



Italy: Habitual exporters - Updates on letters of intent

Tax Alert
2 March 2020



Offices

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 Adelaide Ristori 38, 00197
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

On 27 February 2020 the Italian Revenue Agency issued Statement of Practice no. 96911/2020, providing guidance on the changes made to the rules on letters of intent (LOIs) by Law Decree no. 34 of 30 April 2019. These new rules came into force on 1 January 2020.

1. Rules in force until 31 December 2019

Under the previous rules, an habitual exporter had to provide its supplier with a copy of the LOI and the Italian Revenue Agency filing receipt. If the supplier issued a zero-rated invoice before obtaining this documentation and checking its validity on the Revenue Agency's website, a fixed penalty ranging from EUR250 to EUR2,000 was applied.

2. Changes introduced by Law Decree no. 34 of 30 April 2019

On 1 January 2020, the following changes came into effect (see our [Tax Alert](#) of 8 January 2020).

- Habitual exporters no longer have to provide their suppliers (or the Customs Agency) with a copy of the LOI and the Italian Revenue Agency receipt.
- Habitual exporters and their suppliers no longer have to post the LOIs in a special ledger.
- Suppliers must indicate on their invoices the reference number issued by the Italian Revenue Agency when it confirms receipt of the LOI.
- Habitual exporters filing a LOI at the Customs Agency must indicate this reference number in the customs declaration.
- Suppliers no longer have to give details of the LOIs in their annual VAT return or number and post the LOIs in a special ledger.
- Suppliers must check the validity of the LOI through their own personal account ('*Cassetto fiscale*') on the Italian Revenue Agency website. Failure to do so will be punished with a proportional penalty ranging from 100 percent to 200 percent of the VAT (as opposed to the fixed penalty – ranging from EUR250 to EUR2,000 – previously applied).

3. Guidance provided by Statement of Practice no. 96911/2020

This statement of practice outlines the new operating procedures to be adopted so that habitual exporters can make purchases without the application of VAT, in light of the changes made by Law Decree no. 34 of 30 April 2019.

Starting from today – **2 March 2020** – the Italian Revenue Agency will be providing in each supplier's 'Cassetto fiscale' the information on LOIs e-filed by the habitual exporter with the Revenue Agency.

In addition, a new LOI template, called Form DI, is available with updated instructions at this [link](#).

This form:

- no longer contains a box for the progressive number assigned to the LOI;
- is now suitable also for LOIs issued by VAT group members.

The old form can be used until 27 April 2020.

Contacts

KPMG, Tax & Legal

Davide Morabito
Partner
Indirect Tax Services
E: dmorabito@kpmg.it
T: +39 045 811 4325

Elia Travagliati
Senior Manager
Indirect Tax Services
E: etravagliati@kpmg.it
T: +39 045 811 4111

kpmg.com/it

kpmg.com/it/socialmedia



kpmg.com/app



Tax Alert / KPMG in Italy / 2 March 2020

© 2020 Studio Associato - Consulenza legale e tributaria, an Italian professional partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

The KPMG name, logo are registered trademarks or trademarks of KPMG International Cooperative ("KPMG International").

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.