June 2025

ITALY
MARKET TAX PROFILE

Taxation relating to the investment funds is usually considered on the basis of four pillars:

- The taxation of the investment fund in its domicile jurisdiction
- The taxation of investment made by an investment fund in the originate country of income
- The taxation and the related requirements of the investment fund in each distribution market
- The taxation of the investor

The focus is made on the Italian taxation and the related requirements applicable to foreign funds distributed in Italy.

Local Taxation

Taxation of the investor

Income tax: Income tax is levied at investor level in relation to any income made from placements in investment funds. Some local tax regulation may provide a reduced rate applicable from time to time subject to specific conditions.

Withholding tax: Withholding tax is levied at fund level on each distribution of dividends from distributed shares/units. Withholding tax is automatically collected in the country of domicile of the investment fund before distribution of the resulting net dividend to the investors.

Taxation of the fund

Taxes may be levied on the basis of the net asset raised into a distribution market. Such net asset taxes are paid by the investment funds to the local tax administration.

Tax complexity

The complexity of the taxation context is considered from the perspective of foreign asset managers distributing funds on cross-border basis in a foreign market. This level of complexity may be expressed by an indicator integrating the complexity of (i) the local taxation regulation, (ii) the related tax requirements, (iii) the obligation to appoint local tax agents, and (iv) the access to tax wrappers.

Tax complexity indicator

A tax complexity indicator (TCI) provides, for each distribution market, a ranking in a scale of five to express the level of complexity of the tax framework applicable to foreign asset managers distributing a fund range on cross-border basis.

The TCI considers impacts from local taxation and local tax requirements perspective; taxation is considered at investor-level and at foreign fund-level.

The Italian tax framework

The taxation of Italian residents for placements in investment funds is structured on the following:

1. Taxation on capital gain from placements in investment funds. A reduced tax rate may apply when incomes arise from government bonds and other similar instruments issued by supra-national institutions from countries listed in a "white list countries"
2. Dividend withholding tax, levied on each payment of dividend

In addition, favourable conditions may be provided for specific taxation situations, such as inheritance taxation, tax-exempt investment plan (PIR, "*Piani Individuali di Risparmo*") and ELTIF special taxation ("European Long-Term Investment Funds").

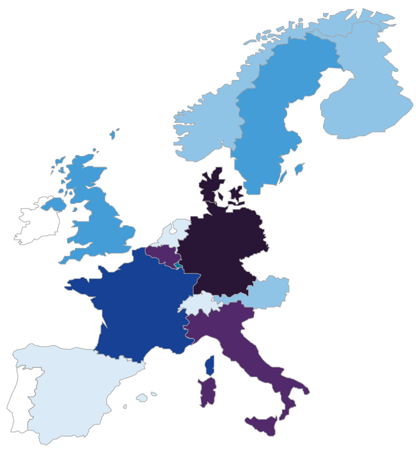
Local tax requirements

Requirements applicable to the fund

Tax agent: local tax regulations may require the appointment of a tax agent. Also, a tax assistance may be appropriate when no tax agent is required.

Disclosure: local tax regulations may also require specific disclosures; tax disclosures require to be made available to the public via appropriate means.

Reporting: local tax regulations may require specific reporting in relation to tax purposes; tax reporting must be filed with the competent authorities to allow investors to benefit from specific tax treatment.



- Low complexity
- Low/Medium complexity
- Medium complexity
- Medium to High complexity
- High complexity

Source: FundGlobam

TCI analysis

Key tax aspects in relation to the cross-border distribution of French promoters' funds in Italy

Local Taxation

	Investor Tax		Fund Tax
	Personal Income Tax	Withholding Tax	Net Asset Tax
TCI[1]	MEDIUM+	MEDIUM+	LOW
Key aspects regarding the local taxation of Italian investors investing in foreign investment funds	■ A 26% tax applies on revenues arising from capital gain. This rate may be reduced to 12.5% for the government bond component (or bonds issued by supra-national bodies)	■ A 26% dividend withholding tax applies to each distribution of dividends from investments made to Italian investors in investment funds. The 12.5% reduced tax rate also applies for the government bond component (or bonds issued by supra-national bodies)	■ No taxation applies to the foreign investment funds distributed and/or marketed in Italy

Local tax requirements

	Information		Local presence
	Disclosure requirements	Reporting requirements	Italian tax agent
TCI[1]	HIGH	MEDIUM	LOW+
Key aspects regarding the local requirements related to the taxation framework applicable to the foreign investment funds distributed in Italy	■ The breakdown between the taxable, less and non-taxable part of each portfolio must be disclosed	■ The Italian Tax Reporting, which defines when the reduced tax may apply ■ The dividend reporting together with each distribution of dividends	■ Reporting is usually provided the Italian paying agent and/or the fund administrator; an independent tax agent may also be appointed for the provision of such reporting

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