



Italy: COVID-19 suspension of certain tax processes and audits

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Extraordinary measures: suspension of certain processes and operations by the Tax Police and Revenue Agency

Tax Police Circular no. 73943/2020 of 11 March 2020

On 11 March 2020 the Tax Police (*Guardia di Finanza*) issued urgent measures (Operating Instructions no. 73943/2020) designed to tackle the COVID-19 emergency and control the disruption to business and society in Italy.

From 11 March 2020 and until 'there is no further need' the following have been suspended throughout Italy:

- checks and audits by the tax authorities and Labour Inspectorate, in agreement with the taxpayers concerned, except in urgent and undelayable cases;
- checks on compliance with tax-receipt rules;
- anti-money laundering inspections.

The main purpose of the new operating measures will be to support Italy's citizens and economy.

For this reason, the Tax Police have redirected their resources towards combating clear cases of unlawful conduct and fraud as well as offences strictly related to the present healthcare emergency. Checks will be ramped up to detect cases of 'misappropriation and misuse of public resources', i.e. offences governed by article 316-*bis* of the Criminal Code, which are those committed by anyone external to the public administration who 'having obtained, from the State or from another public body, contributions, subsidies or financing to realise works or carry out activities in the public interest, does not use those funds for their intended purpose'. These checks will focus especially on offences connected with aid to families and businesses, and abusive practices that are detrimental to the national health service or to scientific research.

The Tax Police will crack down on anti-competitive practices, the cornering of markets, and PPE and electro-medical device price speculation.

They will also be combating all forms of unlawful conduct in tender processes organised by the public sector for 'the procurement of medical and electro-medical materials'. Border and customs checks will also be strengthened, as will general checks throughout Italy, to ensure compliance with the measures introduced by the Government to tackle the healthcare emergency. Finally, the Tax Police have announced that they may issue further measures as the situation evolves.

Revenue Agency press release of 12 March 2020

The Revenue Agency has announced the suspension of all formal checking of tax returns, audits, assessments, inspections, collection and litigation, unless these involve no imminent deadlines (or have already been expressly suspended by law).

Based on the literal wording of the press release, doubts have been expressed about what will happen to negotiated settlements (*accertamenti con adesione*) and mediation processes, especially those already underway.

Since (at the date of this Tax Alert) no specific rules have been issued, the usual time frames for court proceedings still apply, except for hearings scheduled to be held between 9 and 22 March 2020, which have been postponed (as per article 1[2] of Law Decree no. 11 of 8 March 2020).

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