



Tax Alert



Italy: Brexit ‘no deal’ – VAT and other tax implications – Decreto Legge 22/2019

Law Decree (no. 22 of 25 March 2019), published in the Italian Official Gazette on 26 March 2019 and effective as of the same date, provides measures applicable to various sectors (banks, insurance, financial institutions etc, and – to certain extents – consumer and industrial markets) that could be impacted in the event of a no-deal Brexit.

The Law Decree also includes some important VAT and other tax provisions.

According to Art. 13, par. 1, of the Law Decree, in particular, the Italian tax law provisions, including those connected to an EU Directive, currently applicable as a result of the UK’s membership of the EU, will continue to apply for an **18-month** transition period starting from the effective date of the hard Brexit.

The same Art. 13 specifically states that Italian law provisions

implementing EU Directives or Regulations on **VAT** and excise duties will continue to apply during the 18-month transition period **'if compatible'** with the new legal framework.

According to par. 2 of Art. 13, the Italian Ministry of Finance should issue one or more decrees to implement the aforementioned general provisions during the transition period; in particular we should expect clarifications on the 'compatible' conditions mentioned in part. 1 of Art. 13.

There are no further official clarifications on the scope of the provisions currently available; we are closely monitoring the matter and will keep you informed of any further updates on the matter.

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Kind regards,

Italian Tax Alert Team

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