



Italy: Clarifications of new VAT rules for the zero-rating of vessels used on the high seas and of pleasure boats

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On 6 August 2021, the Italian Tax Authority (ITA) published Resolution no. 54/2021, which includes clarifications on the form to be used to apply zero-rating to the purchase/lease of vessels and related components and services. The form was introduced by Implementing Decree no. 151377/2021 of 15 June 2021 (see our previous [Alert of 18 June 2021](#) for a summary of the new rules) and, from 14 August 2021, will be mandatory for zero-rating pursuant to article 8-bis of Italian VAT Decree no. 633/1972 (the 'Italian VAT Decree'), implementing article 148 of the EU VAT Directive.

Non-resident declarants, with no fixed establishment and with no VAT identification in Italy: declaration by email

In the case of non-resident declarants, with no fixed establishment in Italy and no Italian VAT identification (either direct or through a VAT representative), the form can be submitted via e-mail rather than through the ITA's portal. In such case, the non-resident declarants will not need to be assigned an Italian fiscal code in advance. The signed form in pdf format, together with a copy of the ID of the signatory, might be submitted to the ITA's *Centro Operativo di Pescara* ('COP') at e-mail address cop.pescara@agenziaentrate.it. The e-mail must bear the mandatory header '*Dichiarazione "Nautica" alternativa al provvedimento 15 giugno 2021*'. The form is available on the ITA's website and an English version should be published soon. COP, upon receipt of the signed form, will issue a protocol number to the declarant, who must send a copy of the full signed form and the protocol number to the supplier. The supplier's invoice must quote the protocol number issued by COP.

Indirect suppliers of the declarant

In relation to goods/services provided by indirect suppliers to the declarant (i.e. those suppliers providing goods/services such as those listed in article 8-bis[1][e] of the Italian VAT Decree or bunkering services as defined in Resolution no. 1/E of 9 January 2017), the Resolution clarifies that the declarant must list the details of his direct suppliers only, in Section 2, Part B of the form.

The direct suppliers, in turn, will need to file another form to their own first suppliers (i.e. the 'indirect' ones), eligible to apply the zero-rating regime pursuant to article 8-bis of the Italian VAT Decree.

The Resolution also highlights that both direct and indirect suppliers must include the respective protocol number assigned to their customer's 8-bis declaration by the ITA on their zero-rated invoices.

By way of example, in case of a bunkering supply between supplier A ('indirect supplier'), intermediary B ('direct supplier') and purchaser C ('declarant'):

- C will submit the form quoting B as addressee of the 8-bis declaration in Section 2, Part B of the form;
- B will submit the form quoting A as addressee of the 8-bis declaration in Section 2, Part B of the form.

Identification of vessels still under construction

As the declarant cannot list the country of registration, the registration number or the name of the vessel on the form, the Resolution clarifies that in order to identify a vessel under construction, the declarant must apply the following rules:

- Box 2 of the form ('registration number') must indicate code 9999999.
- Box 1 ('registration country') must be left blank.
- Box 3 ('name of the vessel') must indicate a progressive number (1, 2, 3 etc.) if the form is submitted for several vessels under construction.
- Boxes 7 and 10 must be ticked.

The Resolution confirms that the effective use of the vessel on the high seas must be confirmed within its first year of use, after its registration, pursuant to the rules set out in article 8-bis of the Italian VAT Decree.

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