

# INSTRUCTIONS FOR COMPLETION

*Unless otherwise specified, the statutory provisions referred to in the form for the communication of VAT data and the instructions relate to Presidential Decree No. 633 of the 26th of October 1972 as amended.*

## Foreword

The obligation to submit the **annual communication of VAT data** was established in the application of the provisions contained in article 8-bis of Presidential Decree No. 322 of the 22nd of July 1998, introduced by article 9 of Presidential Decree No. 435 of the 7th of December 2001. The purpose was to further simplify and rationalize the performance by the taxpayer of his obligations relative to the compliance with community obligations.

The annual communication of VAT data, which must be submitted by no later than February of each year, is aimed at complying (within the terms prescribed by the community regulations) with the calculation of the "own resources" that each Member State must pay to the community budget.

In this form, the tax-payer must basically give comprehensive details of the total periodic payments (or the annual totals for taxpayers who are not obliged to comply with the latter obligation), with the purpose of determining the output and input VAT, without taking into account any possible adjustments or balancing transactions (like the final calculation of the pro rata). In addition the taxpayer must provide other concise information relating to the transactions carried out during the period.

Moreover, for the purposes of this communication the following information need not be provided: the set-offs made in the fiscal year; the carry-forward of the input VAT relating to the previous year; the infra-annual refunds requested, as well as the portion of the input VAT (relating to the fiscal year) regarding which the taxpayer intends to request a refund. In fact, this information, which is relevant for the final tax payment, must only be provided in the relative annual declaration. The taxpayer may however refer to the instructions relating to the annual declaration, in order to correctly complete this communication.

The nature and effect of the new obligations are not the same as those of the "VAT Declaration" but relate to the communication of data and information. Through the annual communication of VAT data the taxpayer does not in fact proceed with the final self-determination of the tax due. This will instead take place by means of the traditional annual declaration.

The fact that the notification is not declaratory means that the sanctions for failing to make a declaration or for false declarations do not apply. The provisions of article 13 of Legislative Decree No. 472 of the 18th of December 1997, concerning amendment in the event of a violation of the obligations relating to the declaration, are also not applicable.

The failure to submit the communication or submitting it with incomplete or incorrect information entails **the application of an administrative sanction** that ranges from 258 to 2,065 Euro, in terms of article 11 of Legislative Decree No. 471 of the 18th of December 1997, for the failure to provide information or provision of incorrect information, as referred to in paragraph 6 of article 8-bis of Presidential Decree No. 322 of 1998

It is not possible to amend or supplement a communication that has already been submitted and therefore the final information will be correctly set out in the annual declaration.

## Availability of the forms

Based on the provisions introduced by paragraph 1 of article 8-bis of Presidential Decree No. 322 of 1998, the annual communication of VAT data must be drawn up using the form approved by the Revenue Agency. This form and the related instructions are available in electronic format, free of charge and can be downloaded from the website of the Revenue Agency at [www.agenziaentrato.it](http://www.agenziaentrato.it) or from the website of the Ministry of the Economy and Finance at [www.finanze.gov.it](http://www.finanze.gov.it). In this case, the form can be printed in black and white.

A special electronic format is also available from the same website for persons using typographic systems to reproduce of the form. The printed form must comply with the specifications set out in Enclosure A of the approval provisions relating to the form.

## Taxpayers who are obliged to submit the communication and taxpayers who are exempt from doing so.

In general holders of a VAT number, who are obliged to submit the annual VAT declaration **must submit the annual communication of VAT data** (even if they did not carry out any taxable transactions during the year or they are not required to make the periodic payments) with the undermentioned exceptions.

**The following parties are not obliged to submit the communication of VAT data:**

- Taxpayers who are exempt from having to submit the annual VAT declaration for the year to which the communication refers, namely:
  - Taxpayers, who for the fiscal year only recorded transactions, which are exempt in terms of article 10, as well as taxpayers, who having taken advantage of the exemption from the obligations to invoice and record in terms of article 36-bis only carried out exempt transactions, even if they are obliged for the same year to submit the annual VAT declaration pursuant to the implementation of the changes referred to in article 19-bis2. On the other hand, **the exemption is not applicable** if the taxpayer has recorded intra-community transactions (paragraph 2 of article 48 of Legislative Decree 331/1993) or where purchases have been made, for which VAT is due from the assignees on the basis of specific regulation dispositions (e.g. purchases of pure gold and silver, scrap etc...)
  - agricultural producers who are exempt from the fulfilment of the obligations under the first and second periods of paragraph 6 of article 34, (agricultural producers who in the previous calendar year had a turnover that did not exceed 2,582.28 Euro, which is increased to 7,746.85 Euro, if the farming activities are carried out in mountain municipal districts and always provided that the other conditions contained in the provision exist);
  - persons who carry out activities relating to the organization of games, entertainment and other activities set out in the tariff enclosed under Presidential Decree No. 640 of the 26th of October 1972, who are exempt from the fulfilment of VAT obligations under the sixth paragraph of article 74 and who did not opt for the application of VAT in the ordinary manner;
  - the individual concerns that have leased out the only business (see circular no. 26 of the 19th of March 1985 and circular no. 72 of the 4th of November 1986) and who do not carry out another relevant activity for VAT purposes in the year to which the communication refers;
  - taxable persons, who are resident in other member states of the European Union, in the circumstances referred to in the second period of paragraph 3 of article 44 of Legislative Decree No. 331/1993 if, during the fiscal year they have only carried out transactions, which are not taxable, which are exempt, which are not subject to VAT or which do not carry an obligation to pay the tax;
  - persons who have opted for the application of the dispositions outlined in law number 398 of the 16th of December 1991, who are exempt from the payment of VAT on all income obtained from commercial activities associated with institutional aims;
  - persons whose domicile or place of residence is outside the EU, who are not identified within the community and who have made themselves known within the State for VAT purposes according to the manners outlined in article 74 quinquies for exemption from obligations regarding services rendered by electronic means to clients who are not VAT taxpayers with domicile or residence in Italy or another member state.
- persons referred to in article 74 of Presidential Decree No. 917 of the 22nd of December 1986, namely:
  - state entities and administrations;
  - municipalities, consortiums between local authorities, the associations and entities that manage state properties, the consortiums of communes in mountain areas, the provinces and the regions;
  - the public authorities that perform state, social security, welfare and health functions, including the local health organisations.
- persons undergoing insolvency proceedings.
- natural persons who, during the fiscal year to which the communication refers had a turnover equal to or less than 25,822.84 Euro even though they are obliged to submit the annual declaration. For the purposes of determining the turnover during the year to which the communication refers, the taxpayer, as specified in circular no. 113 of the 31st of May 2000, must make reference to the total turnover for all the activities carried out, even if they are managed with separate accounting. The calculation must also include the total sum of the transactions carried out or recorded or which are subject to recording within the ambit of the activity for which exemption from the annual VAT declaration and consequently, from the communication of information, is provided.

**Method and time limits for submission**

The form for the annual communication of VAT data must **only be submitted electronically**. Thus **any other method of submission is excluded**.

**The form must be submitted by no later than the end of February of each year** and if the deadline for submitting the communication falls on a Saturday, it is extended to the next working day.

The communication can be submitted electronically:

- a) directly by the taxpayer;
- b) through authorized intermediaries.

**a) Direct electronic submission**

Persons who choose to submit the communication directly must avail of:

- the Entratel electronic service, whenever the obligation exists to submit the declaration of the withholding agents (Form 770, simplified or ordinary), in relation to more than twenty persons;
- the electronic Internet service, whenever the obligation exists to submit the declaration of the withholding agents for not more than twenty persons or where the duty to submit such declaration does not exist.

The VAT data communication form will be considered presented on the day in which the Revenue Agency successfully concludes receipt of the data.

**WARNING: We wish to remind you that non-residents who have made themselves known directly for VAT purposes within the territory of the State as per Article 35-ter, must present their communication by means of the Entratel electronic service, using the web address <https://entratel.agenziaentrate.it>. for matters relating to authorization for the Entratel electronic service, please refer to the paragraph entitled "Methods of authorization".**

**Methods of authorization****1) Communication submitted via the Entratel electronic service**

To obtain authorization to use the Entratel electronic service, application must be made to the offices of the Revenue Agency, specified by each competent Regional Administration, on the basis of the Applicant's fiscal domicile;

The application forms and the related instructions, as well as the list of Revenue Agency offices to approach are available from the offices themselves. They can also be obtained from the "Services on-line - Entratel" section of the website [www.agenziaentrate.gov.it](http://www.agenziaentrate.gov.it); the forms will also be faxed, provided that they are requested by telephone beforehand, by contacting the following number 848.800.333.

Consult the website <http://assistenza.finanze.it> for assistance relating to problems associated with the use of the Entratel electronic service.

**WARNING: for non-residents who have made themselves known directly for VAT purposes as per article 35-ter, authorization for the Entratel electronic service is granted by office 6 in Rome (Via Canton n. 20, 00144 - ROMA), at the same time as the VAT number is attributed, on the basis of the information contained in the declaration for direct identification. The aforementioned office will see to sending the envelope containing the data for access to the service to the applicant or it will deliver it directly to an authorized representative, who will have to be in possession of a suitable delegation along with a valid identification document belonging to himself and the delegating party.**

**2) Declaration submitted via Internet**

To submit the communication of VAT data via internet, it is essential be in possession of a PIN code.

Natural persons may apply for a PIN code directly, using the special function available on the website [fisconline.agenziaentrate.it](http://fisconline.agenziaentrate.it). The legal agent, (who must already be in possession of his own personal PIN code) must submit the application for authorization on behalf of persons other than natural ones. Obviously, the PIN code received for the company must be used to submit the communication of VAT data.

The application for authorization will be refused in the following cases:

- the person requesting the PIN does not coincide with the person whom the Revenue Agency recognizes as the "legal agent";
- it appears that the person on behalf of whom the request is made is already authorized to use the Entratel service; in this case, the Entratel service must be used to submit the communication directly.

The issuing of the PIN code does not bind the declarant to use the electronic Internet service because it is always possible to submit the communication by means of an authorized intermediary.

**b) Electronic submission via authorized intermediaries (appointed in terms of paragraph 3 of article 3 and companies of the group in terms of paragraph 2-bis of article 3 of Presidential Decree No. 322 of 1998 as amended)****Authorized representatives**

The representatives indicated in paragraph 3 of article 3 of Presidential Decree No. 322 of 1998 are bound to submit to the Revenue Agency (electronically, using the Entratel service) the communications, which they have prepared on behalf of the declarant, as well as the communications prepared by the

taxpayer that the representatives have undertaken to submit electronically.

Professional practices and service providers are also obliged to submit the communications prepared by them. This applies to those practices and service providers, where at least half of the associates or more than half of the share capital is held by persons registered with certain bodies, boards or on certain rolls, as stipulated by the executive decree of the 18th of February 1999, published in the Official Gazette No. 44 of the 23rd of February 1999.

Similarly, such persons can discharge the obligation to electronically submit the communications by making use of the companies partly owned by the national councils, the professional associations, boards and rolls stipulated in the aforesaid decree, the respective registered parties, the associations representing the latter, the relative national welfare funds and the individual members of the said associations.

Acceptance of the communications is optional and the representative of the electronic service may request payment for the service.

### **Companies belonging to groups**

Within the ambit of a group, the electronic transmission of the communication of VAT data relative to the persons of the group itself, (in which at least one company or entity has the prerequisites to obtain the authorization to use the Entratel electronic service) may be carried out by one or more persons of the same group via the aforesaid service.

In terms of article 43-ter, fourth paragraph of Presidential Decree No. 602 of the 29th of September 1973, the entity (even if it is not a trading concern) or controlling company and the subsidiary companies (even if comprised of persons) are deemed to belong to the group. Joint-stock companies, limited share partnerships and limited liability companies are deemed to be controlled when, from the start of the previous fiscal period, their shares or stakes are held by the controlling entity or company or via another company controlled by the former, in a percentage that exceeds 50 percent of the capital. This provision is in any event applicable "to the companies and entities that are obliged to draw up Consolidated Financial Statements in terms of Legislative Decree No. 127 of the 9th of April 1991 and Legislative Decree No. 87 of the 27th of January 1992. It also applies to those businesses subject to income tax of the legal persons indicated in the list referred to in paragraph 2, letter a) of article 38 of the Legislative Decree No. 127 (referred to above) and in the list referred to in paragraph 2, letter a) of article 40 of the Legislative Decree No. 87 (referred to above) of 1992".

The company of the group can carry out the electronic submission of the communications relative to the other companies of the same group when they assume the obligation for the submission. Similarly, the companies belonging to the same group that operate as fiscal agents of foreign companies may also make use of the same method of electronic submission, even if the foreign companies do not belong to the same group.

To appoint another company of the group to carry out the electronic submission of the communication of VAT data, the company must deliver the duly signed communications to the appointed company; the latter must comply with all the obligations of authorized intermediaries relating to electronic submission, as set out in the paragraphs below.

### **Documentation, which must be provided to the declarant by the intermediary (the person carrying out the transmission or the company belonging to the group) and proof of the submission of the annual communication of VAT data**

On the basis of the provisions contained in Presidential Decree No. 435 of the 7th of December 2001, which amended Presidential Decree No. 322 of 1998 (effective from the 1st of January 2002), the authorized intermediary, including the companies of the group entrusted with the obligation of electronic transmission must:

- issue the declarant, (simultaneously with the receipt of the communication or the acceptance of the instruction to prepare it), with an undertaking to electronically submit the data contained in the communication to the Revenue Agency, specifying whether the communication was delivered to him already completed or whether it will be prepared by him; this undertaking must be dated and signed by the intermediary or by the group company, even if issued in an informal manner.

The date of the undertaking, together with the personal signature and tax code, must be set out in the aforesaid communications in the section headed: "Undertaking to transmit electronically". This is then transmitted electronically with the information contained in the communication, to the Revenue Agency's information system;

- issue the declarant, within 30 days of the deadline provided for the electronic submission of the communication, with the original form, (the details of which were transmitted electronically), drawn up on a form that complies with the one approved by the Revenue Agency, duly signed by the taxpayer. A copy of the notification from the Revenue Agency confirming receipt of the communication must also

be provided to the declarant.

This notification of the electronic receipt constitutes proof of the submission of the communication of VAT data form. This acknowledgement together with the original communication of VAT data form and the remaining documentation must be kept by the declarant for the period provided for in article 43 of Presidential Decree No. 600 of 1973 during which period the Revenue Agency may carry out audits;

- keep a copy of the communications transmitted, (on computerized mediums as well), for the same period of time provided for in article 43 of Presidential Decree No. 600 of 1973, should the Revenue Agency require it to be exhibited in the event of an audit being carried out.

**In cases where the intermediary should opt for the storage on an IT support he is bound to respect the manners provided for by article 3 of the Ministerial Decree of the 23rd of January 2004 and the procedures outlined in the CNIPA deliberation n. 11 of the 19th of February 2004.**

**More precisely, it is necessary for all of the copies of the communications to be memorized on an IT support, the legibility of which must be guaranteed over time, as long as a chronological order is ensured and that there is not a continuity solution for each tax period, moreover search functions and data extraction functions of the IT archives must be guaranteed in relation to the surname, name, company name, tax code, VAT number or logical associations with the latter. This procedure will be ended with electronic signature and the application of a temporal mark.**

**We wish to remind you that the same obligations are applicable for all taxpayers who decide to store their tax documents on an IT support.**

#### **Notification that the communication has been submitted electronically**

Proof of presentation of communication of VAT data is provided by a certificate issued by the Revenue Agency, which confirms receipt of the same. This certificate is transmitted electronically by the Revenue Agency to the users who send on their communication within five working days of receipt of the aforementioned communication.

Certification of presentation is provided by means of a telematic service (Entratel or Internet) used by the user, if it is not available on the Web it may be obtained (either by the taxpayer or by an intermediary) at any Revenue Agency office.

In relation to verifying whether the communications submitted electronically were submitted in good time, it must be remembered that communications transmitted within the deadlines provided for in Presidential Decree No. 322 of 1998, which were rejected by the electronic service used, will be deemed to have been transmitted in a timely manner, provided that they were re-transmitted within five days of the date of the notification from the Revenue Agency containing the reasons for the rejection (see circular no. 195 dated 24 September 1999).

## **Particular cases of submission**

### **Companies and entities making use of the group VAT payment procedure**

The entities and companies, who for the year relating to the communication made use of the procedure for group VAT payment referred to in the last paragraph of article 73 must each submit a form containing their own information.

Thus, the controlling company must submit the communication relating to its own activities and not those relating to the entire group.

### **Taxpayers with separate accounting**

Taxpayers who have carried out more than one activity in respect of which they have kept, either in terms of the law or by choice, separate accounts under article 36, must submit a single form, which summarizes all the activities managed with separate accounting.

If the activity is one in respect of which the taxpayer does not have to submit the annual VAT declaration and consequently does not have to submit the communication, the information relating to this activity must not be included in the communication to be submitted for the other activities, in respect of which the obligation to make the declaration exists.

### **Taxpayers with extraordinary transactions or other substantial transformations (mergers, splits, transfer of businesses, conferment, etc.)**

#### ***Extraordinary transactions or transformations that took place during the fiscal year to which the communication relates***

1) Where the **assignor** (the incorporated or split company, the conferring, ceding or donating party) **has ceased to exist** by reason of the extraordinary transaction or transformation **the assignee** (the incorporating or beneficiary company, the conferee, transferee, or donee) **must submit two separate communications:**

- the first containing the information relating to the transactions carried out by the person itself du-

ring the fiscal year to which the communication refers;

- the second containing the information relating to the transactions carried out by the assignor during the part of the year to which the communication refers and up to the last payment made prior to the extraordinary transaction or transformation; the communication must contain the following information: the information relating to the incorporated, split or conferring party etc. must be supplied in the section reserved for the *taxpayer*; the section reserved for the *declarant* must contain the information relating to the party that results from the transformation - the number 9 must be inserted in the box reserved for the appointment code

2) Where **the assignor has not ceased to exist** as a result of the extraordinary transaction or transformation, the communication of VAT information must be submitted:

- **by the assignee**, if the extraordinary transaction or transformation **entailed the assignment of the input or output VAT**; this person will thus submit two separate communications in terms of the methods indicated in point 1). As a result, the assignor does not have to submit the communication relating to the activity forming the subject matter of the extraordinary transaction;
- **by each of the persons** involved in the transaction, if the extraordinary transaction or transformation **did not entail the assignment of the input or output VAT** in relation to the transactions carried out by each of the parties during the fiscal year to which the communication refers.

***Extraordinary transaction or transformation that occurred during the period between the 1st of January and the date of submission of the communication***

In this case, the communication of the information relating to the transactions carried out by **the assignor** during the course of **the entire previous year**, must always be submitted by **the assignee** (by following the methods indicated in point 1), if the assignor **has ceased to exist** by reason of the extraordinary transaction and provided that the obligation was not discharged directly by the assignor prior to the extraordinary transaction or the transformation.

However, where as a result of the extraordinary transaction **the assignor has not ceased to exist**, each person taking part in the transaction **must autonomously discharge the duty** to declare relating to the transactions carried out during the entire fiscal year to which the communication refers and the transfer or otherwise of the input or output VAT resulting from the extraordinary transaction will only become relevant for the purpose of the communication to be submitted in the following year, in accordance with the methods indicated in point 2).

Naturally, in the case of **testamentary succession**, the communication must be submitted by the heirs for the entire fiscal year - the number 7 must be entered in the box reserved for the appointment code.

**Non-resident persons**

***Fiscal agent***

The fiscal agents of non-resident persons, appointed under the second paragraph of article 17 are obliged to submit the annual communication of VAT data indicating the information relating to the transactions carried out in the year to which the communication refers and reflecting the appointment code 6 in the section relating to the declarant.

***Non-resident persons registered directly***

Non-resident persons who are registered directly in Italy under article 35-ter are obliged to submit the annual communication of VAT data relative to the transactions carried out by them during the fiscal year.

***Persons who operated via a fiscal agent during the fiscal year, as well being registered directly***

In all cases where a non-resident person has carried out, (in the same fiscal year but obviously in different periods of the said year) transactions, which are significant for VAT purposes in Italy, either through a fiscal agent or by direct registration, the obligation to submit the annual communication of VAT data must be discharged by the submission of a single communication by the person (fiscal agent or non-resident person registered directly) acting at the date of submission of the communication.

***Established organization***

In cases where a non-resident person has an established organization in Italy, an annual communication of VAT data that refers exclusively to the information relating to transactions, which were carried out during the fiscal year and which are attributable to the organization, must be submitted. In this case, the appointment code 1 must be reflected in the section relating to the declarant.

Thus, if a non-resident person has operated in Italy during the fiscal year via an established organization, as well as via a fiscal agent or has registered himself directly, individual communications for the transactions attributable to each of them must be submitted.

**Methods of completion****Information required**

The form has 2 pages:

- the first page contains the information relating to the processing of personal data;
- the second page contains the fields relating to the taxpayer's identity (at the top of the page), which must always be completed. The relevant sections of the form follow.

**SECTION I - GENERAL DATA**

**FISCAL YEAR:** provide the calendar year to which the communication of VAT data refers.

**Taxpayer**

**VAT REGISTRATION NUMBER:** provide the VAT registration number of the taxable person.

**ACTIVITY CODE:** the code relating to the predominant activity must be indicated (with reference to turnover) taken from the classification of economic activities in force when the form is submitted, this classification may be consulted at the offices of the Revenue Agency or on the Internet sites [www.agenziaentrate.gov.it](http://www.agenziaentrate.gov.it) and [www.finanze.gov.it](http://www.finanze.gov.it).

**SEPARATE ACCOUNTING:** cross the box if, during the fiscal year to which the communication refers, the taxpayer has carried out more than one activity, in respect of which there has been separate accounting under article 36. Obviously, the box must also be crossed where the taxpayer has managed two activities with separate accounting, where one of the activities is exempt from submitting the annual VAT declaration based on specific legislative provisions and is consequently also exempt from submitting the communication.

**COMMUNICATION OF ENTITY OR COMPANIES BELONGING TO A VAT GROUP:** cross the box if the communication is submitted by an entity or company that has availed of the special group VAT payment procedure during the year to which the VAT communication data refers, as per the last paragraph of article 73.

**SPECIAL OCCURRENCES:** cross the box if the deadline for the submission of the communication falls during the period of suspension from the performance of the obligations, owing to the occurrence of special events.

**Declarant**

This section must only be completed in cases where the declarant (the person who signs the communication) is not the same person as the taxpayer to whom the communication refers.

**TAX CODE:** provide the tax code of the declarant (the natural person) who signs the declaration.

**APPOINTMENT CODE:** give the appointment code of the declarant with reference to the following table:

**TABLE OF APPOINTMENT CODE**

- 1** Legal, contractual, de facto agent or managing member;
- 2** Agent of a minor, disabled or incompetent person, or the administrator of an estate held in a bequest, the administrator of an estate that is assigned under a suspensive condition or that is assigned in favour of an unborn child, who has not yet been conceived;
- 5** Receiver (receivership) or manager (judicial custody), or special manager in the capacity as representative of the attached assets;
- 6** Fiscal agent of a non-resident person;
- 7** The heir;
- 8** Liquidator (voluntary winding-up);
- 9** A person assigned to present the VAT communication data on behalf of an assignor who no longer exists, following extraordinary operations or other substantial subjective transformations (company assignee, beneficiary company, incorporating body, conferring company, etc.)

**TAX CODE OF THE DECLARANT COMPANY:** in cases where the declarant is a company submitting the VAT declaration on behalf of another taxpayer, this field must also be completed. In this case the appointment code that corresponds to the existing relationship between the declarant company and the taxpayer must be indicated in the space provided. This category includes, for example, a company appointed as a fiscal agent by a non-resident person, under the second paragraph of article 17, a company that indicates appointment code 9 as the beneficiary company (of a split company) or the incorporating company (of an incorporated company) as well as the company that submits the declaration as the contractual agent of the taxpayer.

## SECTION II - INFORMATION RELATING TO TRANSACTIONS CARRIED OUT

**NOTE: clarification and further details regarding the different types of transactions to be indicated in this section are given in the instructions for the completion of the annual VAT declaration and the related appendix.**

The amounts, which must be indicated net of the changes made under article 26, must be expressed in Euro rounded up if the decimal fraction is equal to or greater than 50 cents or rounded down if it is less than 50 cents. For this purpose the two final zeros have been printed after the comma in the spaces for the amounts.

### **Taxpayers making quarterly payments**

Taxpayers who make quarterly payments under article 7 of Presidential Decree No. 542 of the 14th of October 1999, article 73, paragraph 1 letter e) and article 74, paragraphs 4 and 5, or on the basis of other special provisions, must submit the annual communication of VAT data making reference to all the transactions carried out during the fiscal year. The details concerning the period October-December, in order to set out the output or input tax relative to the entire fiscal period must therefore also be included.

### **Taxpayers whose accounting is done by third parties**

Taxpayers who have entrusted their accounting to third parties and who under article 1, paragraph 3 of Presidential Decree No. 100 of 1998, have chosen the special method of calculating the periodic payments (based on the VAT payable in the second preceding month) must in any event submit the annual communication of VAT data relative to all the transactions carried out in the fiscal year.

### **Taxpayers who adopt special regimes for the determination of the tax**

Taxpayers who, during the fiscal year, arising out of a legal obligation or by choice adopt special criteria to determine the tax due or deductible (for example special regimes for agricultural and farm holiday concerns) must record in line CD4 (VAT payable) and in line CD5 (VAT deducted) the amount arising out of the application of the special regime to which they belong.

In cases where the particular regime adopted does not provide for the deduction of the tax (for example the used goods regime, the special regime for travel and tourism agencies, the special regime for show business), line CD5 must obviously not be completed in relation to the transactions to which said regime applies.

### **Asset transactions**

**Line CD1, field 1**, for the period of reference, indicate the **aggregate amount of the asset transactions**, (the sale of goods and the work done) net of VAT, carried out in Italy and within the community, as well as the exports made, including those transactions with deferred payment relevant for VAT purposes (taxable, non-taxable, exempt and "zero"-rated), recorded in the invoice or considerations register or which are in any event subject to recording, excluding those transactions that are exempt in respect of which the taxpayer took advantage of the exemptions in terms of article 36-bis. Taxpayers benefiting from this exemption must still indicate the amount of the operations as per numbers 11), 18) and 19) of article 10, for which they are still obliged to issue and register invoices.

The considerations in respect of the performance of intra-community services under paragraphs 4-bis, 5, 6 and 8 of article 40 of Legislative Decree No. 331 of 1993, rendered by a national workman to a community customer must also be included.

It is emphasized that taxpayers benefiting from a reduction of the taxable amount (**publishers**) must indicate the taxable amount of the transactions net of the reduction due in the line.



**In line CD1, field 2**, indicate the aggregate amount of the **non-taxable transactions** already included in field 1 of the same line:

- exports and other non-taxable transactions, that may contribute to the formation of the ceiling referred to in paragraph 2 of article 2 of Act No. 28 of the 18th of February 1997, including the sale of goods carried out in terms of article 71, regarding traders residing in the Republic of San Marino and the Vatican City. On the contrary **the intra-community transactions must not be included**. Only the sale of goods must be indicated in field 4 for these transactions;
- non-taxable transactions carried out regarding exporters who have submitted the declaration of intent;
- Other qualified non-taxable transactions that do not contribute to the formation of the ceiling, which include for example the non-taxable part of the considerations relating to transactions that fall within the marginal regime in terms of Legislative Decree No. 41/1995 (used goods etc.) referred to above.

**Line CD1, field 3**, indicate the aggregate amount (already included in field 1 of the same line) of the **exempt transactions** in terms of article 10 and the transactions declared exempt by other provisions. (for example article 6 of law number 133 of the 13th of May 1999).

**Line CD1, field 4**, indicate the aggregate amount of the non-taxable **intra-community sale of goods**, which are already included in field 1 of the same line and recorded in the invoice register (article 23) or in the register of considerations (article 24). Remember that this line must not include the considerations for the performance of intra-community services already included in field 1. Obviously, it must also not include the intra-community purchases, even though they may be recorded in the aforesaid registers.

#### Liability transactions

**Line CD2, field 1**, indicate the **aggregate amount**, net of VAT, of the domestic and intra-community **purchases** and imports relevant for VAT purposes, included purchases subject to deferred payment, relative to goods and services, resulting from the invoices and bills of entry for imports that have been recorded or which are subject to recording, during the year of reference, in the purchases register in terms of article 25 or in other registers required by the provisions relating to special regimes.

**Line CD2, field 2**, indicate the aggregate amount of the **non-taxable purchases** already included in field 1 of the same line:

- domestic purchases and imports made without paying VAT, using the ceiling in terms of paragraph 2 of article 2 of Act No. 28 of the 18th of February 1997;
- domestic purchases made without using the ceiling, which are objectively non-taxable.

The line **must not include** the non-taxable intra-community transactions, for which only the purchase of goods must be indicated in field 4.

**Line CD2, field 3**, indicate the amount, already included in field 1 of the same line of the **exempt** domestic **purchases**, the imports not subject to VAT (article 68, excluding letter a), as well as the imports of gold for investment purposes.

This line **must not include** the total of the exempt intra-community purchases (paragraph 1 of article 42 of Legislative Decree No. 331 of 1993), which must instead be included in field 4.

**Line CD2, field 4**, indicate the aggregate amount of the **intra-community purchases of goods** already included in field 1 of the same line.

Remember that this line must include: the non-taxable intra-community purchases (paragraph 1, article 42 of Legislative Decree No. 331 of 1993) including purchases in terms of paragraph 2 of article 40 of the aforesaid decree (including purchases made without payment of VAT, using the ceiling in terms of paragraph 2, article 2 of Act No. 28 of the 18th of February 1997) and those in terms of article 40, paragraph 2, of the same legislative decree (tri-lateral community transactions with the national trader acting as the transferee-transferor).

This line **must not include** the sum of the purchases of intra-community services, which is already included in field 1 of the same line.

#### Importation without paying VAT on entry into customs

**Line CD3**, must only include the imports of gold material, semi-finished gold products and the imports of pure silver, and imports of scrap and other recycled material in terms of article 74 paragraphs 7 and 8, already included in line CD2, field 1, in respect of which, under the Sixth EEC Directive no. 77/388/CEE of the 17th of May 1977 (article 23) and the national implementing provisions (article 70, paragraphs 5 and 6), the tax is not paid on entry into customs, but is discharged by means of a simul-

taneous noting of the bill of entry in the registers referred to in articles 23 (or 24) and article 25.

The taxable amount and the tax relative to the imports of **gold** material, semi-processed gold products and imports of **pure silver** are to be highlighted, in **fields 1 and 2** respectively. The taxable amount and the tax relative to the imports of **scrap** and other recycled material in terms of article 74 paragraphs 7 and 8 are to be highlighted in **fields 3 and 4** respectively. In addition to the above, the tax relative to the same transactions must be included in **line CD4** as VAT payable (resulting from the register of invoices issued or the register of considerations) and in **line CD5**, as tax that can be deducted (resulting from the register of purchases).

### SECTION III - CALCULATION OF OUTPUT TAX OR INPUT TAX

**NOTE: in this section the amounts must be indicated considering the variations brought about in terms of article 26.**

#### Particular types of operations

The tax relative to particular types of operations for which the same is due from the assignee on the basis of specific dispositions (e.g. intra-community purchases and article 17, paragraphs 3 and 5, or from persons operating in particular activity sectors for commission paid (e.g. article 74, paragraph 1, letter e) article 74-ter, paragraph 8), must be included as payable VAT (evident from the invoices issued or payments received), in **line CD4** and, as deductible VAT (evident from the purchases register), in **line CD5**.

**Line CD4**, indicate the amount of **VAT payable**, relative to the transactions carried out during the reference period, regarding which transactions tax has become payable, or relative to transactions carried out previously regarding which the tax has become payable during the competent period, which transactions are recorded in the invoice register or register of considerations or that are subject to registration.

To complete this line, taxpayers who adopt special regimes to determine the tax are referred to the instructions on page 8.

**Line CD5**, indicate the amount of the **deductible VAT** relative to the purchases registered, regarding which the right to deduction is exercised during the reference period.

To complete this line, taxpayers who adopt special regimes to determine the tax are referred to the instructions on page 9

**Line CD6, field 1** indicate the amount of the **output VAT** resulting from the difference between the amounts indicated in lines CD4 and CD5.

**Line CD6, field 2**, indicate the total amount of **input VAT** resulting from the difference between the amounts indicated in lines CD5 and CD4

### SIGNING THE COMMUNICATION

The document must be signed legibly in the space provided by: the taxpayer or the legal or contractual agent or by one of the other declarant persons indicated in the "Appointment Codes" Table.

### UNDERTAKING TO SUBMIT ELECTRONICALLY

This section must be completed and signed by the intermediary who transmits the communication.

The intermediary must state:

- his own tax code;
- if a CAF (Tax Assistance Centre) is involved, enter the CAF (Tax Assistance Centre) roll registration number;
- the date (day, month and year) on which the obligation to transmit the communication was assumed.

In addition, cross the first box if the communication was prepared by the taxpayer. Alternatively cross the second box if the communication was prepared by the sender.