



ANNUAL  
COMMUNICATION OF  
VAT DATA

## 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** has been instituted in accordance with the provisions contained in article 8-*bis* of Presidential Decree (D.P.R.) no. 322 of 22 July 1998 introduced by article 9 of Presidential Decree (D.P.R.) no. 435 of 07 December 2001, as amended by article 10 of Decree Law no. 78 of 01 July 2009, with the aim of further simplifying and rationalising taxpayers' obligations while complying with EU requirements.

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 or 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 18 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**, in terms of article 11 of Legislative Decree No. 471 of 18 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.agenziaentrate.gov.it](http://www.agenziaentrate.gov.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.

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-*bis*2. On the other hand, **the exemption is not applicable** if the taxpayer has recorded intra-community transactions (paragraph 2 of article 48 of Decree Law 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 paragraph 6 of article 34 (agricultural producers who in the previous calendar year had a turnover that did not exceed 7,000 Euro);
  - 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 26 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 19 March 1985 and circular no. 72 of 4 November 1986) and who do not carry out another relevant activity for VAT purposes in the year to which the communication refers;
  - taxable persons, in the circumstances referred to in the second period of paragraph 3 of article 44 of Decree Law 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 16 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-quinques 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;
- subjects provided for by article 74 of Presidential Decree no. 917 of 22 December 1986, i.e.:
  - 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;
  - private compulsory social security bodies who carry out social security and welfare activities;
- persons undergoing insolvency proceedings;
- individuals who, during the fiscal year to which the communication refers had a turnover equal to or less than 25,000.00 Euro even though they are obliged to submit the annual declaration;
- taxpayers who are eligible for the flat-rate scheme for natural persons engaged in the conduct of business, arts and professions as provided for in Article 1, paragraphs 54 to 89 of Law no. 190 of December 23rd 2014;
- individuals who make use of the tax regime for young businesspeople and unemployed workers as provided for by article 27, paragraphs 1 and 2, of Decree Law no. 98 of 6 July 2011, converted with amendments by Law no. 111 of 15 July 2011;
- taxpayers who submit their VAT returns by February, as provided for by article 8-*bis*, second paragraph, final sentence of Presidential Decree no. 322 of 1998, introduced by article 10, Decree Law no. 78 of 1 July 2009, are also exempted.

For the purposes of determining the turnover during the year to which the communication refers, the taxpayer, as specified in Circular no. 113 of 31 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.

## Methods and terms for filing

### **Methods and terms for filing**

The form for the annual communication of VAT data may **only be filed 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 or holidays, it is extended to the next working day.

The communication may be submitted electronically:

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

#### **a) Direct online filing**

Persons who choose to file their communication directly must use:

- the **electronic Entratel service**, whenever the obligation exists to file the return of the withholding agents (Form 770, simplified or ordinary), in relation to more than twenty persons;
- the **electronic Fisconline service**, whenever the obligation exists to file the return of withholding agents for no more than twenty persons or, despite the obligation to electronically file the other statements as laid down by Presidential Decree no. 322 of 1998, they are not required to file the statement of withholding agents.

The subjects other than natural persons perform the telematic interchange of the communication by their own officers appointed in the manner described in the Circular no. 30/E on 25 June 2009 and in the relevant technical annex.

**NOTICE: Non-resident taxpayers who have directly identified themselves for VAT purposes in the territory of the State pursuant to art. 35-ter of Presidential Decree no. 633/72 shall file their statement through the Entratel electronic service. As regards the methods for logging onto Entratel electronic service, please refer to the paragraph "Methods of authorization".**

#### **b) Online filing through qualified intermediaries**

The intermediaries reported in art. 3, par. 3, Presidential Decree no. 322 of 1998, are required to electronically forward to the Revenue Agency, using the Entratel electronic service, both the communications prepared by them on behalf of the declarant and the communications prepared by the taxpayer for which they have taken on the obligation to electronic filing.

The authorized intermediaries belonging to the following categories are required to electronically file the communications:

- those enrolled in the register of business consultants, accountants, commercial experts and labour consultants;
- those enrolled, since 30 September 1993, in the roll of experts kept by the chambers of commerce for the tax category, holding a degree in law or economics or equivalent degree and diploma in accountancy;
- those registered in the roll of lawyers;
- those enrolled in the register of accounting auditors under Legislative Decree no. 88 of 21 January 1992;
- trade union associations of entrepreneurs under art. 32, par. 1, letters a), b) and c), of Legislative Decree no. 241 of 1997;
- associations mostly consisting of subjects belonging to ethnic-linguistic minorities;
- Caf - employees;
- Caf - companies;
- those regularly engaged in the tax consulting business;
- those registered in the roll of agronomists and forest experts, agro-technicians and agricultural experts.

Other subjects required to electronically file the communications they have prepared, included professional firms and service companies in which at least half of the members or more than half of the share capital is owned by subjects enrolled in some registers, boards or rolls as specified in the Directing Decree of 18 February 1999.

These subjects can fulfil their obligation of electronically filing the communications also by using companies participated by national counsels or by the registers, boards or rolls as specified in the abovementioned decree, by the relevant enrolled subjects, by the associations representing them, by the relevant social securities systems, by the single members of said associations.

#### **Communication filed by companies belonging to a group (art. 3, paragraph 2-bis)**

Within a group, the electronic filing of the communications of the subject belonging to the group, in which at least one company or body is obliged to perform electronic filing, can

be performed by one or more subjects of the same group exclusively through the electronic service Entratel. The body (even if not commercial) or the controlling company (including a partnership) or controlled company are considered to belong to the group. Controlled are those joint-stock companies, limited partnerships with share capital and limited liability companies whose shares or stock are owned by the parent body or by another controlled of this body with a stake higher than 50 percent in the capital from the beginning of the previous tax period. This provision applies, in any case, to the companies and to the bodies required to issue consolidated fiscal returns pursuant to the Legislative Decree no. 127 of 09 April 1991 and Legislative Decree no. 87 of 27 January 1992, and to the companies subject to IRES (income tax for the corporate bodies) listed in par. 2, lett. a), of art. 38 of said Legislative Decree no. 127 and in the list of par. 2, lett. a) of art. 40 of said Legislative Decree no. 87.

A company in the group can electronically file the communications of the other companies belonging to the same group by taking on the obligation to file the communication. The same filing mode can also apply to those companies belonging to the same group and operating as tax representatives of foreign companies, even if these do not belong to the same group.

To entrust another company of the group with the electronic filing of the communication, the declarant company shall hand out its communication, duly signed, to the entrusted company; the latter shall comply with all the regulations provided for electronic filing through authorized intermediaries described in the following paragraph.

The subjects other than natural persons perform the telematic interchange of this communication by their own officers, appointed in the manner described in the Circular no. 30 / E on 25 June 2009 and in the relevant technical annex.

**The documentation that must be provided to the declarant by the intermediary (the person filing the statement or the company belonging to the group) and proof of the filing of the communication.**

Based on the provisions contained in the above-mentioned Presidential Decree no. 322 of 1998, authorized intermediaries and the companies of the group in charge of the electronic filing, shall:

- issue the declarant, (simultaneously with the receipt of the filing or the acceptance of the instruction to prepare it), with an undertaking to electronically post 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 electronic filing" to appear on the front page of the communication;
- issue the declarant, within 30 days of the deadline provided for the electronic filing of the communication, with the original communication (the details of which were transmitted electronically), drawn up on a form which complies with the one approved by the Revenue Agency. A copy of the notification from the Revenue Agency confirming receipt of the communication must also be provided to the declarant.

This communication proves for the declarant the accomplished filing of the annual communication of VAT data and shall be kept by the declarant together with the original communication, duly signed by the taxpayer, 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 communication transmitted (on computerized media), 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.

**NOTICE: The conservation of relevant IT documents for the purposes of tax provisions must comply with the provisions of the decree of the Ministry of Economy and Finance of 17 June 2014 on the "Way of fulfillment of the fiscal duties relative to IT documents and to their reproduction in different types of support - Article 21, paragraph 5, of Legislative Decree no. 82/2005".**

**Notification of the electronic filing of the annual communication of VAT data**

The notification by the Revenue Agency confirming that the annual communication of VAT data has been electronically filed via the electronic service is transmitted electronically to the user who filed it. This information can be consulted by registered users to e-services in the "Receipts" section of the Revenue Agency website. The communication of receipt can be requested with no time limit (by both taxpayers and intermediaries) at any Revenue Agency Office.

In relation to the timeliness of the communications forwarded electronically, communi-



cations forwarded within the deadline established by Presidential Decree no. 322 of 1998 but rejected by the electronic service will be considered timely, as long as they are re-submitted within five working days after the date shown on the communication received, attesting the reasons for rejection (Ministry of Finance Circular – Revenue Department no. 195 of 24.09.1999).

#### Activation procedure

The methods for obtaining authorization to use the online service Fiscoonline or Entratel are available on the website of the Revenue Agency at: [www.agenziaentrate.gov.it](http://www.agenziaentrate.gov.it).

**For non-residents, who have directly identified themselves for VAT purposes in accordance with art. 35-ter, the activation of the Entratel service is released by Pescara Operational Centre, via Rio Esparto 21, 65129 Pescara, together with attribution of the VAT number, on the basis of the data contained in the declaration for direct identification and the printing of attachment that the subject other than a natural person releases after the pre-registration to the Entratel service. The said office shall dispatch by post to the applicant or upon the delivery to a person in charge (equipped with a suitable proxy and own or delegator's identity document) the virtual envelope, whose number is used for the procurement of the necessary credentials for the generation of the security environment and, if the user is a natural person, to access restricted areas of the website dedicated to e-services.**

#### 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 data communications**:
  - the first containing the information relating to the transactions carried out by the person itself during 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 data 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 data 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 in which a non-resident subject has carried out, in the same tax year but obviously in different periods of the year, significant operations for VAT purposes in Italy either through a tax representative or by identifying him/herself directly, the obligation to submit the annual communication of VAT data must be fulfilled by a single communication being filed by the subject (tax representative or non-resident subject identified directly) operating on the date that the communication of VAT data was submitted.

***Established organization***

In cases where a non-resident person has an established organization in Italy, an annual communication of VAT data that refers 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.

It is pointed out that in accordance with the new text of article 17 of Presidential Decree no. 633 of 1972 (as amended by article 11 of Decree Law no. 135 of 26 September 2009), in the case of a permanent organisation in Italy, the obligations pertaining to operations carried out by the parent company cannot be fulfilled through a tax representative or direct identification, but must be combined under the VAT status attributed to the permanent organisation.

Consequently, in accordance with the new rules, a non-resident subject may not assume dual VAT status in Italy and may hold only one VAT registration number.

**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:** 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 individual) 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, tutoring administrator, or the administrator of an estate held in abeyance, 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 Judicial custodian (judicial custody), or judicial receiver in the capacity of the representative of the attached assets or judicial commissioner (receivership);
- 6 Fiscal agent of a non-resident person;
- 7 Heir;
- 8 Liquidator (voluntary winding-up);
- 9 The person required to submit the return for VAT purposes on behalf of a tax subject no longer in existence, following extraordinary operations or other substantial subjective transformations (transferee of company, beneficiary company, incorporating company, conferee 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 third 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 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 14 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 VAT 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**, indicate the **total amount**, net of VAT, of **sales operations** (sale of goods and provision of services), i.e. domestic, intra-community and export sales, carried out during the period in question, including those for which VAT is payable at a later date, entered in the records of invoices issued or in the records of payments for supplies received or in any case subject to being recorded, excluding exempt operations for which the taxpayer has chosen to be exempt from compliance as provided for by 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.

It is pointed out, furthermore, that this field must also include operations which are non-taxable as they do not satisfy the territorial requirement as provided for by articles 7 to 7-septies of Presidential Decree no. 633 of 1972 and for which it is obligatory to issue an invoice in accordance with the provisions contained in article 21, paragraph 6-*bis*, of the same decree.

Field 1 must also include taxable transactions carried out with public administrations applying Art. 17-*ter*.

Taxpayers who make use of a reduction of the taxable base (**publishers**) must indicate in the line the taxable amount related to the operations after the due reduction has been already considered.

**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 Law No. 28 of 18 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. **Intra-community sales must not be included** and must be indicated in the following field 4 instead;
- 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 Decree Law No. 41 of 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.

**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). It is pointed out that this line must not include intra-community purchases, even if they have been recorded in the abovementioned registers.

**Line CD1, field 5**, indicate sales of capital goods already included in the previous fields.

#### 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 Law No. 28 of 18 February 1997;
  - domestic purchases made without using the ceiling, which are objectively non-taxable.
- The line **must not include** non-taxable intra-community purchases, which must be indicated in the following field 4 instead.

**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 Decree Law 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 in terms of paragraph 1, article 42 of Decree Law No. 331 of 1993 (including purchases made without payment of VAT, using the ceiling in terms of paragraph 2, article 2 of Law No. 28 of 18 February 1997) and those in terms of article 40, paragraph 2, of the same Decree Law (tri-lateral community transactions with the national trader acting as the transferee-transferor).

**Line CD2, field 5**, indicate purchases of capital goods already included in the preceding fields.

These are depreciable, tangible or intangible goods as set out in articles 102 and 103 of Presidential Decree no. 917 of 22 December 1986, including goods costing not more than 516.46 euros and including the residual value for goods already purchased under leasing agreements (for example plant, machinery and equipment, etc.) and non-depreciable capital goods, purchased under leasing agreements, calculating the amount of the instalments paid for capital goods purchased under leasing, usufruct or hire agreements or other forms of payment and considerations for the purchase of non-depreciable capital goods (for example land).

#### 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 article 70, paragraphs 5 and 6, the tax is not paid on entry into customs, but is discharged by means of a simultaneous 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 OR INPUT VAT

**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 2, 5, 6 and 7) 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.

For the completion of this line by taxpayers who have adopted specific regimes for calculation of the tax, please refer to the instructions already provided in the specific paragraph.

**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.

For the completion of this line by taxpayers who have adopted specific regimes for calculation of the tax, please refer to the instructions already provided in the specific paragraph.

**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.