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### TAX

#### Adjustments to the IVAFE provisions for taxpayers other than individuals

*Article 134 of Law Decree No. 34 of 20 May 2020 amended the IVAFE provisions for taxpayers other than individuals, in order to align the tax treatment provided for IVAFE purposes to the one provided for stamp duty purposes.*

As anticipated in our [newsletter of January 2020](#), the Budget Law 2020 amended the provisions on the tax on financial assets held abroad (*i.e.* IVAFE). In this regard, as of the 2020, non-commercial entities and non-commercial partnerships (*i.e.* the so-called “società semplici”) resident in Italy that hold financial assets abroad are also required to pay IVAFE.

Article 134 of Law Decree No. 34 of 20 May 2020 amended the IVAFE provisions for taxpayers other than individuals.

With regard to the taxpayers other than individual, in order to align the tax treatment provided for IVAFE purposes to the one provided for stamp duty purposes, the Decree states that:

- (I) the IVAFE on bank accounts amount measure and savings accounts held abroad by taxpayers other than individual is equal to Euro 100 per year; and
- (II) the maximum amount of IVAFE due by taxpayers other than individual is set at Euro 14,000 (same as for stamp duties purposes).

### FINANCIAL MARKETS

#### New regime for Individual Saving Plans (“Alternative PIR”)

*Law Decree no. 34/2020 introduced a new type of PIR designed for private banking clients to encourage investment in the real economy and, in particular, in the world of unlisted companies.*

Alternative PIR have been Introduced by Law Decree no. 34/2020 (“Relaunch Decree”), following a proposal issued by Assogestioni, as complementary and alternative to the ordinary PIR (introduced by the Fiscal Decree 2017) and might represent an instrument to encourage long-term investments in domestic companies.

PIR can be considered as a “fiscal bucket” where it is possible to include selected class of assets and characterized by a benefit from a special tax regime for individuals investing in the latter.

Alternative PIR have been convinced in order to attract to such form of investment private banking clients/semi-professional investors able to invest a higher amount in more complex instruments and with a long holding period.

The profile of the typical investor of such Alternative PIR justifies the regulatory differences among the rules provided in relation to ordinary PIR.

In particular, Alternative PIR shall invest at least 70% in financial instruments issued by Italian companies (or EU/EEA companies having an Italian permanent establishment) which are not part of either the FTSE MIB or the FTSE MID indexes of the Italian Stock Exchange or of similar indexes of other regulated market, in loans granted to the same companies and in debt instruments of the same companies. Moreover, it is envisaged an higher concentration limit in one single investment or in deposits or in bank accounts (*i.e.*, 20% of the total share capital instead of 10% envisaged for ordinary PIR) and an higher investment limits per each investor (*i.e.*, amount not exceeding EUR 150,000 per annum, with an overall limit of EUR 1,500,000 in the aggregate instead of 30,000 per annum, with an overall limit of EUR 150,000 in the aggregate foreseen for ordinary PIR).

Both the Ordinary PIR and Alternative PIR can be established by authorized intermediaries (“intermediari abilitati”) or insurance companies resident in Italy or by non-resident entities operating in Italy by means of a permanent establishment or under the freedom to provide services subject to the appointment of an Italian tax representative. PIR are also allowed to be established as collective investments schemes (*e.g.*, as far as Alternative PIR are concerned, closed-ended funds, such as ELTIF, private equity funds, private debt funds). In order to be qualified as “PIR Compliant”, the investment policy of the collective investment schemes shall be in line with the investment restrictions, in terms of portfolio composition, diversification and holding period.

By overcoming the principle of PIR's unity, each investor can hold at the same time one Ordinary PIR and one Alternative PIR, without this precluding the possibility of benefiting from the special tax regime envisaged for PIR (*i.e.*, tax exemption of capital gains for investments held for at least 5 years and exception from inheritance tax).

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