies

consequences on the effectiveness of the acts stipulated by the union: **the effectiveness subjective to collective agreements extends to all (and only) employers and workers who belong to associations' stipulating.**

3.7.2. Business associations

All employees (regardless of company size) can freely decide to take action on their unionized workplace and is not compromised as long as the courses of normal business activities and associations have legitimate purposes and are not secret.

The main forms of trade unions in the workplace are:

Chart 28: Line organizational structure of the union

Organization	Description
Companies Union Representatives (RSA) and Unitary Workplace Structure (RSU)	<p>The RSA/RSU are responsible for specific trade union activity tasks.</p> <p>The roles of the two organizations are equal, apart from some differences according to the job profile.</p> <ul style="list-style-type: none"> • The RSU, elected from 2/3 by employees, has a representation which is elected directly by a majority vote; • The RSA, which is generally promoted by external trade union members, usually protects members of this single trade union, even if during business procedures, every RSA action is subject to a preventative decision by the workers' assembly and may be ratified in a referendum.
Business delegates	<p>Represent a particular number of employees working in the same stage of the production process (for example employees in the same department or office). They are elected freely by employees and must represent and be called on at any time.</p>
Factory advisors	<p>Consist of all delegates in the same factory. The advisor may elect an executive committee internally. These bodies are not part of the collective agreement and may co-exist with the RSA in the same company.</p>
Unitary Delegates' Advisors	<p>Consist mainly of those registered with the national Confederations (CGIL, CISL and UIL). In general the Delegates' Advisor is identified with the RSA.</p>

Source: KPMG analysis.

3.7.3. Collective Bargaining

Collective bargaining has a double function:

- **establish the essential elements of an employment contract** in a given sector (commerce, engineering industry, chemical industry, tertiary, etc.), both from an economic point of view (salary, treatment of seniority), than a legal point of view (discipline of time, qualifications and duties, stable relationship, etc.), thus becoming the reference for the employment

- regulation, as well as preserving within each category a fair competition that is based on common rules for treatment of workers;
- **regulate the relationship between the protagonists of collective bargaining**, such as between the unions and the employers (known as labor relations).

The contracts may be concluded on two hierarchical levels, corresponding generally to the relative levels of the union.

Chart 29: Description of the types of agreements for hierarchical line

Types of agreement and hierarchical levels		Description
Level I	Inter-confederation agreements drafted at confederation level	Interconfederation agreements are drawn up by employee and employer trade union confederations with the regular participation of the State as a mediator and guarantor (known as trilateral contracting). These contracts, in general, lay down the common rules for the production sector of each employer (Commercial, Industrial etc.) and govern in a consistent manner, the minimum standards for dealing with employees (e.g. automatic adaptation of salaries in Industry, Commerce etc.)
	National collective agreements drafted at national level	National collective labour agreements ("CCNL") are contracts drafted on a national level between employee trade unions and employer associations (professional associations) for the purpose of governing the minimum financial and legal standards applicable to all employees for a specific sector they are employed in. The CCNL is legally effective between the parties and is not only effective vis-à-vis the collective agreements signed directly and "individual" parties belonging to employee and employer trade union associations but also vis-à-vis non-trade union members who have provided services indirectly or directly.
Level II	Decentralised or company contracts signed by regional or company trade union organizations	Collective or regional labour agreements integrate the CCNL in order to meet the needs of the individual company or companies in a specific region as best as possible.

Source: KPMG analysis.

The employer is free to choose the association of employers who register and, once registered, must apply the national collective bargaining agreement concerning the association to which it has acceded. In this case the national collective bargaining agreement applies to all employees, regardless of the task actually carried out by them. However, in the presence of various functions performed by the employees, the employer can also apply different national collective bargaining agreements.

The employer that is not a member of a trade union has no obligation to apply for a national collective bargaining agreement.

Collective bargaining in the second level (company or local) generally has the function of integrating the national collective bargaining agreement in order to better respond to the needs of the individual company or companies within a certain geographical area.

3.7.4. Individual dismissal

The individual dismissal represents a mode of unilateral termination by the employer from the employment relationship.

As a rule the individual dismissal must be supported by a reason connected to the worker's conduct, which can be seen in:

- 1) a **justified cause**, e.g. only in the event of serious actions committed by the worker that prevent the normal activities; or
- 2) a **justified objective reason** (reasons relating to production activity, organization of work and its proper functioning); or for
- 3) a **justified subjective reason** (failure of the contractual obligations of the service provider, less severe just cause).

In each of these cases the law provides specific terms and conditions that must be met in order for the dismissal becomes effective.

For certain categories of workers (e.g., managers, domestic helpers, trainees), there are special schemes for dismissal.

The dismissal must be given notice **in writing, justified** and **in accordance with the procedure** provided by law and by the Collective Labor Agreement.

When the dismissal is given for reasons beyond the employee's conduct (so called no disciplinary or dismissal for just cause objective), the employer must notify the dismissal in writing to the worker with the specification of the reasons beyond otherwise the termination will be not valid.

3.8. The procedures for residence permits

3.8.1. General information

The major differences between the main procedures for a resident permit in Italy linked to work depend on the kind of activity that the subject be held, duration of stay and the nationality of the worker.

The necessary documentation for:

- 1) a **European citizen** who wishes to attend to business in Italy for a **short period** (less than 90 days):
 - ✓ No required Visa
 - ✓ passport or identity card
- 2) A **European citizen** who wants to work in Italy for a **long time** (more than 90 days):
 - ✓ Passport or identity card
 - ✓ No required Visa
 - ✓ Any kind of authorization is required
 - ✓ The registration in to the city all register is required
- 3) A **non-EU citizen** who wants to participate in trips to Italy for a **short period** (less than 90 days):
 - ✓ Passport
 - ✓ Visa for business (depending on the citizenship of the non-EU worker may not need a visa, e.g. USA, Japan, etc.)
- 4) **Non-EU citizen** who wants to work in Italy for a **long time** (more than 90 days):

- ✓ Passport
- ✓ Work Visa
- ✓ Work authorization (clearance)
- ✓ Residence permit

Chart 30: Immigration desk of Tuscany: where to go

Immigration desk of Tuscany		
City	web site	Contacts
Arezzo	www.immigrazione.regione.toscana.it/lenya/paesilive/enti/sui/09suiar/contattiorariSUIar.htm	Phone: 0575/318(670) - (609) - (586) Address: Via Fra Guittone, n. 8/
Firenze	www.immigrazione.regione.toscana.it/lenya/paesilive/enti/sui/suifi/contatti.html	Phone: 055 27831 Address: Via A. Giacomini, n. 8
Grosseto	www.immigrazione.regione.toscana.it/lenya/paesilive/enti/sui/08suiqr/contattiorariSUIqr.htm	Phone: 0564433499 Address: Piazza Rosselli
Livorno	www.immigrazione.regione.toscana.it/lenya/paesilive/enti/sui/07suiil/contattiSUIil.html	Phone: 0586/235481 Address: Piazza Unità d'Italia, n.1
Lucca	www.immigrazione.regione.toscana.it/lenya/paesilive/enti/sui/06suiilu/contattiorariLUcca.html	Phone: 0583424620 - 0583424473 - 0583955051 Address: Piazza Napoleone
Massa Carrara	www.immigrazione.regione.toscana.it/lenya/paesilive/enti/sui/05suiims.html	Phone: 0585 891479 Address: piazza degli Aranci 35
Pisa	www.immigrazione.regione.toscana.it/lenya/paesilive/enti/sui/04suiipi/contattiSUIipi.html	Phone: 050549552 - 050549532 Address: Piazza Mazzini, 7
Pistoia	www.immigrazione.regione.toscana.it/lenya/paesilive/enti/sui/03suiipt/contatti.html	Phone: 0573979482 - 483 - 453 Address: Piazza Duomo n. 10
Prato	www.immigrazione.regione.toscana.it/lenya/paesilive/enti/sui/02suiipo/contattiorariSUIipo.htm	Phone: 0574/430234-236 Address: Via dell'Accademia, 32
Siena	www.immigrazione.regione.toscana.it/lenya/paesilive/enti/sui/01suisi/contatti.html	Phone: 0577201656 - 0577201433 Address: Piazza Duomo, n. 1

Source: KPMG Analysis on internet data www.immigrazione.regione.toscana.it



Residence permit for citizens who do not belong to the countries of the European Union

All citizens who do not belong to the European Union countries can enter Italy by presenting the passport and, in cases where it is required, the visa issued in their country of origin. Once in Italy, must apply for a residence permit that will equal motivation to that described on the saw. No permission required if staying for business, tourism, visit or study is less than three months.

A foreigner person wishing to stay in Italy for longer than three months must apply for a residence **permit** within eight working days.

To request a residence permit the worker will proceed with sending to the Italian Authorities the **postal kit** at post offices. Then an appointment at the police station (known as "Questura") will follow for verify the accommodation of foreigners in Italy, signaling picture, release photos of fingerprints and later, for the withdrawal of the document in electronic format.

For sending the **postal kit** it is usually requested the following documentation:

- claim form
- passport, or other equivalent travel document valid, with its entrance visa, if required
- a photocopy of the document itself
- 4 passport photos, identical and recent
- the necessary documentation to the type of residence permit required;
- payment proof of contributions due (please see the information below).



Contribution for the issue and renewal of the residence permit

With exemptions and regardless of different types of admission procedures for non-EU workers, in addition to postage and stamp duty mentioned below, there is a contribution for the issue and renewal of the residence permit to be borne by the applicant. For 2013 the amount is as follows:

Entry "quotas" system	
€ 80,00	For residence permits with a duration of more than three months and less or equal to one year
€ 100,00	For residence permits with a duration of more than one year and less or equal to two years
€ 200,00	For issuing a long-term EC residence permit

In addition to the mentioned contribution the following payment are required:

- € 27,50 for the resident permit in an electronically form
- € 30,00 at the postal office's operator at the sending moment
- € 16,00 for the stamp duty



Links: *Public administration and foreign immigrants*

www.immigrazione.regione.toscana.it

In the following paragraph we will summarize the admission procedures for non-EU workers in the national territory:



Entry in to the Italian territory

Regarding **the entry of non-EU citizens in Italy**, the living and the pursuit of employment, whether employed or self-nature, **are governed by specific national laws on immigration and international mobility**¹⁶.

The **following are the possible entry procedures for foreign workers** in the country:

- **Entry "quotas" system**, fixed annually by Ministerial Decree¹⁷
- **Detachment staff**, outside of the applicable "quotas" annually, upon request authorization to work ("work authorization") to the Single Desk for Immigration at the **Prefecture** in the case of the employment relationship, in case of type of self-employment, the competent Police Headquarters. In particular, there are two types of postings:
 - ✓ Permit (work clearance) at work - special cases¹⁸
 - ✓ Permit (work clearance) at work - self-employed person posting.
- **System Blue Card** - entry and residence of non-EU skilled workers¹⁹.



Links: Practical Guide "In Italy by law"

http://img.poliziadistato.it/docs/0657_2007_10_11_guida_immigrazione.pdf



Links: Immigration portal

https://www.portaleimmigrazione.it/ImmigrazioneNet/Nuova_Procedura.aspx

Chart 31: Tuscany Prefecture: where to go

Tuscany Prefecture		
City	Phone/Fax number	Web site
Prefecture of Arezzo	Phone (+39) 0575.3181	www.prefettura.it/arezzo
Prefecture of Firenze	Phone (+39) 055.27831	www.prefettura.it/firenze
	Fax. (+39) 055.2783334	
Prefecture of Grosseto	Phone (+39) 0564.433111	www.prefettura.it/grosseto
	Fax. (+39) 0564.433666	
Prefecture of Livorno	Phone (+39) 0586.235111	www.prefettura.it/livorno
	Fax. (+39) 0586.235412	
Prefecture of Lucca	Phone (+39) 0583.424	www.prefettura.it/lucca
	Fax. (+39) 0583.424666	
Prefecture of Massa Carrara	Phone (+39) 0585.8911	www.prefettura.it/massacarrara
	Fax. (+39) 0585.891666	
Prefecture of Pisa	Phone (+39) 050.549511	www.prefettura.it/pisa
	Fax. (+39) 050.549666	
Prefecture of Pistoia	Phone (+39) 0573.9791	www.prefettura.it/pistoia
	Fax. (+39) 0573.979666	
Prefecture of Prato	Phone (+39) 0574.4301	www.prefettura.it/prato
	Fax. (+39) 0574.430222	
Prefecture of Siena	Phone (+39) 0577.201111	www.prefettura.it/siena
	Fax. (+39) 0577.201666	

¹⁶ (Lgs. Decree no. 286/98, Law no. 189, 30 July 2002, "Bossi-Fini Law", Presidential Decree no. 394/99).

¹⁷ Law no. 40/1998 so called "Flow Decree" article 26 Legislative Decree no. 286/98 and article 39 of Presidential Decree no. 394/99

¹⁸ Art. 27, Legislative Decree no. N.286/98 letters a, g, i, f

¹⁹ Legislative Decree no. 108 of 28 June 2012 published in Official Gazette of 25 July 2012

Source: KPMG Analysis on data of web site Prefecture.

3.8.2. The entry quote system

It consists in the definition of entry flows of foreigners in Italy and is based on the criteria set out in the **policy document on immigration policy**²⁰. It is prepared by the Prime Minister, which is **valid for three years**. Each year it defines the **maximum quotas** of foreigners in the territory for the performance of work of a subordinate, seasonal or self-employed:

Chart 32: System of "quotas"

Entry quotas system	
Type	Entry quota
Paid employment	There are currently no entry quotas for non-EU paid employees.
Seasonal employment	In 2013, there was a maximum quota of 30,000 units for non-EU citizens residing abroad admitted into Italy temporarily for seasonal work. Furthermore, as part of the 30,000 unit quota, the provisions sets a quota of 5,000 for non-EU employees who entered Italy for paid seasonal work for at least two consecutive years and for which the employer submits a clearance request every year for paid seasonal work (D.P.C.M of 15 February 2013).
self-employment	There are currently no entry quotas for non-EU independent employees. This may be checked with the competent regional Immigration Authority.

Source: KPMG analysis, data information according to the Legislative decree no. 286/1998.

In addition to re-enter in the "quotas", the foreigner must demonstrate:

- to have adequate resources for the activity it intends to take in Italy
- to be in possession of the requirements provided by the Italian law for start the business, including, where required, the enrollment in specific registers
- to be in possession of a certificate issued by the Competent Authority not earlier than three months stating that there are no impediments to the issuance of the permit or the license provided for the activity that the foreigner intends to perform
- to have a suitable accommodation
- to have an annual income, coming from legitimate sources, an amount higher than the minimum required by law for exemption from participation in health care spending.

3.8.3. Staff secondment outside the quotas provided

For the entry of workers in Italy by the secondment procedure, e.g. outside of the quotas, it is necessary that the Italian company requires the authorization to work **"Permit of employment"**

²⁰ The Presidential Decree regarding the information of the entry quote system is available at the following link:
http://www.lavoro.gov.it/Strumenti/normativa/Documents/2013/20130215_DPCM.pdf.

(**Nulla osta**) to the **competent Immigration Desk** at the **Prefecture** based on the geographical location of the company (registered office or operating unit).

After examining the documents submitted, the competent **Prefecture** will issue a work permit for an initial duration of 24 months, renewable or less depending on the specific type of detachment to which you are applying.

Once you have the **security clearance** to work, the employee should go to the consular authority/competent diplomatic based on its current residence to apply for a work visa. Based on the original "Nulla Osta", the consular authority will issue the visa duration, usually equal to 1 year. After obtaining the visa, the worker can enter into the national territory and within 8 days must make an appointment at the **Prefecture, the Single Desk for Immigration** to sign the Contract of Stay.

As provided for by Presidential Decree no. 179/2011, the employee, upon execution of the Contract of Stay must sign a specific agreement called "**integration agreement**" with which it undertakes entering into a real integration path through the knowledge of the Italian language and civic fundamental principles of our country. The worker must also proceed in sending the **postal kit** for the request of the Permit of Stay. Usually this document is issued by the Immigration Authority for an initial period of 12 months. After the first renewal, the residence permit will be issued for a maximum period of 24 months and it is always possible to renew the permit of stay.



Links: Postal kit, Regional Directorate of labour, Prefecture, Police

www.poste.it/azienda/ufficipostali/eli2/soggiorno/

www.lavoro.gov.it/lavoro/DRL/Toscanaquesture.poliziadistato.it/Firenze/orari-5-181-3-1.htm

<http://www.immigrazione.regione.toscana.it/lenya/paesilive/enti/sui.html>

<http://www.immigrazione.regione.toscana.it/lenya/paesilive/contenuti/percorsoguidatoaiPROCEDIMENTI/avsubnoncom.html?sigla=FI&p=Firenze>

Following the main kinds of staff secondment:

Chart 33: Secondment of staff outside the set quotas

Secondment of staff outside the set quotas	
Type of secondment	Description
Requesting clearance for employment relationship ex art. 27 lett. a), for highly specialized managers or staff	<p>This type of entry is reserved specifically for highly specialized staff from foreign companies with offices or subsidiaries in Italy. For this purpose, the employee must be a managerial or middle manager grade. Based on this typology, clearance must be requested for the paid employment by the deploying company (Italian company) to the competent Prefecture. In order to make the clearance request, the following requirements are essential:</p> <ul style="list-style-type: none"> • between the deployed company (foreign company) and the deploying company (Italian company) there must be a proven relationship through a consolidated balance sheet or another company document; • the seconded employee must have a seniority of more than 6 months (minimum) in the sector in which they are employed.
Requesting clearance for employment relationship ex art. 27 lett. g), for employees hired to carry out specific roles or tasks	<p>This type of entry is reserved for employees of organizations or business operating in Italy temporarily seconded to fulfil specific roles or tasks for a limited or fixed period of time. This type of secondment does not require a seniority of 6 months or a particular grading but stipulates that the employee must have specific experience qualifying them to carry out the job in question. This job must be certified by the employer by submitting a specific employment plan.</p>
Requesting clearance for employment relationship ex art. 27 lett. i), for the secondment of workers to carry out services under a procurement contract.	<p>This concerns employees with an existing employment contract with a foreign company, located or with offices abroad and who are directly paid by this company. They are temporarily seconded abroad by an Italian company to provide specific services in Italy under a procurement contract signed with the aforementioned parties. In this case therefore, no business link is required between the client company and the contracting company, but a contractual relationship is required. The contracting company must request the clearance from the competent Prefecture of the registered office of the contracting company. It should be specified that according to this type of secondment, the employment authorization will be issued on a limited basis according to the procurement contract and, in all cases, for no more than 24 months without the possibility for renewal.</p>
Requesting clearance for employment relationship ex art 27 lett. f), for the secondment of workers for training purposes	<p>This concerns employees authorized to travel for training purposes and who are called to carry out temporary training by Italian employees. They may also carry out services included within their area of employment. This type of secondment offers the possibility for a non-EU citizen employee to carry out an internship and training outside the annual set quotas. This must be carried out by drafting and submitting a training programme to the Region for approval.</p>
Secondment of self-employment	<p>In the event of the secondment of independent employees, specific clearance must be requested from the competent police authorities. This may be requested when there is already an employment relationship between the employee and the foreign company, even if it is an autonomous contract. In this case, there must be an expert contract proposal with the Italian company which guarantees a higher compensation than that provided for by the extension of contributions to health expenses. Once the clearance is obtained by the competent police authorities, the visa request shall be made. Following entry into Italy, the employee shall apply for a residence permit. This may be renewed in accordance with the expert contract. The employee must apply for a VAT number, send regular invoices and register with the separate management of Social Security and National Insurance contributions (Inps) for the payment of necessary contributions.</p>

Source: KPMG analysis, data Consolidation Act on Immigration, D.Lgs.286/1998.



The integration agreement: the residence permit " by points"

From 10 March 2012, came in force the regulation that was adopted by Presidential Decree no. 179 of 14 September 2011, which governs the **integration agreement** that must be signed by the foreigner (aged between 16 and 65 years) at the Immigration Desk or at the Prefecture with the submission of the application for a residence permit. This agreement, lasting two years and may be extended for a further year, aims to promote the integration of foreign citizens who enter Italy for the first time and it applies to all those who apply for a residence permit not less than one year. The integration agreement is based on the credit system. At the time of signing of the agreement shall be allocated to foreign no. 16 points that the entity may increase or lose.

A foreigner can earn points by:

- Attending specific Italian language courses (please note that these courses are free for foreigner);
- Register their children in Italian schools
- Enroll in the National Health System and choose a primary Italian physician.

The foreigner may lose points for a criminal conviction or commission of illegal business. Please note that, in the event that the foreigner loses all points, the competent authorities shall proceed to his expulsion.

At the end of two years, the immigration authorities will proceed to verify that the foreign national has reached all the points.

3.8.4. Blue Card system – Entry and residence of non- EU skilled workers

Pursuant to Legislative Decree no. 108/2012 and art. 27 of Legislative Decree no. 286/1998, **highly skilled workers can enter Italy outside the quotas**.

They are considered highly qualified foreigners who are in possession of a higher education qualification issued by the competent authority in the country where it was obtained. Also, attesting the successful completion of a post-secondary higher education program lasting at least three years, and related higher professional qualifications (e.g. directors and general managers of companies, contractors, engineers, architects, etc.).

You request the certification issued by the country of origin stating that the title of education and professional qualifications.

It specifies that the **permit** has a **duration of two years**, in the case of employment contract for an indefinite period, or, in other cases, the same duration of the employment relationship.

The procedure in applying for work authorization at the Immigration Desk of the **Territorial Government Office** is activated only with the computer systems that can be directly accessed from the Ministry of the Interior web site: <http://nullaostalavoro.interno.it>.

After completing the first phase of registration data, the employer may access the "Application Forms" and select the request form work authorization for the release of the EU Blue Card (Form BC).

In sending the electronic module, all the compulsory data required must be inserted such as; the proposed employment contract, the title of education, their professional qualifications and the amount of the gross annual salary.

The Immigration Desk has a maximum time limit of 90 days for the practice completion and the granting or denial of permission to work. If the request is successfully concluded, the highly qualified foreign worker will enter Italy and will have to go to the Single Desk for Immigration within eight days from signing the contract to stay.



4. Sale and leasing of industrial and commercial properties

The entrepreneur who decides to invest in Tuscany will have to choose where to exercise their own business and whether they want to buy or rent a property.

In the case of a property purchase, as opposed to renting, where the costs are definitely more content and do not involve an initial outlay, it is necessary to make an initial investment and incur some expenses such as: notary fees, taxes, mortgage fees, maintenance of the building etc.

The following paragraphs will describe the main features and differences between the sale and lease of real estate.

4.1. Buying and selling real estate

With **buying and selling real-estate** contracts one part transfers to another part, the right of ownership or other rights, over properties to receive the equivalent price.

Contracts that transfer the ownership of real property must be by public deed on penalty of nullity.

4.1.1. *Procedure to buy a property*

In general to conclude a purchase agreement the following is necessary:

- one or more articulated stages of negotiations
- the proposal irrevocable purchase
- signing the preliminary contract
- signing the final contract of sale

The **negotiation** phase is earlier and appropriate up to the conclusion of the contract of sale and is characterized by the freedom of the parties.

The negotiation may be carried out by fax or via e-mail in relation to all elements of the future agreement or only the most important ones.

During the negotiation the main purpose of the parties is to assess the following aspects:

- fairness of the price
- state, origin and legal status of the property
- regularity of the plants
- regularity of the condos aspects
- regularity fiscal aspects

Once negotiations are concluded, the buyer may sign an **"irrevocable offer to buy"** that must be **made in writing**.

The proposed purchase shall become binding for the seller when these affixes unequivocally in writing their signature.

With the **preliminary contract**, which the law requires in writing, the buyer and the seller are obliged to conclude, at a later time, the final contract of sale.

The transfer of ownership of real property from the seller to the buyer takes place with the **signing of the deed and final contract of sale**, which is a public document written by a **Notary** Public with the formalities required by law.

In order to make the act public and enforceable against third parties, the **notary** must arrange for the registration of the deed at the Tax Office and its transcription at the **Real Estate Registry**.

 **Links: realestate registry**
www.catasto.it/conservatoria.html



Documentation for the deed of sale

The following is a list of documentation required in the signing of the definitive purchase and sale of properties:

- In case of **sale of land**: it is necessary to attach the cud (certificate of urban destination)
- In case of **a building sale**: it is necessary to mention the extreme act of authorization (building permit extremes or building permits depending on the date of building construction). Please note that special rules apply if the property sold is **well culturalized**.
- **Compliance declaration with cadastral data**: starting from January 1st, 2010 for all sales contracts involving the transfer of existing house, the seller must declare, with reference to the plans filed in the Land Registry, the compliance with the cadastral data and floor plans. This declaration must be made under penalty of nullity of the contract
- **Certificate of occupancy**: the seller of a property must deliver to the buyer the certificate of occupancy, which is the document that certifies the legal characteristics of the property to fulfill its function as economic capital. The lack of a certificate of occupancy is due to depreciation of the asset
- **Energy Performance Certificate (so called APE)**: to validate the notary act of the sale the seller must proceed with the APE certification. The energy certificate is the official document that certifies the results of the energy performance of a building, it is valid for 10 years, and is produced by accredited subject (Certification Energy) or several recognized organizations at local and regional level.

4.2. Tax aspects of buying and selling real estate

In general, for the **property sale utilized by companies**, shall be applied **exemption from VAT** tax. In any case the parties may choose to charge VAT, giving expressed provision in the act of buying and selling option: in this case, the rate is **22%**.

In case the property is sold by **construction** companies or by any subject who did **restoration work** on the property (e.g. restoration, rehabilitation conservative, building renovation and urban) **within 5 years** from completion of work, the VAT must be applied **necessarily** to the extent of 22%.

On the property sale are also due to: the **registration tax** at a fixed rate of **€ 168** (€ 200 in 2014), the **mortgage tax** of **3%** (a fixed amount of € 200 from 2014) and the **cadastral tax** of **1%** (fixed amount of € 200 from 2014).

If the **property** is sold by an **individual person**, the VAT tax is never applied, while the other tax is payable in the amount of **7%** for the **registration tax** (9% from 2014), **2%** for the **mortgage tax** (a fixed amount of € 50 in 2014), and **1%** for the cadastral tax (a fixed amount of € 50 in 2014).

4.2.1. Unique Municipal tax on real-estate

Municipal tax on real estate (IMU) is payable by all individual and legal persons owning real estate (buildings and land). For more information see paragraph 2.3.3.

4.3. Lease

With a **lease agreement** one party conveys an estate in property to another party, for a limited period, subject to various conditions, in exchange for something of value, but still retains ownership. When the property is used for a business activity²¹, both for corporation than self-employment, the contract lease is known as a **commercial lease**²². The minimum duration of the commercial lease contract is for 6 years, while the maximum is 30 years.

The commercial lease shall be written when:

- It is **longer than 9 years**: in this case it must be drawn up by public deed or private document with an authenticated signature under penalty of nullity;
- It is concluded with a **Public administration**

In all other cases, although force freedom forms for registration purposes are necessary that the contract be drawn up in writing.

²¹ Agricultural activity is excluded from this type of leasing property.

²² The lease for commercial use is governed not only by the provision of the Code to a particular discipline (Articles 27-42 I.392/78, cd. Law on the equitable fee).



How do you register the lease agreement?

The lease agreement can be registered:

- **In an electronically manner (online):** that is a simple mode and allows for faster recording through the web site www.agenziaentrate.gov.it. All taxpayers who are enabled to telematic services with Fisconline can apply it, while it is mandatory for real estate agents and holders of at least 10 properties.
- **with traditional methods (paper):** It is necessary to visit a local Revenue office, fill out the Model 69 and after make the registration payment of the registration tax with F23 form. Both parties must calculate the tax and pay it to any collection agent, bank or post office. However, the taxpayers who choose the dry withholding tax regime must fill out the model 69, delivering it to the tax office and indicate in the model the choice of the new regime.

4.3.1. Procedure to lease a property

The property to lease must be suitable. With this purpose, the owner must provide a number of technical and administrative documents that attest to such as:

Chart 34: technical-administrative Documents

Technical and administrative documents	
Certificate of occupancy	To provide the proof of the property to the tenant agreed to use the owner must give the certificate of occupancy attesting that the viability of the property to certain legal and hygienic requirements.
Energy performance certificate (e.g. APE)	<p>Except when the property already has the certification who decide to lease it has to prepare the APE if:</p> <ul style="list-style-type: none"> - Will make an announcement commercial lease: property listings in the index of energy performance of the property reported in the APE - The property is located in one of the regions that provide for the obligation of the owner to surrender the APE at the time of conclusion of the contract and identify copy from the region itself and that on pain of economic sanctions: Among these regions will fall Also Tuscany - If it comes to buildings or units already equipped with EPA in the lease must include a clause in which the tenant claims to have already received an 'adequate information.

Source: prepared by KPMG

4.4. Tax aspects of the lease

All lease and rental contracts of real **property instruments** should be recorded. Registrations can be made either by the tenant (lessee) or the owner (lessor), whatever the amount of the agreed fee.

The deadline for the lease registration is **30 days** from the signing date of the contract or by the agreement (whichever is earlier), but if the duration of the contract does not exceed 30 days a year, you are not obliged to register the contract.

The **registration payment** fees and **stamp duty** for the contracts registration is required. The amount of the **registration tax** varies according to the chart below:

Chart 35: Registration tax

PROPERTY	PERCENTAGE
Capital goods	1% of the annual rent if the lease is undertaken by entities with a VAT position
	2% of the annual rent if the lease is undertaken by individual person

Source: KPMG Analys according to Presidential Decree 131/1986. Rate update at 2013.

The **stamp duty** is due for an amount equal to € 16,00 each 4 pages of the contract.

The leasing contract of **real estate assets** provides a natural regime of **exemption from VAT**. However, you can give the option in the contract for the application of the tax, which will be due in the amount of **22%** of the total of the royalties.

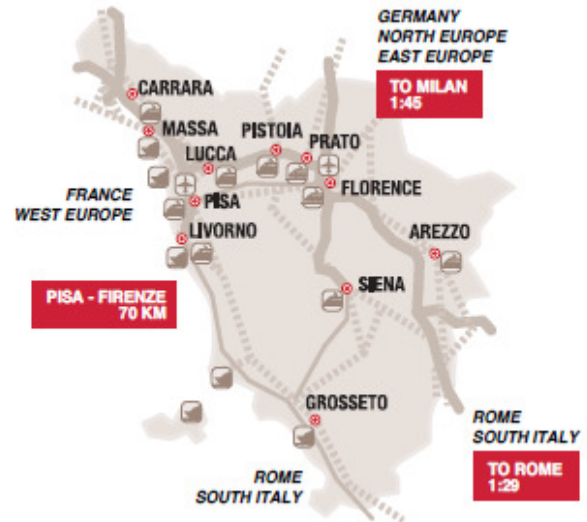


5. Accessibility and Services

This chapter will provide an overview of the infrastructure in the area and that promote the creation and development of enterprises.

Tuscany has in fact a dense network of road, rail, sea, and air that ensure efficiency in the movement of people and goods and enable strong growth of the territory.

As many know, Italy is part of the 'European Union, so sales and purchases of goods and services that take place between Italy and a member state of the Union are free of any constraints or barriers. In contrast, sales and purchases made between Italy and a state outside the European Union are obliged to go through customs, which require some special obligations, which are also described in this chapter.



5.1. Accessibility and infrastructure



Within the Tuscan region district there are three highways, The **A1** and the **A12** that connect the region with the North and the South to the peninsula and Genoa, while the third, the **A11**, connects the inland of the region with the coastal area.

Shortly, there will be the Tyrrhenian motorway that will connect Livorno to Civitavecchia.

The **A1**, also known as the **Sunny Highway**, is the main highway in this country. It connects Milan with Naples and crosses Tuscany from north to south, reaching the provinces of Florence, Arezzo and Siena.

The **A11 Firenze-Mare**, is the busiest highway in Tuscany between Florence and the northern Tyrrhenian coast center (Pisa and Versilia), across the Arno plain, the industrialized area of Prato and Pistoia, Valdinievole and the plain of Lucca. The **A12**

connects the seaside resorts of Versilia with Carrara, Massa, Pisa and Livorno. Finally, **the Tyrrhenian Highway²³**, once completed, will connect Livorno to Civitavecchia, strategic cities thanks to the presence of two of the main Italian ports, both for goods and people.

5.1.1. Ports and airport services in Tuscany

Tuscany has eight active airports and the main one is the Galileo Galilei Airport in Pisa, which is a military airport open to civilian traffic and trade. There are numerous airlines even low cost that depart from Pisa, to Italy, Europe, the United States of America and the rest of the world with direct intercontinental flights.

From a commercial point of view, the main airports other than Galileo Galilei are also Florence and Siena.

Below is a chart summary of the main airport services in Tuscany²⁴:

Chart 36: Airport services in Tuscany

Airport	Services	Website
Galileo Galilei (Pisa)	Commercial, civil and military	www.pisa-airport.com
Amerigo Vespucci (Florence)	Commercial and civil	www.aeroporto.firenze.it
Corrado Beccarini (Grosseto)	Military and tourism	www.grossetoairport.com
Teseo Tesei (Elba Island)	Tourism	www.elbaisland-airport.it
Ampugnano (Siena)	Commercial	www.aeroportosiena.it

Source: Prepared by KPMG, Internet sites in the chart

The three main ports are:

- **The Port of Livorno**, in addition to being the most important port of Tuscany, is also one of the main Italian ports of considerable importance for passenger traffic and trade throughout the Mediterranean Sea
- The **Port of Piombino**, smaller than that of Livorno, yet strategic for the commercial, industrial and tourist traffic. Today the port of Piombino is very exploited by large heavy industries in the area and the trades are strongest in steel products and has also a big tourist destination with links with Sardinia, Corsica and Elba Island and is among the first in Italy for the number of passengers carried
- The **Port of Carrara** is located in the seaside resort of Marina di Carrara and is one of the best equipped and functional seaports in Europe.



Links: Tuscan ports

www.portolivorno.it; www.porto.piombino.li.it; www.portodicarrara.eu

²³ The northern section Rosignano-San Pietro in Palazzi (4 Km), was put into operation on 8 June 2012. The work term is scheduled for 2017.

²⁴ On the websites you can find the reference tariffs for airport services transport goods.

5.1.2. Interports

In Tuscany there are two logistics of regional interest and classified national importance, both managed by joint-stock company with the participation of public and private entities.

The main interports in Tuscany are:

- **Prato's** interports (www.interportoprato.it)
- **"Amerigo Vespucci" Livorno's** interports located in Collesalvetti (www.interportotoscano.it).

Interports are capable of delivering to the companies, to the people who work there and the means of transportation several services such as:

- **Customs** services
- **container repair** shop
- **electronic access** control.

Prato's Interports also provides the shunting station and stopping of the unit inside the terminal. It is also under construction the **interports of Arezzo**, a logistics platform of 290 thousand square meters located near the High way exit (so called A1).



Links: Interports of Tuscany

www.interportoprato.it; www.interportotoscano.com;
www.interportoarezzo.com

5.1.3. Railway lines in Tuscany

The railway infrastructure in Tuscany extends a total of 1.479 miles of lines and 181 stations.



Link utili: Tuscany Railway Stations

www.fsitaliane.it

Commercial transport are operated by Ferrovie dello Stato S.p.A., and offer different logistics solutions for national and international links, in response to the policy of specialization for industries, as well as detailed in the following chart:

Chart 37: commercial transport services operated by Ferrovie dello Stato S.p.A.

Sector	Service
Automotive	Transport of carriages, (car and commercial vehicles) industrial vehicles, components and pieces of equipment.
Chemical	Transport of material from the chemical and petrochemical sector and other RID goods, recyclable products and waste.
Intermodal	Transport in the national and international multi-modal transport operator sector to transport containers, swap bodies semi-trailers and trucks.
Raw materials and consumer goods	Transport of construction material, wood, cardboard and cellulose, electrical appliances, cigarettes, rail material and rolling stock, grains, packaged material for large distribution and transport of equipment for the Italian and international armed forces.
Steel	Transport of semi-finished and finished steel products (including non-standard products and products of an exceptional length) metals in general and raw steel materials. Specialization in the transport of iron scraps, coils, semi-finished products, long products and tubes, high transport capacity provided in terms of weight, volume and size.

Source: KPMG analysis data processing from the official website of the State Railways 'freight' section

The price of the transportation service are available on the web-site www.cargo.trenitalia.it, page "Condizioni di Trasporto", section "Listino Prezzi". I principali sono riepilogati nella tabella che segue:

Chart 38: commercial transport services operated by Ferrovie dello Stato S.p.A.

TYPE OF TRANSPORT	CHARGE PER KILOMETRE
Full train	€ 25.00 TRAIN/KM
Single carriage	€ 3.20 CARRIAGE/KM

Source: KPMG Data Processing from the official website of the State Railways 'freight' section. Data updated through October 2013.

5.1.4. Local public transportation

The local public transport on trucks is changing at the national level. The Tuscany region in this context is reforming the local public transport on rubber, to ensure economic and social sustainability of the sector.

This reform will provide by 2014 to service a single bus company and a single regional ticket.

Today, following the public competition for the **local public transport Service**, Tuscany is divided into 14 lots allocated to 11 co-operative companies with limited liability and 3 unique subjects.

Chart 39: Local public transportation in Tuscany

Local public transportation in Tuscany		
Company	Phone numer	Web site
ATAF e Li-nea (Florence area)	toll-free number from fix phone: 800-424500 toll-free number mobile payments: 199-104245	www.ataf.net
ATL (District of Livorno, Livorno Val di Cecina and Elba island)	toll-free number from fix number: 800-317709	www.atl.livorno.it
ATN (District of Massa and Carrara)	toll-free number: 800.223.010	www.atnsrl.it
ATM (provincia di Livorno, Livorno, Piombino area)	toll-free number from fix phone: 800-922984 toll-free number from mobile payments: 199-168182	www.tiemmespa.it
Autolinee Chianti Valdarno (Florence district, Colline del Chianti and Valdarno)	Phone number: 055-47-821	www.acvbus.it
Autolinee Mugello Valdisieve (Florence district, Mugello and Val di Sieve)	Phone number: 055-47-821	www.amvbus.it
Blubus (district of Pistoia)	Phone number: 848.800.730	www.blubus.it
Compagnia Pisana Trasporti (Pisa district and Pisa)	toll-free number from fix phone: 800.570.530 toll-free number from mobile payments: 199.120.150	www.cpt.pisa.it
Consorzio Autolinee Pratesi (Prato district and Prato)	Phone number: 0574.6081	www.capautolinee.it
Etruria Mobilità (Arezzo district and Arezzo)	toll-free number from fix phone: 800.922.984 toll-free number from mobile payments: 199.168.182	www.etruriamobilita.it
Piùbus (Florence district, Empoli and Valdelsa)	Phone number: 0574 6081	www.piubus.it
Rama Mobilità (Grosseto district and Grosseto)	Phone number: 199 848 787	www.ramamobilita.it
Siena Mobilità (Siena district and Siena)	Phone number: 0577 204111	www.sienamobilita.it
Vaibus (Lucca district and Lucca)	N.A.	www.vaibus.it

Source: KPMG analysis on data provided by the web site of the public transportation companies

5.1.5. Rates/highway tolls

The **toll** is the amount due to the company's dealership construction and management of the Italian highway network (**Autostrade per l'Italia S.p.A.**) for the use of the highway. The toll is determined in accordance with the rates established by industry standards, implemented in the conventions between the concession-holders and the grantor Agency ANAS.



Links: **Highways for Italy**

www.autostrade.it



The movement of goods

European Union

Goods circulate freely throughout the EU, so for intra-Community supplies of goods there is no customs duty.

Companies are exempt from any administrative formalities for the movement of most goods between EU countries.

In the case of intra-Community transactions companies must only fill out the so called **Intrastat model**, consisting of a declaration of goods Exchange that collects statistical information on intra-Community trade.

If the volume of transactions exceeds € 50,000, companies are required to compile the model on a monthly basis, or every three months.

Outside the European Union

Supplies of goods between companies residing in Italy and companies residing outside the European Union must go through Customs Union. In this case, for those who buy, is due to the payment of customs duties on the goods cross the territory.

By virtue of new computerised systems (**ECS**), the formalities relating to the customs declaration (which is at the exit of the goods) are accelerated, as it allowed the electronic transmission of relevant data through which the company may verify, promptly, the outcome of the export. Unlike what happened previously, customs electronically communicate the successful release of the goods, without the need for paper documents.

Customs clearance is carried out by competent Customs offices. According to the ECS system, customs export declarations shall be drawn up using the **MODEL DAU** and the new **model DAE** (export accompanying document), and through the **MRN** (*Movement Reference Number*), the number of electronic customs declaration.

The DAE is printed based on data derived from the export declaration, possibly modified by the declarant/representative and/or adjusted export Office and completed with the movement reference number (MRN) and the reference number of the Office of export.

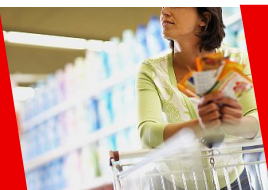
The new procedure is divided into the following phases:

- presentation of the export declaration at the competent Customs Office (DAU model)
- the Customs Office of export:
 - ✓ receives the paper documentation and places it in the electronic system AIDA
 - ✓ authorizes the release of goods
 - ✓ saves paper and populates the SAD delivery to the respondent the DAE, which must accompany the goods until the exit

- ✓ sends an electronic message to the Customs Office of exit
- the Customs Office of exit:
 - ✓ receives the goods from the Customs Office of export
 - ✓ verifies that the goods presented correspond to those declared and shall supervise their physical departure from the Community customs territory
 - ✓ proof of exit from the territory by communicating "passed out".

The new system makes it possible to verify that export directly into the website of the Agenzia delle Dogane (www.agenziadogane.gov.it).

Finally, since 2009 was started the registration system EORI (Economic Operator Registration and Identification) economic operators, consisting of 15 characters and preceded by the state code (IT for Italy). In general, this code is made for Italian operators by the letters EN and 15 digits that make up the **VAT**.



6. Living in Tuscany

Tuscany is characterized by multiple factors that guarantee a quality of life which is among the best in Italy and was demonstrated and published in the newspaper “Il Sole 24 Ore” for the year of 2012. In fact, the welfare is multidimensional and related to many indicators that describe the different aspects that affect the quality of life and certainly connected to variables that are not always easy to measure.

The economic indicators, are not always able to represent other important aspects such as; the environment, access to services, opportunities for leisure, and even some environmental conditions such as climate.

In this respect **Tuscany ranks fifth among all Italian regions**, confirming its position as a region that maintains a good balance between the different aspects of ones well-being and a high quality of life on average. This is due to the simultaneous presence of many positive elements, such as infrastructure services, environment, health, and leisure time services.

In particular, most of the Tuscan provinces are located in the top half of the national ranking (Siena, Florence and Arezzo). The following table summarizes the "positions" in the ranking of the Tuscan provinces, out of a total of 107 at the national level:

Chart 40: Tuscany district position on the national classification

Tuscany district	Position
Siena	2
Firenze	18
Arezzo	19
Grosseto	28
Livorno	30
Pisa	31
Lucca	33
Prato	35
Pistoia	52
Massa Carrara	56

Source: KPMG analysis data by the Sole 24 Ore web site.

Business, labor, leisure, services, environment and health are the strengths with in the Tuscan provinces. Consolidating the image of Tuscany it's necessary to be attentive to the needs of enterprises, the development of the economy, the solution of environmental problems, and the provision of services for the population.

The strong tourist attraction, mainly due to the presence of several cities in the region has led also to a good presence of leisure activities. With regard to the latter aspect, Tuscany offers several services mainly in terms of **artistic works**. In Tuscany there are in fact more than 390 museums, 10% of the museums in Italy, a heritage that every year attracts millions of visitors around.

Second only to Lazio region for visitors in the absolute existence of monuments of art, Tuscany is the first regarding the average attendance per school with over one hundred thousand annual inputs: from this point of view, Florence is the first city in the region hosting some of the the most famous museums in the world.

Before discussing in further detail the aspects related to health and education of citizens, which are dedicated to the following paragraphs, some reports are appropriate in terms of public safety, another key parameter in determining the quality of life.

In this respect, in Tuscany there is the **Observatory on Security**, established in 2000 under the Special Project "A safer Tuscany ", which aims to provide a cognitive framework of the security conditions in Tuscany, to allow an address more effective policy intervention.

The structure performs the functions of study, research, observation and documentation, provided for by Article 5 of the Regional Law 38/01, through data collection and processing that may constitute a support tool for planning and implementation of higher levels of security by the Regional and Local Authorities.

Finally in this chapter, in addition to aspects related to quality of life, it will also give voice to the cost of living indices, which summarize the evolution of certain consumer goods prices and services and the tax system for individuals.

6.1. The healthcare system in Tuscany

The healthcare system in Tuscany bases its strength on an organizational and government model characterized by a stable yet flexible structure. It can adapt to change and understand the needs that come from society and institutions. In 2004, Tuscany adopted the **Clinical Governance** within the health system.

This is a body dedicated to the training and the improvement of local health services. The activities that follow are both of organizational and cultural nature with the purpose of acquiring a better knowledge about the management of clinical decisions. It also aims at focusing on proper management of the patient safety and at improving communication between professional administrators and citizens.

The goals are pursued and elaborated by the Regional Health Council, devoted to diseases of the **Guidelines**, and the creation of consistent care pathways, which allow the creation of regional networks in strategic sectors such as the oncology and transplantation, and with the aim to help professionals to take clinical decisions identifying the instruments more effective treatment, assuring citizens therapeutic appropriateness and consistency of care.

Tuscany health service has over 50.000 employees and collaborators, including doctors, nurses and technicians who work daily in **40 hospitals**.

The region is also organized in Regional Commissions, Regional Committees, Regional Observatories, regional working groups and regional networks composed of professionals involved in multiple areas

of interest, such as nutrition, bioethics, fighting pain, rare diseases, Sports medicine and children's health.

The local health organization has 12 **Local Health Units (or ASL)**, territorial sections of the regional health service that provide assistance in different areas of the region.

In 1994, Careggi and Meyer (Florence) hospitals were established. Hospitals in Pisa and Siena later became (with the intervention of the legislative decree n ° 517/1999) so-called University Hospitals. Thanks to the presence of universities in the regional health system, research activities can be carried out as well as training and assistance provided both individually by the universities and by the Regional Health Service.

The Regional Health Service of Tuscany operates in line with the National Health Service. **The National Health Service (Ssn)** is composed of **"essential levels of care" (Lea)**²⁵ consisting of all the activities, services and benefits that the Service provides to all citizens for free or by paying a ticket, regardless of the income and place of residence. To access the services included in Lea one must be enrolled in the **National Health Service**. The application can be made at the offices of the local health unit of residence. After the registration is issued, a health card is required to access the support services.

Apart from emergencies, access to the services of Lea in health facilities directly managed by the Ssn (for example, health authorities and hospitals) and in private accredited and affiliated institutions requires a regional prescription issued by a doctor ("red prescription"). This also applies in the case where the citizen does not belong to a category exempt from the payment of the ticket.



 **Links: Health care services in Tuscany**
www.regione.toscana.it/sst

 **Links: Careggi**
www.aou-careggi.toscana.it
Tel. 055.794.111

 **Links: Meyer**
www.meyer.it
Tel. 055 56621 / Fax: 055 5662400

²⁵ Until Lea will remain at the base of the system, no one can be excluded from care because they are too old or in need of very expensive performance. Because of addicted behavior prejudicial to health or too poor, paradoxically, too rich: a high income may limit or justify the payment of a ticket, but not the exclusion from the right to the assistance. Besides Article. 32 of the Constitution (*"The Republic safeguards health as a fundamental right of the individual and collective interest, and guarantees free medical care to the indigent"*), is the establishment of the NHS Act 1978 to introduce for the first time the concept of "levels of health services that must be guaranteed to all citizens ", a concept reiterated and reinforced in subsequent reforms.

6.1.1. *Healthcare assistance for foreign citizens*

For foreign citizens, both EU and non EU, the registration **with the National Health Service** is enough to guarantee all care services that are offered to all Italian citizens.

Those who must register with the Ssn are:

- Foreign **nationals who hold a residence permit** and are employed, self-employed or who are registered as unemployed;
- foreign nationals **residing legally** or those who have applied for renewal of the residence permit on the basis of employment, self-employment, for family reasons, asylum, asylum request, waiting for adoption, foster care, acquisition of citizenship or for religious reasons;
- **dependent family members** (residing legally) of foreign nationals falling into the above categories

To register with the Ssn one must go to the local hospital, depending on the residence which is indicated in the residence permit, with the following documentation:

- personal identity document
- **fiscal code**
- residence permit
- self-certification of residence or stay (habitual residence is recognized for stays within reception centers that exceed three months).

Registration is valid for the duration of the residence permit and does not expire if one presents only the application for the renewal of the residence permit.

Upon registration a personal **health card** will be given to the applicant. This gives access to services that are free or require the payment of a fee as a contribution (health ticket). The following services are available: general medical examinations in clinics specialized medical visits, home medical visits, hospitalization, vaccinations, blood tests, x-rays, ultrasound, medicine, and prosthetic rehabilitation assistance.

Finally, in the case of non-compliance with the rules on entry and residence, the right to essential clinic and hospital care (even long-term) is still guaranteed both in public or private institutions.

For this purpose, you must request an **S.T.P. (Foreigner Temporarily Present in the nation) card** at any ASL. This card has six-month validity, it is renewable and guarantees: basic health care, non-urgent admissions, outpatient hospitalizations, care both for urgent or essential treatments, even if on-going, assistance in case of disease or injury.

6.1.2. Costs relating to health protection

Sanitary ticket: a contribution of the health care cost that must be paid by the citizen. All citizens (and therefore also those enrolled in the National Health Service), with the exception of those who are exempt, must pay the ticket. For laboratory, specialist and diagnostic services, the ticket amounts to **€ 38** for each prescription.

Additional ticket: fee is added to the ordinary ticket required for specialist care, and varies depending on the economic parameters of the household. As of September 3, 2012 the new rates are applied in accordance with the DGR 753/2012.

As shown in the chart below there are 4 ISEE/Household Income brackets. It is very important to state the range of income as those applications without such declaration are automatically placed in the highest income bracket.

Below is a summary of the additional contribution payable by each citizen, broken down by economic tier of household income tax or ISEE, by provision of specialist outpatient care and by pharmaceutical care.

Chart 41: Local health care service costs

OUTPATIENT SPECIALIST ADDITIONAL SANITARY TICKET					
Economic Family Income tax bands (ER) or Isee*					
	From to	€ 0 € 36,151	€ 36,152 € 70,000	€ 70,001 € 100,000	€ 100,000
Outpatient specialist excluding services in detail		€ 0	€ 10	€ 20	€ 30
RMN and TAC		€ 0	€ 10	€ 24	€ 34
Performance cycles		€ 0	€ 10	€ 24	€ 34
Outpatient complex packages of physical medicine and rehabilitation		€ 0	€ 32	€ 52	€ 82
Outpatient surgery and diagnostic imaging (Pet and scintigrafie)		€ 0	€ 15	€ 30	€ 40

PHARMACEUTICAL ASSISTANCE					
MEDICINE WITH TICKET IN CONVENTION					
	From to	€ 0 € 36,151	€ 36,152 € 70,000	€ 70,001 € 100,000	€ 100,000
Ticket to the box and recipe		€ 0	da € 2 a € 4	da € 3 a € 6	da € 4 a € 8

Source: KPMG analysis data from Aslweb site of the Tuscany Region. Data update at June 2013.

*ISEE (Indicatore della Situazione Economica Equivalente): it is an acronym that means Equivalent Economic Situation Indicator. It gives information on the income and assets of the family, taking into account its composition and its specific characteristics on the basis of an equivalence scale determined by law. The DGR 753/2012 has made the ISEE indicator mandatory from 02 January 2013. The family that is included in the ISEE is composed of the declaring, spouses, children, other people legally living with the family and others dependent from the family income, even if not present in the family status of the registrant.

Citizens who are not supported by the Ssn are required to pay the entire amount of services, regardless of the type of treatment, according to the rates determined by the Regional Health Service.

The exemption from income health ticket is recognized to:

- citizens under the age of 6 years and older than 65 years, provided they belong to a family with a total **income** not exceeding 36.151,98 euro per year;
- unemployed and dependents, provided that the total **income** of the relevant family unit is < euro 8.263,31; this is increased up to euro 11.362,05 in the presence of a spouse and a further euro 516,46 for each dependent child;
- pensioners or individuals on social allowance aged > 65 years, and dependents;
- holders of minimum pensions, age > 60 years, and the dependents, provided that the total **income** of the relevant household, for the previous year is <8.263,31 euro. This is increased to 11.362,05 euro in the presence of a spouse and by a further euro 516,46 for each dependent child.



Links: Health ticket and exemption

www.salute.gov.it/portale/salute/p1_5.jsp?lingua=italiano&id=34&area=Il_Ssn

6.2. Educational offers at national and regional levels

The school and university systems have undergone a series of reforms over the past few years that have enabled Italian education to adapt to international standards, this making Italian students and graduates more competitive in the labor market and at the same level of the European students.

In this perspective, the training and preparation is an on-going process that begins at school and continues beyond secondary education and university. It is an on-going process that also includes the active participation to culture.

Chart 42: scholastic path in Italy

Age	Cycle	School	Duration	Type of teaching	Certification
age 3 to 5	pre-school	School for infants (no obliged)	3 years	First approach to learn. It is not required but 90% of children of the Tuscan territory follow it.	None
age 6 to 10	First formation cycle (first phase)	Primary school (or elementary)	5 years	First cultural literacy, social training and education for civil society.	Examination at the end of the five-year period and access to the next training
age 11 to 13	First formation cycle (second phase)	Secondary school of first level	3 years	Teaching on the program prepared by the Ministry and adapted by teachers to students starting levels.	State examination and access to the second cycle of training
age 14 to 18	Second formation cycle	Secondary formation	5 years	Several curricula based on the specificity of each address.	State examination and obtaining a diploma of education
age 19 to 24	University studies	University	from 3 to 5 year	University education is specific to each individual faculty or Institute.	First level university degree and master's degree

Source: KPMG analysis data from Ministry of education.

"Traditional" education paths are combined with vocational **education and training represented** by particular courses. These are, managed by the **Vocational Training Centers (known as "Centro di Formazione Professionale" - CFP)** accredited by the Region of Tuscany. The courses are as followed:

- **professional qualification courses:** are commonly targeted at young people leaving compulsory education, have duration of two / three years and terminate with an examination which certifies the attainment of professional qualification.
- **specialization courses:** are aimed at children and / or adults who, having already obtained a professional qualification, wish to broaden their knowledge and skills in a professional field of their interest. They generally have a duration of one year.
- **post-graduate courses:** are aimed at people who have achieved, through the state school exams, a high school diploma and want to complete their professional training. They generally have a duration of one year.
- **education and higher technical education.**

Chart 43: Superior high schools offered in Tuscany

Superior high schools offered in Tuscany
High schools, vocational and technical institutes (alphabetical order)
Accademia di Belle Arti
Conservatorio di Musica
Istituto Superiore per le Industrie Artistiche
Istituto Magistrale
Istituto d'Arte
Istituto Professionale Industria e Artigianato
Istituto Professionale Industria e Artigianato per Ciechi
Istituto Professionale per i Servizi Alberghieri e Ristorazione
Istituto Professionale per i Servizi Commerciali
Istituto Professionale per i Servizi Commerciali e Turistici
Istituto Professionale per i Servizi Pubblicitari
Istituto Professionale per i Servizi Sociali
Istituto Professionale per l'Agricoltura e l'Ambiente
Istituto Tecnico Agrario
Istituto Tecnico Aeronautico
Istituto Tecnico Commerciale
Istituto Tecnico Commerciale e per Geometri
Istituto Tecnico Industriale
Istituto Tecnico Nautico
Istituto Tecnico per Attività Sociali
Istituto Tecnico per Geometri
Istituto Tecnico per il Turismo
Liceo Artistico
Liceo Classico
Liceo Linguistico
Liceo Scientifico

Source: KPMG analysis data from Ministry of education, the school Office for the region of Tuscany.

From an international point of view we note that in Tuscany there are several centers that allow foreign nationals to attend educational courses that allow the achievement of securities. The principal institutions of international education are:

- **International School of Florence** (www.isfitaly.org), american school
- **Lycée International Victor Hugo** (www.vhugo.eu), française school
- **International School of Siena** (www.internationalschoolofsiena.it) adopting the educational program of the **International Baccalaureate** (<http://www.ibo.org/>).

These institutions, recognized by the Italian school, are able to train their students and to issue certificates of qualification recognized in state, divide its training in international perspective, offering a scholastic organization in line with U.S. standards and French.

Recently, thanks to an international agreement concluded between the Italian and the French Ministry of Education, there is also the **EsaBac**, which allows to simultaneously supporting the **State Examination Italian and French Baccalauréat**. In Tuscany, between institutions that already offer this opportunity is **Machiavelli-Capponi high school of Florence** ([www.liceomachiavelli-capponi.it/Indirizzo int.htm](http://www.liceomachiavelli-capponi.it/Indirizzo%20int.htm)).

6.2.1. *What Universities offer*

Tuscany university apparatus is one of the points of excellence of the region, as it is able to guarantee a higher than national average level of education and research.

In the region there are three universities in the cities of Florence, Pisa and Siena, which are among the best universities in Italy. For information, visit the websites of the individual universities:

- www.unifi.it (University of Florence)
- www.unipi.it (University of Pisa)
- www.unisi.it (University of Siena).

In the 2012, ranking of the universities created by CENSIS, among the faculties of "medium" size and with a number of students per year between 10,000 and 20,000 students, the University of Siena came at the top of the list.

Among the faculty of "very large" size (with a number of entries per annum higher than 40,000 students) the University of Florence is in third place while the University of Pisa stands in fifth.

It is also important to note that in terms of single faculty, the University of Siena gets three "podium" at the national level:

1. The first place among the faculties of law;
2. The second place among the faculties of Political Science
3. The third place among the faculties of economics

All Tuscany Universities are included in the **LLP (Lifelong Learning Program, www.programmallp.it)**. It is a program within the community that promotes, exchanges cooperation and mobility between education and training systems to be a benchmark of quality.

The structure consists of:

- Four sectorial programs (or sub-programs);
- A transversal program aimed at ensuring coordination between the different sectors;
- The Jean Monnet Program, intends to support teaching, research and thinking in the field of European, integration and the key European institutions.

Chart 44: Lifelong Learning Programs

Lifelong Learning Program			
Comenius	Erasmus	Leonardo da Vinci	Grundtvig
School education	Higher education and training action	Initial and continuing training	Adult education
Transversal programme			
Four key activities: policy development; language learning; new technologies (ICT); Dissemination of results			
Jean Monnet program			
Three key activities: Jean Monnet action; European institutions and European associations			

Source: KPMG analysis data provided on the web site www.programmallp.it.

Tuscany offers several possibilities of educational courses for foreign students. Among the **public facilities** made available to the Universities of Florence and Siena are:

- **The Cultural Centre for Foreigners in Florence** (www.ccs.unifi.it) offers individual courses of Italian language and culture, adapted to the various needs of students and the various levels of proficiency. Each course has a duration of three-months and is available in every quarter of the year in order to offer students the best flexibility possible.
- **The University for Foreigners of Siena** (www.unistrasi.it) offers undergraduate three-year programs and master degrees. It offers study programs aimed at Italian and foreign professionals in order to create advanced and appropriate professionals for the diffusion of languages as indicated by the EU institutions. Masters, PhDs, specialization courses and refresher courses are also available for those who already work.

Of particular importance is the **Istituto Universitario Europeo** (www.eui.eu), an institution for study and research funded by the European Union located a few kilometers from Florence.

The Institute operates through 4 departments (history and civilization, economics, legal studies and social-political sciences, which are supported by a Search Center for European Studies, called Center Robert Schumann), attended by about 50 teachers and 600 researchers, mainly coming from countries of the EU.

The region boasts the presence of very important **private institutions**.

- **The Istituto Lorenzo de 'Medici** (www.lorenzodemedici.it / en / home), offers over



Istituto Europeo del Design

The IED is an institution that was founded in 1996 and offers courses in the field of Arts, Visual Communication, Fashion and Design. It is located in many Italian cities, including Florence, and it offers courses for higher education in the field of technology and craftsmanship. These courses primarily deal in hand-making and innovation. The School offers three-year courses to students who have completed high school studies, one or two year master courses for graduates aimed at graduates and professionals and intensive 6 months or one-year programs including an overseas stay.

400 courses in 32 areas of education, grouped into four divisions: science, art and culture, design and teaching of language and Italian literature. The courses are taught exclusively in English;

- **The American University "Syracuse University" in Florence** (www.syr.fi.it), founded in 1959, offers over 100 courses in various disciplines divided into five main macro-areas: architecture, art history, social and economic sciences, art and study of Italian language and literature. The courses are taught in English
- **The American University "New York University" in Florence** (www.nyu.edu), offers courses in humanities, economic and artistic works (courses on filmography, music, photography) to foreign students in English and in Italian
- **Florence University of the Arts (www.fua.it)** is a multidisciplinary institution offering undergraduate and postgraduate university courses on many disciplines. It is divided into different "schools" which run courses in English. In particular:
 - ✓ international school of hospitality;
 - ✓ digital imaging and visual arts;
 - ✓ fashion & accessories & technology studies;
 - ✓ interior design, architecture & environmental sustainability;
 - ✓ school of arts and sciences;
 - ✓ international school of business;
 - ✓ school of journalism, communication and publishing;
 - ✓ center for contemporary Italian studies;

For more information about American colleges and universities in Italy, see the website of the Association of American College and University Programs in Italy (AACUPI): www.aacupi.org.

- The Scuola Normale Superiore (also called the "**Normale**") - www.sns.it – is one of the oldest in Tuscany. Its quality of training in Literature, Philosophy, Mathematics, Physical and Natural Sciences is internationally recognized. The students of the school are in all respect students of the University of Pisa, even if they have some extra obligations such as attending additional courses, passing an interview at the end of year, high marks on exams and an annual contribution. Admission is by competition, and once admitted, students have access to food, lodging, and reimbursement of tuition fees. The school has been able to establish important relationships and collaborations with leading research and university institutions both at national and international levels. It provides all its students and alumni with a placement service for promoting relations and connections with important professional operators, encouraging the placing of qualified graduates in the labor market.
- **The Scuola Superiore Sant'Anna** (www.sssup.it) is instead a college with special status, which operates in the field of applied sciences: Economics and Managerial Sciences, Law, Political Science, Agricultural Sciences and Biotechnology, Medical Sciences and Industrial and Information Engineering. The Scuola Superiore Sant'Anna, in collaboration with universities, institutions, companies and foreign research institution, focuses on experimenting in innovative research and training. Thanks to its internationality, excellent training and the scientific community, the Scuola Superiore Sant'Anna has established itself as a reference point in Italy and abroad.
- **The Institute for Human Sciences in Florence** (www.sumitalia.it) is a state university dedicated to high training and research in the humanities and social sciences. Promotes and coordinates doctorate programs, post-doctoral and level II masters and it is open to students from all over the world. The Institute:

- ✓ cooperates with the leading Italian universities (Bologna, Florence, Milan, Naples, Rome and Siena), and with leading European universities: the Central European University (CEU), the Ecole des Hautes Etudes en Sciences Sociales (EHESS), the 'Ecole Pratique des Hautes Etudes (EPHE), the Humboldt University of Berlin);
- ✓ signed agreements of cooperation and joint supervision of doctorates with the École des Hautes Études en Sciences Sociales, Ecole Pratique des Hautes Etudes, New York University, Georgetown University, Casa Italiana Zerilli-Marimò.
- **The Polimoda** (www.polimoda.com) is an International Institute of Fashion Design & Marketing. It organizes specialized high courses in the fields of fashion design, production, sales and marketing, aimed at establishing close cooperation between academia and production companies, as well as providing constant interfacing with the international scene. Founded in 1986 as an initiative conceived and funded by the cities of Florence and Prato and business associations, in collaboration with the Fashion Institute of Technology, State University of New York, Polimoda provides students with quality vocational training in line with the needs of companies. Polimoda is a member dell'IFFTI (International Foundation of Fashion Technology Institutes) and conducts training courses in collaboration with the Region of Tuscany, the Provinces of Florence and Prato and with contributions from the European Union.

6.3. The cost of living

6.3.1. *The cost of buying and renting a home*

Residential properties in Tuscany can be distinguished in **two types** of homes:

- **Residential buildings:** these are mainly residential units forming part of buildings in good condition. They are generally characterized by internal average size spaces. External parts are normally well made. Vertical and horizontal passage areas are well lit and spacious. The finishes and materials used are of good or excellent workmanship and quality. These houses are equipped with ordinary technology.
- **Cheap homes:** these are real estate units that are parts of buildings and defined "**cheap**". They usually have ordinary external finishes with inexpensive elements. The vertical and horizontal passage areas are usually small. The finishes are of average quality and so is the workmanship. They are equipped with adequate facilities but, in the case of older buildings, they are incomplete.

The following chart shows the prices for the sale and leasing of residential properties for the year 2012 in the 10 provincial capitals of Tuscany. The average and maximum values per unit area are shown.

The **areas** where the structures are located are:

- **Peripheral area:** part of the municipal territory contiguous to the end of the mid-central area and limited by the outer edge of the settlement on which it is built on;
- **Central area:** part of the municipal area that is located in the urban center of the municipality.

The **conservation state** of each property, with reference to the area, has also been shown. This is classified according to three parameters: **excellent, normal and poor**²⁶.

Chart 45: Residential Properties in Destination - Prices of sale and lease (second half 2012)

MUNICIPALITY	AREA	TYPE	STATE	MARKET VALUE €/mq net area			RENTING VALUE €/mq for month gross area		
				Min	Max	Medium	Min	Max	Medium
Arezzo	Central	civilian housing	NOT GOOD	1400	1750	1575	5.7	6.9	6.3
	Central	civilian housing	NORMAL	1800	2150	1975	6.6	7.9	7.25
	Central	civilian housing	VERY GOOD	2350	2700	2525	8.8	10.1	9.45
	Central	Business homes	NORMAL	1300	1750	1525	5	7.1	6.05
	Residential	civilian housing	NORMAL	1150	1550	1350	4.2	5.9	5.05
Firenze	Central	civilian housing	NORMAL	3000	4800	3900	9.3	14.9	12.1
	Central	Business homes	NORMAL	2600	3700	3150	8.8	12.5	10.65
	Residential	civilian housing	NORMAL	2400	3100	2750	8.6	11.1	9.85
	Residential	Business homes	NORMAL	2200	2900	2550	8.1	10.6	9.35
Grosseto	Central	civilian housing	NORMAL	2000	2800	2400	6.2	9.3	7.75
	Central	civilian housing	VERY GOOD	3000	4500	3750	10	13	11.5
	Central	Business homes	NORMAL	1800	2200	2000	6.1	7.3	6.7
	Residential	civilian housing	NORMAL	1900	2400	2150	4.6	6.1	5.35
	Residential	Business homes	NORMAL	1700	2000	1850	4.2	5.1	4.65
Livorno	Central	civilian housing	NORMAL	2000	2400	2200	9.1	11.5	10.3
	Central	Business homes	NORMAL	1800	2100	1950	7.5	8.7	8.1
	Residential	civilian housing	NORMAL	2100	2600	2350	8.8	10.8	9.8
	Residential	Business homes	NORMAL	1800	2300	2050	7.8	9.8	8.8
Lucca	Central	civilian housing	NORMAL	3300	4100	3700	9	11.1	10.05
	Central	Business homes	NORMAL	2700	3600	3150	6.8	9	7.9
	Residential	civilian housing	NORMAL	2050	2200	2125	6	6.6	6.3
	Residential	Business homes	NORMAL	1650	2000	1825	4.7	5.6	5.15
Massa Carrara	Central	civilian housing	NORMAL	2000	2500	2250	5.5	8	6.75
	Central	civilian housing	VERY GOOD	2500	2800	2650	-	-	-
	Central	Business homes	VERY GOOD	1500	1800	1650	-	-	-
	Central	Business homes	NORMAL	1800	2200	2000	5	7	6
	Residential	civilian housing	NORMAL	2400	2900	2650	-	-	-
	Residential	civilian housing	VERY GOOD	2900	3500	3200	-	-	-
Pisa	Residential	Business homes	VERY GOOD	2100	2750	2425	7	8.7	7.85
	Central	civilian housing	NORMAL	2400	3300	2850	10	12.8	11.4
	Central	Business homes	NORMAL	2000	2800	2400	8.2	11.4	9.8
	Residential	civilian housing	NORMAL	2200	3300	2750	8.4	12	10.2
	Residential	Business homes	NORMAL	2000	2900	2450	7.6	10.7	9.15
	Central	civilian housing	NORMAL	2200	2650	2425	7.6	10.8	9.2
Pistoia	Central	Business homes	NORMAL	1800	2200	2000	6.5	9	7.75
	Residential	civilian housing	NORMAL	1950	2550	2250	6.5	9.5	8
	Residential	Business homes	NORMAL	2050	2400	2225	6.6	8.4	7.5
	Central	civilian housing	NORMAL	1800	2650	2225	-	11.5	-
Prato	Central	civilian housing	VERY GOOD	2450	2900	2675	-	14.5	-
	Central	Business homes	NORMAL	1500	2200	1850	-	10.3	-
	Residential	civilian housing	NORMAL	1900	2250	2075	-	11.5	-
	Residential	civilian housing	VERY GOOD	2300	2850	2575	-	12.5	-
	Residential	Business homes	NORMAL	1500	2000	1750	-	10	-
Siena	Central	civilian housing	NORMAL	2850	4200	3525	8.5	12.7	10.6
	Central	Business homes	NORMAL	2150	3200	2675	7.3	10.5	8.9
	Central	Stately homes	NORMAL	3500	4900	4200	11.5	16.7	14.1
	Residential	civilian housing	NORMAL	2350	3400	2875	7.8	11.3	9.55
	Residential	Business homes	NORMAL	1800	2500	2150	5.8	8.4	7.1

Source: KPMG analysis on OM data base.

²⁶ For the determination of the conservative state it is obliged to account maintenance status of the finishes of the common elements of the building and maintenance and conservation status of its works. The parameters for the conservative state classification are: -exterior; -common fixtures; -electrical system; -cover; -entrances, staircases, common parts; -heating system; -sewage system; -lift; -audio/video door entry system.



Links: **OMI data base**

www.agenziaentrate.gov.it/wps/content/Nsilib/Nsi/Documentazione/omi/Banche+dati/Quotazioni+immobiliari

The table below shows the different types of residential lease:

Chart 46: Types of residential leases

Type	Description
Rental for residential purposes	
Freely determined fee	The parties are free to determine the amount of the fee, the method of payment and other various contract elements, except for the minimum duration (4 years with automatic renewal for another 4 years) and the methods of renewing and withdrawing from the contract, which are otherwise governed by the law. This shall apply on provided that the property is: <ul style="list-style-type: none"> • a dwelling excluding rentals whose only purpose is to be a home • different from those defined as those with a "special value or used for a purpose other than tourism and holidays or to meet any residence requirements of a transitory nature.
An agreed fee	The parties must determine a minimum and a maximum fee based on set criteria and in regional agreements concluded by the property owners' and tenants' association; The minimum duration is from 3 years + 2 years automatic renewal when it expires. The parties may choose this type of contract provided that the property has the same features of those which may be let through a freely determined fee contract.
For transitory residence requirements	One of the parties needs to lease or rent out a property temporarily without committing to a long period of time; the minimum and maximum duration is set out by the law.
Completely free (with regards to fee and duration)	This type of contract may be used only if the lease concerns: <ul style="list-style-type: none"> • a garage, cellar, attics and other home items provided that they are leased independently to that home. If this is not the case, the freely determined fee shall apply to the lease contract or the fee relating to the type of property rented. • luxury properties (noble properties, villas, palaces, castles) or any property with cultural, artistic and historical value.

Source: KPMG Analysis

6.3.2. Tax aspects of buying/selling a home



Purchase of owner-occupied housing as a first home

Buying a home involves the payment of some taxes, which vary depending on the destination of the subject property and seller. When you buy the "**first house**" you can enjoy a preferential tax regime which allows you to pay taxes to a lesser extent than those ordinarily due.

As a result of Article 10 of Legislative Decree 23/2011 and 26 of DL 104/2013, as from 1 January 2014 the tax on transfer of property will be modified with the aim of reducing the tax burden on sale between private property intended for use as a **first home**.



Purchase of owner-occupied housing as a first home

In particular, if the sale is made by a private citizen the following taxes are applied:

- **register tax** of 3% (2% from 2014)
- **the mortgage** and **cadastral taxes** of € 168 each (€ 50 euro from 2014).

If the property is qualified as a luxury (identified by the cadastral category A / 1, A / A and 8/9) the **registration tax** is payable in proportion of 7% on the value of the property (9% from 2014). If the vendor is a private, VAT is never applied.

If the seller is a company manufacturer (or restructuring), and the property is sold within 5 years from the end of the work you apply:

- VAT of 4%
- **register tax** fix of € 168 (€ 200 from 2014)
- **the mortgage** and **cadastral taxes** of € 168 (€ 200 from 2014).

If the seller is any other company, firm or manufacturer (or restructuring) that sells the property after five years of completion work:

- VAT is exempted
- **Registration tax** of 3% (2% from 2014)
- **the mortgage** and **cadastral taxes** of € 168 (€ 200 from 2014).

In the latter case, the VAT can be applied if it is made in the act of buying and selling option expressed by doing so, all the other tax is payable in a fixed amount of € 168 (€ 200 in 2014).

The **registration tax**, **mortgage** and **land** are paid by the **notary** at the time of registration of the deed and will be charged back to the parties in the invoice issued by the **notary** himself.

From 1 January 2007 (as a result of the Finance Act for 2007), only for the sales of residential property in favor of a private buyer, you can take as a tax base for the calculation of the tax due (**registration**, **mortgage** and **cadastral**) the **cadastral value**, rather than the consideration paid (usually higher). In this case, the deed of sale must include both the **cadastral value** of the contract price, as well as the choice made by the purchaser.



Purchase of property for residential use, not as a first home

If a residential property is purchased and is not the **first house**, the facilities listed above will lapse and taxes apply as follows.

If the seller is a private individual:

- VAT is not applicable
- **registration tax** of 7% (9% from 2014)
- **mortgage tax** of 2% (€ 50 from 2014)
- **cadastral tax** of 1% (€ 50 euro from 2014)

If the seller is a company manufacturer (or restructuring) that sells within 5 years from completion jobs you apply:

- VAT of 10% (22% for luxury property)
- **registration tax**, **mortgage** and **cadastral tax** each at a fixed rate of € 168 (€ 200 from 2014).

If the seller is any other company, firm or manufacturer (or restructuring) which sell the property after five years to completion work:

- VAT is exempted
- **Registration tax** of 7% (9% from 2014)
- **mortgage tax** of 2% (€ 50 from 2014)
- **cadastral tax** of 1% (€ 50 euro from 2014).

In the latter case, the VAT can be applied if it is made in the act of buying and selling option expressed so: all the other tax is payable in a fixed amount of € 168 (€ 200 in 2014).

Here is a summary of fiscal discipline:

Chart 47: Fiscal discipline for buying a property

Type	Tax	From private	From manufacturing company	From non-manufacturing company
Main dwelling	VAT	Exempt	4%	Exempt, except for options
	Registration	3%	€ 168	3%
	Mortgage	€ 168	€ 168	€ 168
	Cadastral	€ 168	€ 168	€ 168
Not main dwelling	VAT	Exempt	10% (21%)	Exempt, except for options
	Registration	7%	€ 168	7%
	Mortgage	2%	€ 168	2%
	Cadastral	1%	€ 168	1%

Source: KPMG analysis regulations pursuant to Presidential Decree 633/1972, Presidential Decree 131/1986 and Legislative Decree no. 347/1990. Rates updated in June 2013.

Chart 48: Fiscal discipline of buying a property (from January 1, 2014)

Type	Tax	From Individual	From building enterprise	From a company
First house	VAT	Exempt	4%	Exempt, unless option
	Register	2%	€ 200	3%
	Mortgage	€ 50	€ 200	€ 50
	Cadastral	€ 50	€ 200	€ 50
Not first house	VAT	Exempt	10% (22%)	Exempt, unless option
	Register	9%	€ 200	9%
	Mortgage	5000%	€ 200	5000%
	Cadastral	5000%	€ 200	5000%

Source: prepared by KPMG regulations pursuant to Presidential Decree 633/1972, Presidential Decree 131/1986 and Legislative Decree no. 347/1990. Rates updated in October 2013.

6.3.3. Tax aspects of renting a home

As already indicated in this Guide (Chapter 5), all leases of real property must be recorded. The recording can be carried out either by the lessee (conductor) or owner (lessor), whatever the amount of the rent. For the procedure for registration of the lease, please refer to Chapter 5.

The deadline for registration of the lease is **30 days** from the inception date of the contract (if this date is earlier), however if the duration of the contract does not exceed 30 days a year, there is no obligation to register the contract.



Incentives for leases between private citizens

The scheme under the lease between individuals provides for the **non-application of VAT**, while the **registration tax** is due at a rate of **2%** and the **stamp duty** at the rate of € 16.00 each 4 pages. For the registration of residential leases there is an extraordinary regime. This is particularly convenient as it requires, for the registration, the payment of a substitute tax (**dry withholding tax**) instead of the traditional **stamp duties**, **personal income tax** (IRPEF) and related additional tax. The homeowners (must be individuals) who can opt for the dry withholding tax regime are those who rent the units to individuals who do not conduct any business activities, arts and professions. The option may be exercised on each residential unit and to all joint locate appliances. The option binds the lessor to the application of the withholding regime for the entire duration of the contract. The amount of the dry withholding tax is calculated by applying a **rate of 21%** calculated on the annual rent agreed between the parties. This has to be paid with a **deposit** equal to **95%** of the amount that is due for that year.

In particular, payments must be made:

- in **one installment**, by November 30, if the amount is less than euro 257,52
- in **two installments**, if the amount owed is more than euro 257,52:
 - ✓ the first, 40%, by 16 June (in 2012, July 9)
 - ✓ the second, of the remaining 60%, by 30 November.

The balance of the substitute tax must be made no later than the 16th of June of the following year, or by July 16th, with an increase of 0,40%.

Anyone wishing to take advantage of the dry withholding tax regime may exercise the option at the time of registration of the contract by filling in the Siria System the simplified model - pdf (approved by decision of 7/04/2011) or the model 69 - pdf, available on the website of Revenue Agency www.agenziaentrate.gov.it.

If the lease of the property takes place between a manufacturer, rebuilding of properties and a private, the annual fee is exempt from **VAT**, although you can opt for its application (in this case, the reference rate is equal to **10%**). For all other companies, the lease is **exempt from VAT**, with no possibility of an option. The **registration tax** is applied in all cases the rate of **2%** per annum.

6.3.4. *Utilities and services*



Electricity

Following the liberalization of the electricity market (which took place in 2007) all consumers are free to choose their electricity supplier and they can therefore view the offers on the market and choose the best one.

As an alternative to this choice the user can obtain supplies of electricity at the conditions laid down by the Authority for Electricity and Gas (hereinafter also "AEEG") known as **conditions of greater protection**.

With the electricity bill, families and small consumers served under greater protection pay the following items:

- **sales services**, namely the price of energy;
- **network services** for the transport of electricity from power plants to the homes and the management of the meter;
- **the taxes:**
 - ✓ **the national consumption tax (excise tax)** is applied to the amount of energy consumed regardless of the contract or chosen supplier. Customers with consumption up to 1800 kWh enjoy a benefit on the supply to the registered residence home;
 - ✓ **Value Added Tax (VAT)** (22%).

Chart 49: Utilities for homes with registered residency with capacity greater up to 3 kW (second quarter, 2013)

Energy quota (€/kWh)	Sales services			Services	General charges	TOTAL		
	Single band	Band F1	Band F23	Single band	Single band	Single band	Band F1	Band F23
kWh/year: from 0 to 1800	0,09274	0,09939	0,08940	0,00478	0,032290	0,129810	0,136460	0,126470
from 1801 to 2640	0,09675	0,10340	0,09341	0,04129	0,047190	0,185230	0,191880	0,181890
from 2641 to 4440	0,10108	0,10773	0,09774	0,08061	0,067240	0,248930	0,255580	0,245590
over 4440	0,10571	0,11236	0,10237	0,12274	0,067240	0,295690	0,302340	0,292350
Fixed quota (€/year)	15,48500			6,12000		21,60500		
Power quota (€/kW/year)				5,50320	0,23420	5,73740		

Source: Authority for Electricity and Gas.

Chart 50: Utilities for homes with registered residency with capacity greater than 3 kW or homes different from the registered residency (second quarter, 2013)

Registered residency (second quarter, 2015)								
	Sales services			Services	General charges	TOTAL		
Energy quota (€/kWh)	Single band	Band F1	Band F23	Single band	Single band	Single band	Band F1	Band F23
kWh/year: from 0 to 1800	0,09221	0,09886	0,08887	0,02437	0,067240	0,183820	0,190470	0,180480
from 1801 to 2640				0,04129		0,200740	0,207390	0,197400
from 2641 to 4440				0,08061		0,240060	0,246710	0,236720
over 4440				0,12274		0,282190	0,288840	0,278850
Fixed quota (€/year)	21,70570			21,78730		43,49300		
Power quota (€/kW/year)				15,17300	0,23420	15,40720		

Source: Authority for Electricity and Gas.

The chart that follows (only intended for illustrative purposes) highlights the typical total expenditure in the first quarter of 2013 of a household (family with a consumption equal to 2700 kWh / year). This is done by highlighting the different cost items that make up the bill:

Chart 51: Utilities for homes with registered residency with used power up to 3kW (second quarter, 2013)

2013 Quarters - enhanced protection		Total expense €/ year
Sales service	Electricity price "granted" to the final customer	280
Network service	Transport tariffs, distribution and measuring electricity	75
Taxes	National	93
Total electricity expenses	For domestic users (residential family with consumption of 2700 kWh/year and a power of 3KW	516

Source: Authority for Electricity and Gas.



Similar to electricity, the gas market was liberalized and every customer can choose their supplier of natural gas considering the most convenient economic conditions.

The Authority for Electricity and Gas has also provided the establishment of a protection regime in order to ensure a form of protection for those categories of users with low bargaining power (such as domestic customers).

The following chart shows the economic conditions applied to domestic customers under **the regime of protection**, in the second quarter of 2013 for the sales and service network:

Chart 52: Utilities for homes with registered residency with used power up to 3kW (second quarter, 2013)

	II Quarter of 2013		
	Sales service	Network service	Total
Energy quota (€/Smc)			
Sm ³ /year: from 0 to 120	0,392381	0,061301	0,453683
from 121 to 480		0,190265	0,582646
from 481 to 1.560		0,166624	0,559005
from 1.561 to 5.000		0,162224	0,554605
from 5.001 to 80.000		0,135813	0,528194
from 80.001 to 200.000		0,097168	0,489549
from 200.001 to 1 mln		0,077721	0,470102
over 1 mln		0,065875	0,458257
Fixed quota (€/year)	40,34	35,91	76,25

Source: the Authority for Electricity and Gas.

The following chart highlights, for illustrative purposes, the total expenditure in the second quarter of 2013 for a residential customer with an annual consumption of 1400 standard cubic meters.

Chart 53: Utilities for homes with registered residency with used power up to 3kW (second quarter of 2013)

II quarter of 2013 - protection		Total expenses €/ year (approximate)
Sales service	Price of gas consumed	590
Network service	For transport, storage, distribution and managing the meter	230
Taxes	National	425
Total gas expenses	For a domestic user with an annual consumption of 1400 standard cubic metres	1245

Source: the Authority for Electricity and Gas.

Taxes on average make up for 35% of the total gas bill and include:

- **consumption tax (Excise tax)**
- **regional surtax**
- **Value Added Tax (VAT).**

The **excise** for domestic use, accounts for 17% of the total bill. It is different for central-southern and central-northern Italy and varies according to 4 consumption brackets.

The **regional surtax** accounts for about 2% of the total bill and is determined independently by each

region within the limits set by law. Both the national excise and the regional surtax are proportional to the amount of energy consumed.

The **VAT** is applied to the sum of all the items on the bill (cost of sales services + cost of network services + excise); for domestic use it is 10% for the first 480mc consumed, 21% for all other consumptions and fixed quotas.



In Tuscany, according to the Regional Law no. 69 of December 28, 2011 the Tuscany Water Authority (AIT) was established.

These authorities represent the Tuscan municipality, and support the integrated water service²⁷ with planning, organizing and controlling all the activities.

The territory of Tuscany is currently **divided into 6 regional conferences**. For each one of these areas one or more managing authorities have been nominated to run the water services.

Chart 54: Managing authorities for each Tuscan Regional conference

Regional conference	Manager	Area of region Km ²	N. Towns	Region
North Tuscany	Gaia S.p.A. Geal S.p.A.	2.290	57	Massa Carrara, Pistoia Lucca
Lower Valdarno	Acque S.p.A.	2.894	57	Pisa, Firenze, Pistoia, Lucca, Siena
Central Valdarno	Publicacqua S.p.A.	3.380	53	Firenze, Prato, Pistoia, Mugello, Valdisieve
Higher Valdarno	Nuove Acque S.p.A.	3.106	37	Arezzo, Siena, Val di Chiana, Casentino, Tiberina
Tuscan coast	Asa S.p.A.	2.414	33	Livorno, Pisa, Siena
Ombrone	Acquedotto del Fiora S.p.A.	7.586	56	Grosseto, Siena

Source: KPMG analysis data from www.autoritàidricatoscana.it

The following charts report, for each of the 6 Tuscan conferences and relative managing authority, the rates of water services for different consumer ranges and type of home users, in force from 1 January 2013:

²⁷ With the terms “Integrated water service” we define all the activities that permit to obtain all the clean water and discharge the waste water.

Chart 55: Regional conference n. 1 – North of Tuscany

REGIONAL CONFERENCE	USER TYPE	MANAGER	QUOTA	CONSUMPTION BAND	AQUEDUCT	SEWER	PURIFICATION	TOTAL €/mc excluding VAT at 10% (variable) - TOTAL €/YEAR (fixed)
Regional Conference No. 1 North Tuscany	DOMESTIC USE BY RESIDENTS AND THOSE TREATED AS RESIDENTS	Gaia Spa - Mountain towns	Enhanced band	Up to 168 mc	€ 0,4473	€ 0,4047	€ 0,2982	€ 1,1502
			Basic band	Up to 252 mc	€ 0,6177	€ 0,5538	€ 0,4154	€ 1,5869
			Surplus band	Over 252 mc	€ 0,0118	€ 0,9053	€ 0,6710	€ 1,5881
			Annual fixed quota Euros		€ 12,3860	€ 11,1186	€ 8,2538	€ 31,7584
		Gaia Spa - Other towns	Enhanced band	Up to 168 mc	€ 0,5538	€ 0,5006	€ 0,3728	€ 1,4272
			Basic band	Up to 252 mc	€ 0,7750	€ 0,7029	€ 0,5219	€ 1,9998
			Surplus band	Over 252 mc	€ 1,2780	€ 1,1396	€ 0,8520	€ 3,2696
			Annual fixed quota Euros		€ 15,6030	€ 14,0048	€ 10,4051	€ 40,0129
		Gaia Spa - Bacino transitorio town of Massa	Enhanced band	Up to 168 mc	€ 0,3800	€ 0,3500	€ 0,2600	€ 0,9900
			Basic band	Up to 252 mc	€ 0,5400	€ 0,4900	€ 0,3600	€ 1,3900
			Surplus band	Oltre 252 mc	€ 0,8800	€ 0,7900	€ 0,5900	€ 2,2600
			Annual fixed quota Euros		€ 10,7800	€ 9,6800	€ 7,1900	€ 27,6500
	DOMESTIC USE BY NON-RESIDENTS	Gaia Spa - Mountain towns	Basic band	Up to 50 mc	€ 1,1822	€ 1,0544	€ 0,7881	€ 3,0247
			Surplus band	Over 50 mc	€ 1,3845	€ 1,2461	€ 0,9266	€ 3,5572
			Annual fixed quota Euros		€ 24,7826	€ 22,2372	€ 16,5182	€ 63,5380
		Gaia Spa - Other towns	Basic band	Up to 50 mc	€ 1,4804	€ 1,3313	€ 0,9905	€ 3,8022
			Surplus band	Over 50 mc	€ 1,7466	€ 1,5656	€ 1,1609	€ 4,4731
			Annual fixed quota Euros		€ 31,2045	€ 27,9989	€ 20,7995	€ 80,0029
	DOMESTIC USE	Geal Spa	Enhanced band	Up to 90 mc	€ 0,3200	€ 0,6288	€ 0,3584	€ 1,3072
			Basic band	Up to 135 mc	€ 0,6141	€ 0,6288	€ 0,3584	€ 1,6013
			Surplus band	Up to 180 mc	€ 1,0594	€ 0,6288	€ 0,3584	€ 2,0466
			Surplus	Over 252 mc	€ 1,6068	€ 0,6288	€ 0,3584	€ 2,5940
			Annual fixed quota Euros		€ 9,9031	€ 3,3214	€ 3,6127	€ 16,8372

Source: KPMG analysis data at www.autoritàidricatoscana.it

Chart 56: Regional conference n. 2 – Lower Valdarno

REGIONAL CONFERENCE	USER TYPE	MANAGER	QUOTA	CONSUMPTION BAND	ACQUEDUCT	SEWER	PURIFICATION	TOTAL €/mc excluding VAT at 10% (variable) - TOTAL €/YEAR (fixed)	
Regional Conference No. 2 Lower Valdarno	DOMESTIC USE 1 (domestic use by resident)	Acque Spa	Enhanced band	Up to 80 mc	€ 1,1164	€ 0,1433	€ 0,5614	€ 1,8211	
			Basic band	Up to 200 mc	€ 1,4896	€ 0,1911	€ 0,7485	€ 2,4292	
			Surplus I	Up to 300 mc	€ 2,0243	€ 0,2601	€ 1,0184	€ 3,3028	
			Surplus II	Over 300 mc	€ 2,4289	€ 0,3121	€ 1,2211	€ 3,9621	
	Annual fixed quota Euros							€ 38,4408	
	DOMESTIC USE 2 (domestic use by non-resident)		Basic band	Up to 200 mc	€ 1,4896	€ 0,1911	€ 0,7485	€ 2,4292	
			Surplus I	Up to 300 mc	€ 2,0243	€ 0,2601	€ 1,0184	€ 3,3028	
			Surplus II	Over 300 mc	€ 2,4289	€ 0,3121	€ 1,2211	€ 3,9621	
		Annual fixed quota Euros							€ 38,4408

Source: KPMG analysis data at www.autoritàidricatoscana.it

Chart 57: Regional conference n. 3 – Central Valdarno

REGIONAL CONFERENCE	USER TYPE	MANAGER	QUOTA	CONSUMPTION BAND	ACQUEDUCT	SEWER	PURIFICATION	TOTAL €/mc excluding VAT at 10% (variable) - TOTAL €/YEAR (fixed)
Regional Conference No. 3 Central Valdarno	DOMESTIC USE	Publiacqua Spa	Enhanced band	Up to 60 mc	€ 0,3728	€ 0,4580	€ 0,6390	€ 1,4698
			Basic band	Up to 150 mc	€ 1,2780	€ 0,4580	€ 0,6390	€ 2,3750
			Surplus I	Up to 200 mc	€ 2,7371	€ 0,4580	€ 0,6390	€ 3,8341
			Surplus II	Over 200 mc	€ 4,0790	€ 0,4580	€ 0,6390	€ 5,1760
			Annual fixed quota Euros					€ 30,0543

Source: KPMG analysis data at www.autoritadidricatoscana.it

Chart 58: Regional conference n. 4 – Higher Valdarno

REGIONAL CONFERENCE	USER TYPE	MANAGER	QUOTA	CONSUMPTION BAND	ACQUEDUCT	SEWER	PURIFICATION	TOTAL €/mc excluding VAT at 10% (variable) - TOTAL €/YEAR (fixed)
Regional Conference No. 4 Higher Valdarno	DOMESTIC USE - resident	Nuove Acque Spa	Enhanced band	Up to 100 mc	€ 0,7082	€ 0,6699	€ 0,1353	€ 1,5134
			Basic band	Up to 150 mc	€ 1,2482	€ 0,6699	€ 0,1353	€ 2,0534
			Surplus I	Up to 200 mc	€ 2,9330	€ 0,6699	€ 0,1353	€ 3,7382
			Surplus II	Over 200 mc	€ 4,0268	€ 0,6699	€ 0,1353	€ 4,8320
			Annual fixed quota Euros					€ 68,8672
	DOMESTIC USE - enhanced		Enhanced band	Up to 100 mc	€ 0,3546	€ 0,3355	€ 0,0682	€ 0,7583
			Basic band	Up to 150 mc	€ 0,6241	€ 0,3355	€ 0,0682	€ 1,0278
			Surplus I	Up to 200 mc	€ 1,4665	€ 0,3355	€ 0,0682	€ 1,8702
			Surplus II	Over 200 mc	€ 2,0139	€ 0,3355	€ 0,0682	€ 2,4176
			Annual fixed quota Euros					€ 68,8672
	DOMESTIC USE - 2° houses		Basic band	Up to 150 mc	€ 1,1321	€ 0,6699	€ 0,5921	€ 2,3941
			Surplus I	Up to 200 mc	€ 2,9330	€ 0,6699	€ 0,5921	€ 4,1950
			Surplus II	Over 200 mc	€ 3,8851	€ 0,6699	€ 0,5921	€ 5,1471
			Annual fixed quota Euros					€ 130,9833

Source: KPMG analysis data at www.autoritadidricatoscana.it

Chart 59: Regional conference n. 5– Tuscan Cost

REGIONAL CONFERENCE	USER TYPE	MANAGER	QUOTA	CONSUMPTION BAND	AQUEDUCT	SEWER	PURIFICATION	TOTAL €/mc excluding VAT at 10% (variable) - TOTAL €/YEAR (fixed)
Regional Conference No. 5 Tuscan Coast	DOMESTIC USE	Asa Spa	Enhanced band	Up to 75 mc	€ 0,6694	€ 0,2733	€ 0,6773	€ 1,6200
			Basic band	Up to 150 mc	€ 1,4693	€ 0,2733	€ 0,6773	€ 2,4199
			Surplus I	Up to 200 mc	€ 2,3806	€ 0,2733	€ 0,6773	€ 3,3312
			Surplus II	Over 200 mc	€ 3,5800	€ 0,2733	€ 0,6773	€ 4,5306
			Annual fixed quota Euros					€ 26,5368
	NON RESIDENT DOMESTIC USE		Enhanced band	Up to 25 mc	€ 1,4693	€ 0,2733	€ 0,6773	€ 2,4199
			Basic band	Up to 75 mc	€ 1,4693	€ 0,2733	€ 0,6773	€ 2,4199
			Surplus I	Up to 150 mc	€ 2,3806	€ 0,2733	€ 0,6773	€ 3,3312
			Surplus II	Over 150 mc	€ 3,5800	€ 0,2733	€ 0,6773	€ 4,5306
			Annual fixed quota Euros					€ 65,2330

Source: KPMG analysis data at www.autoritadidricatoscana.it

Chart 60: Regional conference n.6 -Ombrone

REGIONAL CONFERENCE	USER TYPE	MANAGER	QUOTA	CONSUMPTION BAND	AQUEDUCT	SEWER	PURIFICATION	TOTAL €/mc excluding VAT at 10% (variable) - TOTAL €/YEAR (fixed)
Regional Conference No. 6 Ombrone	DOMESTIC USE	Acquedotto del Fiora	Enhanced band	Up to 70 mc	€ 0,7468	€ 0,5782	€ 0,4629	€ 1,7879
			Basic band	Up to 130 mc	€ 1,1759	€ 0,5782	€ 0,4629	€ 2,2170
			Surplus I	Up to 200 mc	€ 1,9795	€ 0,5782	€ 0,4629	€ 3,0206
			Surplus II	Up to 350 mc	€ 2,9567	€ 0,5782	€ 0,4629	€ 3,9978
			Surplus III	Over 350 mc	€ 5,1507	€ 0,5782	€ 0,4629	€ 6,1918
	Annual fixed quota Euros						€ 26,4097	
	DOMESTIC USE - 2° houses		Basic band	Up to 70 mc	€ 1,5346	€ 0,5782	€ 0,4629	€ 2,5757
			Surplus I	Up to 130 mc	€ 2,3393	€ 0,5782	€ 0,4629	€ 3,3804
			Surplus II	Up to 300 mc	€ 3,3506	€ 0,5782	€ 0,4629	€ 4,3917
			Surplus III	Over 300 mc	€ 6,8646	€ 0,5782	€ 0,4629	€ 7,9057
			Annual fixed quota Euros					

Source: KPMG analysis data at www.autoritàidricatoscana.it



Internet

Below are the tables related to the prices offered by the major Italian mobile operators.

Chart 61: Rate offers for small businesses

		OPERATOR 1		OPERATOR 2
		All inclusive Super	All inclusive Super ISDN	Super Surf - VAT position
Minimum speed	Kbps	40	40	N.D.
Download	Mbps	20	20	20
Upload	Kbps	704	704	1024
No. line	Telephone	1	2	2
Cost	Activation	Free	Free	Free
	Installation	Free	Free	Free
	Disactivation	€ 50	€ 50	€ 49
Cost I Year	€/month for 6 month	€ 30	€ 50	€ 25
	€/month for next 6 month	€ 60	€ 80	€ 25
	Fixed rate	no	no	no
Cost II Year	€/month	€ 60	€ 75	€ 50
Cost after the promotion	€/month	€ 60	€ 80	€ 50
Phone rapaire cost	€/minute	€ 0	€ 0	€ 0
	€/answer	€ 0	€ 0	€ 0
Total cost	I Year	€ 540	€ 780	€ 300
	II Year	€ 720	€ 960	€ 600
	After Promo	€ 720	€ 960	€ 600

Source:public data available on several web site of the provider update at October 2013.

Chart 62: Rate offers for medium business

		Minimum Speed	Download	Upload	No. line	Cost	Cost I Year		Cost II Year	Cost After Promo	Call Cost		Telephone switchboard	Total cost	
		Kbps	Mbps	Kbps	Telephone	Activation	€/month	Rate	€/month	€/month	€/minute	€/answer		I Year	II Year and next
OPERATOR 1	Formula VAT 7 Mega	1024	7	704	5	€ 149	€ 62	no	€ 50	€ 50	€ 0	€ 0	Excluded	€ 897	€ 599
OPERATOR 2	Advance ADSL 20 Mega	512	20	1024	2	€ 140	€ 70	no	€ 70	€ 70	€ 0	€ 0	Included	€ 980	€ 840
	Advance ADSL 20 Mega	512	20	1024	3	€ 140	€ 70	no	€ 70	€ 70	€ 0	€ 0	Included	€ 980	€ 840
	Advance ADSL 20 Mega	512	20	1024	5	€ 190	€ 70	no	€ 70	€ 70	€ 0	€ 0	Included	€ 1.030	€ 840
	SHDSL 2 mega	512	2	2048	6	€ 215	€ 110	no	€ 130	€ 130	€ 0	€ 0	Included	€ 1.320	€ 1.560
	SHDSL 4 mega	1024	4	4096	2	€ 260	€ 160	no	€ 180	€ 180	€ 0	€ 0	€ 36	€ 2.216	€ 2.160
	SHDSL 4 mega	1024	4	4096	3	€ 260	€ 160	no	€ 180	€ 180	€ 0	€ 0	€ 36	€ 2.180	€ 2.160
	SHDSL 4 mega	1024	4	4096	5	€ 310	€ 200	no	€ 220	€ 220	€ 0	€ 0	€ 36	€ 2.710	€ 2.640

Source: public data available on several web site of the provider update at October 2013.

6.4. The tax system for individuals

6.4.1. The personal income tax

The tax on personal income tax (**IRPEF**) has the following characteristics:

- it is applied to individual residents in Italy on income from all their activities, and to individuals not resident in Italy on income that is produced in the country;
- when determining the taxation the individual and family circumstances of the subject are taken into account. This calculation considers the deductibility of certain costs and the provision of deductions in relation to the taxpayer's dependents, in other words the activity pursued;
- it is due each year and, in general, the payment is done through self-assessment by the taxpayer on the basis of a specific statement, which is also done annually.



Categories of income

The categories of taxable **income** are those indicated in the chart.

The total income of residents and non-residents is given by the sum of net taxable **income** of each category, calculated in accordance with their own rules and products wherever produced. The legislature has identified the following different criteria for determining the point at which the **income** becomes available, and therefore, taxable.

TYPE OF INCOME/SALARY
Business income
Land income
Compensation of employees
Compensation of independent workers
Property income
Various income

Chart 63: Criteria for taxation of personal income tax

Criteria	Description	Relevant Income
Competence	Incomes are available at the time of their perceptions	Self-Employment Employment Other Income Income from capital
Accrual	Consider only the period to which they refer, regardless of actual perception	Business Income
Entitlement	Doesn't count the perception, but the availability of the good based on the ownership or any other similar right	Income from land

Source: KPMG analysis regulations pursuant to Presidential Decree 917/1986



Deductible expenses

The expenses that can reduce the **income** subject to taxation can concern the activity or the specific category of **income** as well as the individual and family situation regardless of the activity carried out. These expenses are divided into two categories: the **deductible** expenses from the total **income**, which are deducted from gross **income** when determining taxable **income**, and tax-**deductible** expenses, or those expenses that are **subtracted** directly from the tax determined by the taxable **income**.

Among the main deductible expenses we have health care costs, interest on loans issued for the purchase of a **first home** and the cost of renovation of the buildings.



Tax rate

Tax is calculated in relation to the amount of the taxpayer's **income**, by applying different rates for **income brackets**. The tax rates are **progressive**; they increase more than proportionally as income rises. The sum of the tax due on other income **brackets represents** the **gross tax** to which the relevant deductions will be applied in order to determine the **net tax**.

From 2011 to 2013, if the total **income** is more than € 300.000, there is also a solidarity surcharge of 3% on the portion of **income** that exceeds the above-mentioned amount.

Bracket	Rate
up to 15.000	23%
over 15.000 up to 28.000	27%
over 28.000 up to 55.000	38%
over 55.000 up to 75.000	41%
over 75.000	43%



Income from employment: applicable system of taxation

The rules for the taxation of income from employment are based on the application of withholding tax by reference to the pay period (month, fifteenth, week and day) in which they are actually paid. At the time of the salary, the employer must determine the tax due, and withhold tax on the taxable portion, applying the relevant deductions (deductions for employee and dependents) in relation to the pay period.

At the end of the tax period, the employer must provide the employee with the **CUD**. This document certifies the income paid and taxes paid through withholdings. Taxes paid by the employer through deductions are the personal income tax, Social Security contributions and the additional taxes.

Taxes paid by the employer through the restraints are the personal income tax (**IRPEF**), Social Security contributions and the additional related (**INPS**).



Income from self-employment

Incomes from self-employment are those relating to persons engaged in professional or artistic activities and have no bond of dependence in performing work. Another form of self-employment that produces income is the exercise of trades and professions in a partnership through the creation of appropriate professional associations. Also partnerships among professionals such as the exercise in association of the lawyer profession.

Income is determined by the difference between the amount of remuneration received and the expenditure incurred during the tax period. The determination of **income** is carried out in compliance with the so-called **cash basis**, under which an **income** is considered so only when received (collected) and costs only when actually incurred (paid) during the tax period.

The cost shall still be documented and the activity carried out by the subject. As well as for legal entities, even for professionals and self-employed workers, some form of limited deductibility of certain expenses are provided, here are some examples:

- deductible cost of car up to 20%;
- telephone expenses, deductible up to 80%;
- entertainment and PR expenses, deductible up to 1% of the remuneration for the year;
- expenses for board and lodging deductible up to 2% of the remuneration for the year.

Even the self-employed and professionals are subject provided of **VAT CODE**, therefore they will have to keep all the VAT registers in which the relevant operations will be recorded and they will be obliged to pay the related taxes (see chapter 2).

If self-employed workers have his or her own organization, he or she must also pay **IRAP** (as indicated in paragraph 2) and must act as withholding agents if they have employees.

6.4.2. Local taxes paid by individual persons



Additional regional tax

The additional regional tax is payable by all individuals.

For the Tuscan Region, the rate is equal to **1,23%**, and applies to taxable **income** for **IRPEF**.

For employees, this tax is paid by the employer as a substitute tax, and will be indicated in the CUD certifying payment. The self-employed workers must instead pay it to the tax authorities when due. L'addizionale regionale è dovuta da tutte le persone fisiche.



Additional municipal tax

The **IRPEF** additional municipal tax is payable to the municipalities of residence. The basic rate is decided by individual municipalities; however national laws establish that it cannot exceed **0.8%**.

Municipalities can also establish several rates, but in this case they must use only the same income **tax brackets** in accordance with the principle of progressivity for **IRPEF** tax purpose. This means that there will either be a flat rate or 5 different rates for 5 bands.

In the chart below the rates of the main towns in Tuscany have been highlighted:

Chart 64: Additional IRPEF Municipal

Tuscan Region Municipal Additional Tax										
Income brackets	Municipal									
	Firenze	Siena	Grosseto	Pisa	Arezzo	Livorno	Prato	Pistoia	Massa Carrara	Lucca
From € 15.000	0,20%	0,735%	0,50%	0,20%	0,50%	0,40%	0,50%	0,80%	0,70%	0,60%
from € 15.000 to € 28.000	0,20%	0,78%	0,60%	0,20%	0,50%	0,50%	0,50%	0,80%	0,70%	0,60%
From € 28.000 to € 55.000	0,20%	0,79%	0,75%	0,20%	0,50%	0,60%	0,50%	0,80%	0,70%	0,70%
From € 55.000 to € 75.000	0,20%	0,80%	0,78%	0,20%	0,50%	0,70%	0,50%	0,80%	0,70%	0,75%
over € 75.000	0,20%	0,80%	0,80%	0,20%	0,50%	0,80%	0,50%	0,80%	0,70%	0,80%
Annual income exemption	not provided	up to € 12.000	not provided	not provided	up to € 10.000	not provided	not provided	up to € 15.000	up to € 12.000	up to € 14.000

Source: KPMG analysis data from the websites of the individual provincial capitals. Data updated in June 2013



Vehicle tax

Vehicle tax is payable by all residents in Tuscany (both individuals and legal entities) that are vehicle owners, and is based on maximum engine power expressed in kW, to be identified on the registration certificate of the vehicle. For information, see Chapter 2.

6.4.3. Taxes on properties abroad

Individuals resident in Italy who own property abroad, to any intended use, are required to pay the **IVIE** (tax value of real estate located abroad). The tax is applied at the rate of 0.76% on the **cadastral value** of the property, as it is determined and indexed in the country in which the property is located for the fulfillment of tax on earnings or assets.

If not available, you must use the market value. The rate drops to 0.4% if the property is used as a main residence abroad of the taxpayer. The tax is not due if it is less than € 200. If individuals resident in Italy hold financial assets abroad must pay the **IVAFE** (Value of Financial Assets).

The tax is applied on:

- equity, bonds or securities
- deposits and bank accounts established abroad
- financial contracts entered into with non-residents
- precious metals in their raw state
- any other activities which may result in capital gains or any other income of a financial nature from foreign sources.

The IVAFE is due to the extent of 0.15% on the market value of financial assets. However, for current accounts held abroad, the tax is set at a fixed rate of € 34.20, while the tax is not due when the average value of inventory resulting from the annual statements and booklets shall not exceed € 5,000.

6.4.4. Declarative models to be presented

Individuals that are residents and non-residents in Italy are required to submit a declaration of income received. The model used is the UNICO model provided for individuals (**UNICO PF**), which expires on 30 September of each year. As an alternative to UNICO PF can be used the Model 730, more simplified and ease of presentation.

In particular, the **Model 730** can be used to declare the following types of **income**:

- income from employment or pension
- income assimilated to those of employees (for example, the income earned by co.co.co and project workers)
- income from land and buildings
- capital gains tax
- income from self-employment for which the **VAT registration** is not required (for example, income derived from the commercial exploitation of intellectual property)
- some of the other income (e.g., income from land and buildings abroad).

The 730 is therefore a model can only be used by employees and retirees, and has some advantages:

- the taxpayer does not have to deal with the transmission to the Revenue because this performance is made by the employer or the institution or an intermediary (**CAF** and enrolled in the register of accountants and accounting experts and consultants of the work)
- If the model evidence an **IRPEF** credit for the taxpayer, the tax refund goes directly to the paycheck or the installment of the board
- if it shows a tax debit, the amounts are deducted directly from the payroll or pension.

All individuals holding other types of **income**, such as business income, self-employment income, other income such as capital gains arising from the transfer of qualified or unqualified, are required to present the UNICO PF. In the case of **holders of VAT**, must also be presented the VAT Model (see also chapter 2), attached to UNICO PF.

Finally, if the individual is liable for the payment of IRAP or have acted as a substitute for tax year was also held at the presentation of the Model 770 and Model IRAP (see Chapter 2).



Links: *Individuals tax return*

www.agenziaentrate.gov.it/wps/content/Nsilib/Nsi/Home/CosaDeviFare/Dichiarare/DichiarazioniRedditiPF/

Glossary

Assessment: The tax assessment is the combination of the financial administration acts aimed at ensuring the implementation of the tax rules. It is a typical administrative activity which is checked with the tax positions of the parties and the purpose of which is indicated in art. 53 Constitution, namely the need to ensure that all contribute to public expenditure in consequence of their potential contribution.

The assessment period is 5 years, the tax authorities may carry out checks and controls on the income of individuals until the fourth year after the year stated (e.g. the assessment of 2013 can be made by December 31, 2018).

Financial Administration: The Financial Administration under the Ministry of Economy and Finance with the general functions of government taxation of the state. The executive branches are the four tax agencies established by Ministerial Decree of 28 December 2000. These are:

- Revenue Agency, with the task of managing the direct taxes, VAT and other tax revenues;
- Customs Agency, which manages rights and duties related to international trade;
- the Agency of the territory, with functions relating to the Land Registry and the precautionary;
- State Property Agency, manages business criteria with the immovable property belonging to the state.

With the art. 23-quater of the Decree Law 95 of July 6, 2012, the Land Agency has been deleted and incorporated in the 'Inland Revenue. At the moment, therefore, the Agencies are three.

Revenue Agency: The Revenue Agency is a public non-economic Italian carrying out functions relating to the management, investigation and litigation of taxes with the aim of achieving the highest level of fulfillment of tax obligations.

It is supervised by the Ministry of Economy and Finance, which has the responsibility of the political, and is equipped with regulatory, administrative, financial, organizational, accounting and finance. The relations between the Ministry and the Agency shall be governed by the three-year agreement that includes facilities to ensure the objectives to be achieved and the resources devoted to these purposes. The Agency has its headquarters in Rome, Via Cristoforo Colombo n. 426 C / D.

ASL: Azienda Sanitaria Locale is a local government agency that serves as a point of contact between the health network and the citizen. They are divided into territorial districts and are responsible for:

- coordinating the network of family doctors and pediatricians;
- monitor and ensure the quality and efficiency of hospitals;
- clinics and doctors' offices;
- Interventions of veterinary medicine, and make some welfare benefits.

Ateco 2007: The classification of economic activities (ATECO) is a type of classification adopted by the Italian National Institute of Statistics (ISTAT) for statistics national economic in nature. It is the Italian translation of the Nomenclature of Economic Activities (NACE) created by Eurostat, Istat adapted to the specific characteristics of the Italian economic system.

Actually the 2007 version of ATECO is provided by law, came into force on 1 January 2008, replacing the previous ATECO, 2002, adopted in 2002 to update the ATECO 1991.

OMI database: Database of property prices in the housing market of the Observatory of the Revenue.

Beneficial Owner: The clause of the CD. "Beneficial owner" was introduced for the first time in the 1977 version of the OECD Model Convention on Double Taxation to block specific subjects, recipients of an income component, to interpose themselves between the third and the donor's income only to enjoy the favorable treatment granted by a convention, or even to allow the application of a particular convention. The beneficial owner is therefore subject to all intents and purposes is the preceptor's final income paid by a State and does not act as an intermediary in the collection of the same.

Business Plan: The Business Plan is a document, structured according to a precise and rigid outline, which summarizes the content and features of the business plan (business idea). It is a useful tool to evaluate in an informed way the strengths and capabilities of the business project. The text of the business plan must be clear and concise but contain as much information as possible.

The text of the business plan must be clear and concise but must contain as much information as possible. Although there is no rigid format, in the document should include:

- a concise overview of the investment project and explain the type of business you want to create;
- provide basic information for starting the (economic resources, financial and human resources, the characteristics of the product and the market);
- Indicate what are the objectives to be achieved and how to achieve them;
- check whether there is consistency between the activities planned relative to their feasibility in terms of investment costs and management
- to provide information on the expected profitability of investment and the factors risks that can affect it
- Describe the technical feasibility of the project finance at least three years;
- indicate the total amount of funding - list trademarks, licenses and patents it holds.

CAF (Tax Assistance Centre): The Tax Assistance Centers are organizations that are in the majority as a limited company, and support taxpayers in completing tax returns and other tax practices. The main services of the CAF are building the model 730 and other tax returns, model compilation RED, ISEE and ISEU. Other functions are related to the electronic transmission of certain models through ENTRATEL.

Chamber of Commerce: The Chamber of Commerce is an "autonomous body governed by public law which carries out, within the territorial area of competence, functions of general interest to the business system development in taking care of the local economies."

CIGS: is the treatment of wage overtime paid by the Nation for Social Security (INPS) to supplement or replace the remuneration of workers in order to cope with the crisis or to allow the same company to deal with processes restructuring / reorganization / restructuring.

Tax Code: The tax code in Italy is an alphanumeric code with a fixed length of 16 characters, which is used to uniquely identify the tax and administrative citizens, non-recognized associations, taxpayers and foreigners born and domiciled in Italian.

For all subjects taxpayers not to individuals with a VAT code (trust, stable organizations, companies, recognized associations, foundations) the same normally also serves as the tax code.

Real Estate Registry: The Conservatories of the Land Registry offices are responsible of the Territory, whose purpose is the preservation of the transcripts of all the acts with legal value relating to immovable property (sales, inheritances, mortgages.). At the conservatorship can learn about the real estate situation is complete, updated, and reliable of a particular person or property. To view the registers of the Conservatory you can request a mortgage title, including online. The mortgage title is a document that contains a list of formalities (transcripts of records) relating to a property or an entity.

Instrumental real estate: Buildings used exclusively for the operation of the business or profession. Are instrumental in nature if you have no possibility to use (e.g. a shed), and are instrumental to target if they are used for business activity as the entrepreneur's choice (e.g. a house used as an Office).

Enterprise in one day: in order to simplify the procedures for starting and conducting business activities, was a single portal point of reference for the administrative provisions relating to the productive activity of the entrepreneur en-GB, with the task of providing a unique and timely response in place of all the administrations involved in the proceedings. With enterprise in one day you can immediately start business in situations where you just login statement, with release from the one-stop shop of a receipt which will have the authorization title value.

Land tax: is governed by Legislative Decree No. 347 of October 31, 1990 and is due on all acts that involve land transfers (sale, donation, inheritance, etc.).

Stamp duty: is governed by the Decree of the President of the Republic No. 642 of October 26, 1972 and is due to produce, or request the presentation of certain documents to the Government.

Mortgage tax: is regulated by Legislative Decree No. 347 of October 31, 1990 and is due to formalities, registration, transcription and recording performed in public real estate records as a result of acts of sale, donation, inheritance, mortgage registration and establishment of usufruct or other rights.

INAIL: INAIL National Institute for insurance against accidents at work is a government agency that handles the compulsory insurance against accidents at work and occupational diseases.

INPS: INPS, National Social Security Institute, handles almost all Italian security. I'm sure the Inps most of employees of public and private sector and self-employed workers.

IRAP: IRAP is the regional tax on productive activities due to all the subjects who operate business in Tuscany. Reference legislation is contained in Legislative Decree No. 446 of December 15, 1997.

IRES: corporate income tax of capital and other commercial and non-commercial entities, introduced into Italian law since 2004 to replace the IRPEG. The reference standard for the calculation of the IRES is contained in the Decree of the President of the Republic December 22, 1986 No. 917 (title II) updated by subsequent provisions, also known as consolidated income tax (TUIR).

IRPEF: The IRPEF is the tax on income of individuals caused by all persons residing in Italy on income received. Is due by non-residents but only for income received in Italy. Reference law is contained in title II of the consolidation act on income taxes.

VAT: value added tax is payable on all goods and services made in Italy by business operators. It is regulated by the Decree of the President of the Republic no 633 of October 26, 1972.

Postal Kit: is a set of documents required to obtain a residence permit.

F23 Model: model is a model that can be used to pay the registration tax and can be used at banks or Poste Italiane. Information: Agenzia delle Entrate (www.agenziaentrate.gov.it).

F24 Model: is a form which can be used for the payment of all taxes and fees and can be used at banks or Poste Italiane, or presented through home banking or intermediaries. Information into the web site (www.agenziaentrate.gov.it).

Notary: is the subject to which it is entrusted with the function of ensuring the validity of contracts and, more generally, of the legal transaction, giving faith to acts and public subscriptions attached to his presence. The notaries act, e.g. the document drawn up by the notary with the prescribed formalities and guarantees the legitimacy of the legal transaction that contains and the evidential value of authentic.

The notaries belongs to the family of Italian institutional Latin type present in 81 countries of the world and in most European countries such as France, Germany, Switzerland, Spain, Netherlands, Belgium, Austria and others. Conditions and the notary's regulations change for each country.

VAT code: the VAT number is a sequence of digits that uniquely identifies an entity which carries on an activity with the purpose of indirect taxation (VAT). Any EU tax subject is recognizable by its VAT number, composed by the initials of the country (e.g. IT for Italy, DE for Germany, and ES for Spain) and an alphanumeric or numeric sequence, varies for each countries.

Prefecture: the prefecture or Prefecture-UTG in Italy, is the territorial articulation of the Interior Ministry, headed by a prefect, said officer who has expertise in the various provincial matters generally aimed at coordinating local community life, law and order, immigration, economics, elections, but above all represents the Government in the local scope.

First House: is the main residence of natural persons. To be "first House", the property must meet the following requirements:

- it must be "luxury";
- must be located in the municipality in which the future owner has or establishes residency within 18 months of purchase;

- the buyer should not have exclusive ownership of another house in the municipality in which the property to be purchased and not have the ownership, even for other housing units in the territory of the State and gained facility "first House".

R.E.A: repertoire of Economic and administrative News: at the office of the business register is established the Repertoire of Economic and administrative News (R.E.A.) with whom it is possible to allow the Chamber of Commerce to acquire and use each other, both economic news (statistical and administrative), even if it has not laid down for the purposes of registration in the business register. R.E.A. collects all the activity data of the subjects enrolled in the business register for which the obligation to report to the competent Chamber of Commerce, but not the registration at the same business register; among these are data including: start-up, modification and cessation of activity; opening and closing of local units; changes of residence of shareholders and directors. All subjects enrolled in the business register are automatically in R.E.A., while there is other persons not required to record in the business register, the requirement to register to the Administrative Economic R.E.A. Repertoire (REA) provided by art. 8, point d) of law No 580/93 and art. 9 of PRESIDENTIAL DECREE 581/95 collects reports of statistical-economic administrative character relating to subjects for which there are no prerequisites for registration in the business register (e.g. associations, foundations, committees, corporate entities and local units of foreign companies); both subjects entered in the business register, concerning the Declaration of commencement, change and cessation of activity and the opening, modification and termination of local drives.

Commercial register: the register provided for in civil code has the main the task of managing the disclosure requirements placed against the undertakings. It typically has the following responsibilities:

- provides the preparation, holding, conservation and management of the register of enterprises, as well as the preservation and performance of acts and documents subject to filing or registration or recording in the register of companies;
- provides the release also for correspondence and electronically to anyone who requests it, a certificate of registration or recording in the register of companies or certificates attesting the deposit of documents required for that purpose or lack of inclusion;
- provides the release of a full or partial copy of any act that are provided for the filing or registration in the commercial register;
- provides for the marking and numbering of the books and accounting records;
- responsible for R.E.A sealing (Register of Company and other).

Income: the income represents the collection of wealth owned by a particular person, whether natural person or legal person, in a given period of time. The income is a variable flow, as it linked to a definite time horizon, which contrasts the concept of heritage that is expressed in monetary terms the wealth at any given moment in time. The legislator has regulated the rules on taxation of incomes in the TUIR (consolidation act on income taxes)

Income brackets: with income bracket it means that income groups of individuals included in certain thresholds apply to a specific tax rate.



SCIA: La Segnalazione Certificata di Inizio Attività - The Report of Certified Home Activity - is the statement that allows companies to initiate, modify or terminate a productive activity (craft,

commercial, industrial), without having to wait for the timing and execution of audits and inspections related to concerned bodies. The SCIA, pursuant to art. 19 of Law 241/90, in fact produces immediate effects.

Parent company: a parent company who exercises control in law or in fact in another company, called **controlled**. Pursuant to article 2359 of the civil code are considered subsidiary companies:

- Companies in which another company holds the majority of voting rights at ordinary;
- companies in which another company has sufficient votes to exercise a dominant influence in the ordinary assembly;
- companies that are under a dominant influence on another company under contractual constraints details with it.
-

Instead are defined as a **parent company** the subject performing a significant influence to other companies. This influence is presumed when the parent company own a minimum quota of vote equal to a fifth or a tenth if the company is listed on the stock exchange

Cadastral Value: the cadastral value of a property, other than the commercial value, is the basis of calculation for the payment of certain taxes, such as the registration tax for individuals who purchase the first property. This value is obtained by multiplying the cadastral value with a predetermined coefficient, which varies depending on the destination of the property:

- 110 first property
- 120 properties included in the categories A and C
- 168 for properties included in the category B
- 60 for properties included in the categories A/10 and D
- 40,80 for the properties included in the categories C/1 and E

For non buildable land multiplying with 112.50 not revalued.

Links

- **Addresses Tuscan banks:** www.comuni-italiani.it/09/banche/sedi.html
- **Agenzia delle Entrate:** www.agenzia.entrato.gov.it
- **Artigiancredito Toscano:** www.artigiancredittotoscato.it/confidi.html
- **ASL Tuscany Region:** www.regione.toscana.it/-/aziende-sanitarie-locali-asl-
- **Automobile Club d'Italia:** www.aci.it
- **Autostrade per l'Italia:** www.autostrade.it
- **Careggi Hospital:** www.aou-careggi.toscana.it
- **Cliclavoro:** www.cliclavoro.gov.it/Pagine/default.aspx
- **CNM Model:**
www.agenziaentrato.gov.it/wps/content/Nsilib/Nsi/Home/CosaDeviFare/Dichiarare/Dichiarazi oneredditiSoc Enti/CNM 2013/SchedaInfo+CNM 2013/
- **ComUnica:** www.registroidmprese.it/comunica
- **Employment center:** <http://www.centroidmpiego.it>
- **Enterprise in one day:** www.impresainungiorno.gov.it
- **F24 model:**
www.agenziaentrato.gov.it/wps/content/nsilib/nsi/home/cosadevifare/versare/f24/modello+e +istruzioni+f24
- **Guarantor of Privacy:** www.garanteprivacy.it
- **Guide of IRAP:** www.regione.toscana.it/-/guida-all-irap
- **Health Service of Tuscany:** www.regione.toscana.it/sst
- **Health ticket and exemptions:**
www.salute.gov.it/portale/salute/p1_5.jsp?lingua=italiano&id=34&area=Il Ssn
- **Immigrants desk:** www.provincia.fi.it/lavoro/per-chi-cerca-lavoro/sportello-immigrati
- **Immigration Portal:** www.portaleimmigrazione.it/ImmigrazioneNet/Nuova_Procedura.aspx
- **INAIL:** www.inail.it
- **INPS:** www.inps.it
- **Interports of Tuscany:** www.interportoprato.it; www.interportotoscato.com; www.interportoarezzo.com
- **IRAP information:**
www.agenziaentrato.gov.it/wps/content/Nsilib/Nsi/Home/CosaDeviFare/Dichiarare/IRAP+2013 /schedainfo+irap2013/
- **IRAP model:**

www.regione.toscana.it/-/irap-imposta-regionale-attivita-produttive e
www.agenziaentrate.gov.it/wps/content/Nsilib/Nsi/Home/CosaDeviFare/Dichiarare/IRAP+2013/SchedaInfo+IRAP2013/

- **Italian Banks Association (ABI):** www.abi.it
- **IVA model:**
www.agenziaentrate.gov.it/wps/content/Nsilib/Nsi/Home/CosaDeviFare/Dichiarare/Dichiarazioni+Iva/Iva+2013/schedaiiva2013/
- **Local Automotive:** www.regione.toscana.it/-/guida-alla-tassa-automobilistica-2013
- **Meyer:** www.meyer.it
- **National Council of Notaries:** www.notariato.it
- **Official Register of companies:** www.registroimprese.it
- **OMI database:**
www.agenziaentrate.gov.it/wps/content/Nsilib/Nsi/Documentazione/omi/Banche+dati/Quotazioni+immobiliari
- **Orientation guides for businesses incentives:** www.regionetoscana.it
- **Port of Tuscany:** www.portolivorno.it; www.porto.piombino.li.it; www.portodicarrara.eu
- **Postal Kit:** www.poste.it/azienda/ufficipostali/eli2/soggiorno/
- **Practical Guide "In Italy, in order":**
img.poliziadistato.it/docs/0657_2007_10_11_guida_immigrazione.pdf
- **Prefecture for Police:** www.immigrazione.regione.toscana.it/lenya/paesi/live/enti/sui.html
- **Provincial employment center:** www.regione.toscana.it/cittadini/lavoro/centri-per-l-impiego
- **Public Administration for Foreign Immigrants:** www.immigrazione.regione.toscana.it
- **Real estate register:** www.catasto.it/conservatoria.html
- **Regional Directorate of Labour:**
www.lavoro.gov.it/lavoro/DRL/Toscanaquesture.poliziadistato.it/Firenze/orari-5-181-3-1.htm
- **Regional employment center:** www.regione.toscana.it/-/uffici-provinciali-per-la-formazione-e-l-occupazione
- **Regional List of accredited bodies:**
www.regione.toscana.it/documents/10180/23127/ElencoAccreditamenti.pdf/801a7516-9728-466e-a0df-767500af906f
- **Safety at Work regulation:** www.lavoro.gov.it/SicurezzaLavoro/Pages/home.aspx
- **State Police:**
www.immigrazione.regione.toscana.it/lenya/paesi/live/contenuti/percorsoguidatoai procedimenti/lavsubnoncom.html?sigla=FI&p=Firenze
- **Tax returns of Individuals:**
www.agenziaentrate.gov.it/wps/content/Nsilib/Nsi/Home/CosaDeviFare/Dichiarare/DichiarazioniRedditiPF/
- **Tax returns of withholding taxes:**

www.agenziaentrate.gov.it/wps/content/Nsilib/Nsi/Home/CosaDeviFare/Dichiarare/DichiarazioniSostitutImposta/

- ***Train station of Tuscany:*** www.fsitaliane.it

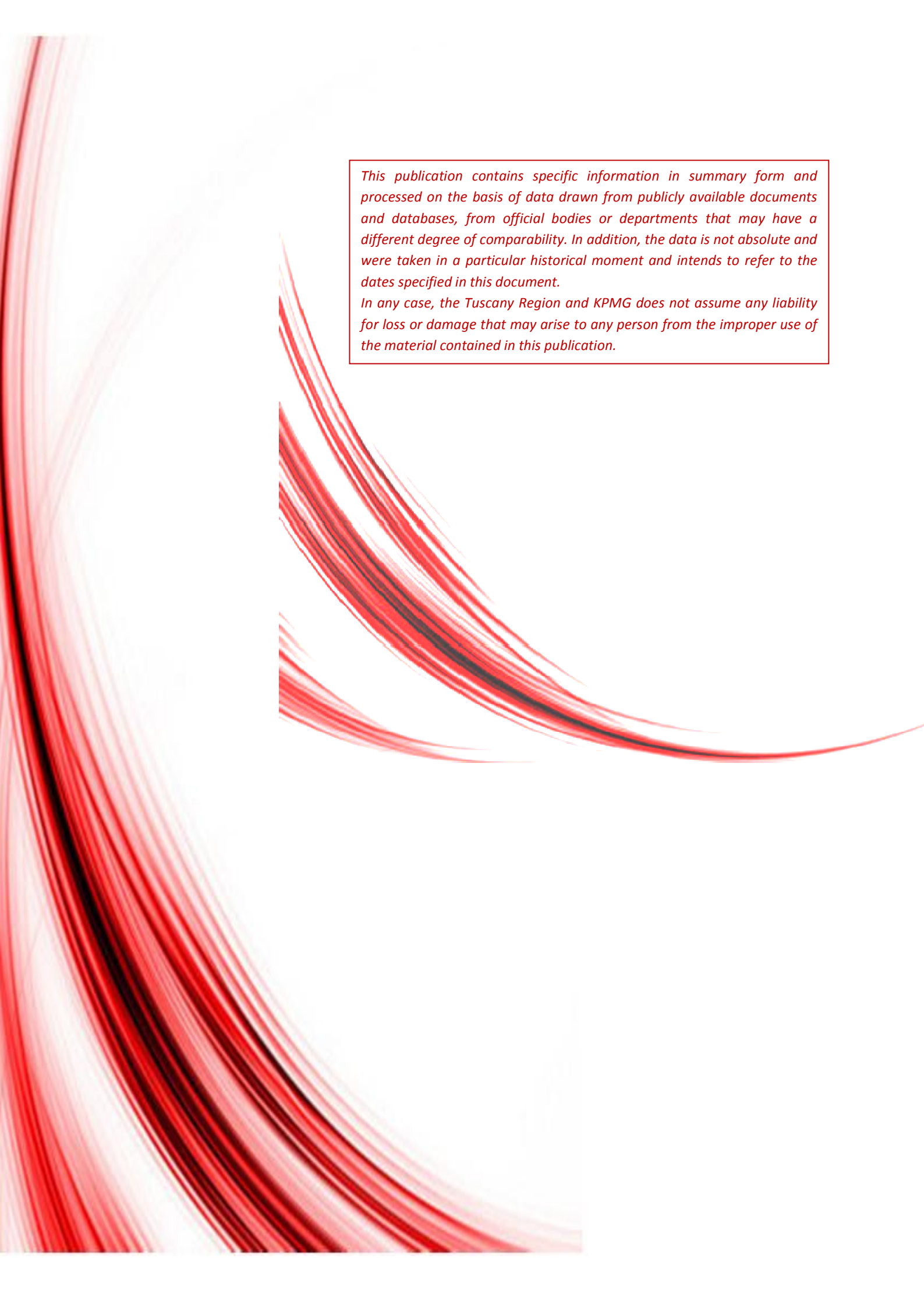
- ***Unique Municipal Tax:*** www.riscotel.it

- ***UNICO SC Model:***

www.agenziaentrate.gov.it/wps/content/Nsilib/Nsi/Home/CosaDeviFare/Dichiarare/DichiarazioniredditiSocEnti/UnicoSC2013/Scheda+informativa+UnicoSC2013/

- ***UNICO SP Model:***

www.agenziaentrate.gov.it/wps/content/Nsilib/Nsi/Home/CosaDeviFare/Dichiarare/DichiarazioniredditiSocEnti/UnicoSP2013/schedainfo+unicosp2013/



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