



The Italian Cooperative Compliance Regime: preliminary implementing regulations

Tax & Legal Alert
24 June 2024

Office

Milan

Via Vittor Pisani 31, 20124
T: +39 02 676441

Ancona

Via I° Maggio 150/a, 60131
T: +39 071 2916378

Bologna

Via Innocenzo Malvasia 6, 40131
T: +39 051 4392711

Florence

Viale Niccolò Machiavelli 29, 50125
T: +39 055 261961

Genoa

P.zza della Vittoria 15/12, 16121
T: +39 010 5702225

Naples

Via F. Caracciolo 17, 80122
T: +39 081 662617

Padua

Piazza Salvemini 2, 35131
T: +39 049 8239611

Perugia

Via Campo di Marte 19, 06124
T: +39 075 5734518

Pescara

P.zza Duca D'Aosta 31, 65121
T: +39 085 4210479

Rome

Via Curtatone 3, 00185
T: +39 06 809631

Turin

C.so Vittorio Emanuele II 48, 10123
T: +39 011 883166

Verona

Via Leone Pancaldo 68, 37138
T: +39 045 8114111

Within the scope of the Italian tax reform (Law no. 111/2023 - see our Tax & Legal Alert of 18 September 2023) the Italian government has been delegated to reinforce the “Cooperative Compliance Regime”, which is a special – voluntary – arrangement between the Italian Revenue Agency and taxpayers, intended to incentivize transparency and tax compliance through continuous and pre-emptive dialogue (the “CCR”).

The CCR requires applicants to adopt a system to identify, measure, manage and control tax risk (Tax Control Framework or “TFC”), which is defined as the risk of operating in breach of tax rules or contrary to the underlying principles and purposes of the tax system.

Legislative Decree no. 221 of 30 December 2023 (the “Decree”), effective from 18 January 2024:

- i. lowers, in stages, the CCR entry threshold (turnover in excess of EUR750 million from 2024, EUR500 million from 2026 and EUR100 million from 2028);
- ii. introduces mandatory certification by experienced lawyers and accountants of the reliability of the TCF;
- iii. reduces for taxpayers who adhere to the CCR, by two years (three years under certain conditions) the statute of limitations for the assessment of taxes;
- iv. discounts or excludes administrative and criminal penalties for taxpayers who cooperate with the tax authorities (“penalty protection”).

The Decree extends certain benefits to taxpayers that decide to adopt a TCF voluntarily and to cooperate with the tax authorities, even if they do not meet the entry thresholds and do not accede to the CCR after a ruling on an investment in Italy exceeding EUR15 million.

The Decree is subject to amendment and consideration is being given to taxpayers' requests for reinforced criminal penalty protection (to be excluded only in cases of fraud), for further clarity on the certification of the TCF, and for additional advantages for taxpayers adopting a TCF without falling within the CCR. Certain changes to the Decree have been discussed and were granted preliminary approval by the Italian Cabinet on 20 June 2024 (not yet published).

Meanwhile, inter-ministerial implementing regulations have been issued:

- a) A Ministerial Decree dated 29 April 2024 has laid down a "Code of Conduct" regulating the relationship between the Italian Revenue Agency and CCR taxpayers. Amongst other things, the Code of Conduct – to be signed by CCR taxpayers – stipulates that the authorities' dealings with taxpayers must be characterized by cooperation, fairness and transparency and guarantee confidentiality and proportionality of action. Moreover, the authorities must consider the business needs of taxpayers, helping them to identify tax infringements that can be corrected, and giving them timely answers regarding uncertain tax matters. For their part, taxpayers must guarantee tax governance across the entire organization and keep its tax-risk appetite low, especially with respect to cross-border transactions, using an efficient TCF and engaging in adequate dialogue with the authorities.
- b) A Ministerial Decree dated 20 May 2024 has regulated the new procedure for tax ruling applications filed by taxpayers within the CCR, which should now be submitted 45 days in advance of tax obligations (instead of the usual 90 days). If the authorities' interpretation of the matter is contrary to that proposed by the taxpayer in its application, a draft response must be issued to the taxpayer so that it can file observations, which the authorities may use to review the case.

Other implementing regulations are expected to be published, to define the special procedures by which taxpayers can amend past positions, to give guidelines on how to prepare and (periodically) update the TCF, and to identify the qualified professional authorized to certify the TCF.

Document prepared by [Giorgio Dal Corso](#)

Contacts

KPMG in Italy, Tax & Legal

Tax & Legal Professional Practice Team

E: it-fm-tpp@kpmg.it

kpmg.com/it

kpmg.com/it/socialmedia



Tax & Legal Alert / KPMG in Italy / 24 June 2024

© 2024 Studio Associato - Consulenza legale e tributaria, an Italian professional partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

Studio Associato - Consulenza legale e tributaria is a leading Italian law firm and a member firm of KPMG International for tax and legal services.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.