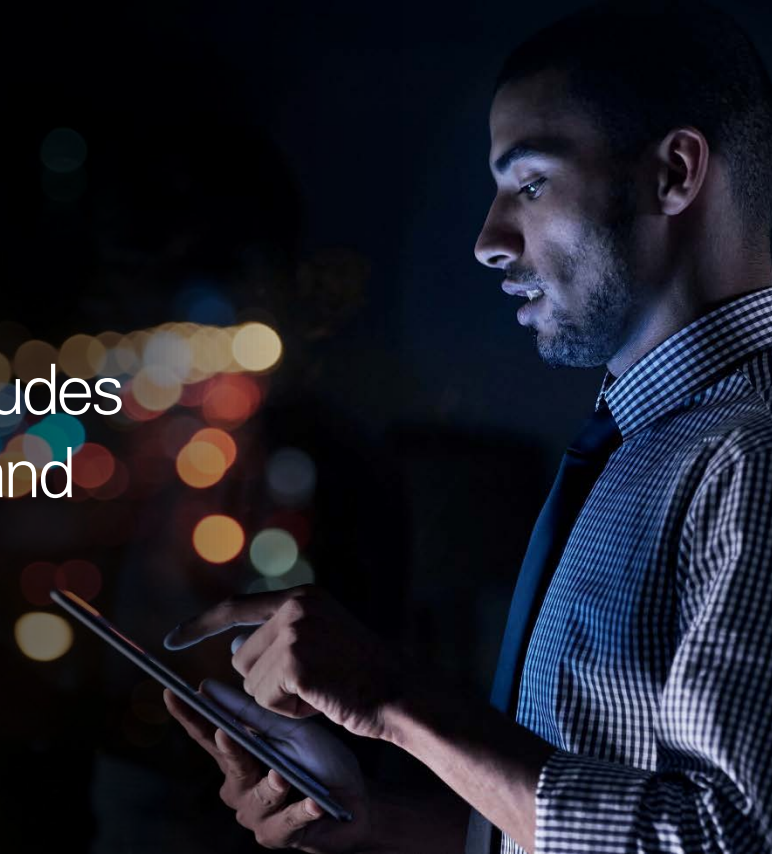




# Italy: Transfer Pricing New 2021 Budget Bill includes APA rollback mechanism and application fees

## Tax & Legal Alert 23 December 2020



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On 18 November 2020, the Italian Council of Ministers approved the Draft Budget for fiscal year 2021. The bill is currently being reviewed by parliament, which is expected to endorse it by the end of 2020. Hence, amendments may be made until its final approval by the Italian parliament.

Among the various tax measures introduced, the current text of the Budget Draft envisages amending the existing legislation on advance tax rulings for multinational enterprises ('APAs'), designed to give them advance certainty about selected international tax issues, including transfer pricing, PE recognition and profit attribution, and the tax treatment of dividends, interest and royalties.

Under the proposed new legal framework, the effects of APAs could in certain circumstances be extended retroactively to include one or more fiscal years still open for assessment under the applicable statute of limitations.

In addition, enterprises will only be able to access the APA procedure by paying a fee, which will vary according to the size of the multinational group to which they belong.

Group turnover	Fees
≤ EUR100 million	EUR10,000
≤ EUR750 million	EUR30,000
> EUR750 million	EUR50,000

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## Contacts

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