

## Italy: a new non-dom system for HNWI's

13 FEBRUARY 2017

**CATEGORY:**  
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- Regime suited to HNWI's relocating to Italy (also Italian returnees)
- Annual fee (€ 100,000) on foreign incomes and gains
- Possibility to submit the preliminary ruling as non-resident
- Effects on reporting obligations, inheritance/gift taxes and property taxes: conditions for more efficient wealth and succession planning

Italy has recently put in place a new non-dom tax system, aimed at attracting HNWI's to Italy. The new rules add to the choice currently available to individuals without fixed domicile, such as the 'res-non-dom' system in the UK, Ireland, Malta, the Swiss 'forfeit' rules and the Spanish Beckham Law.

### WHO CAN APPLY

The Italian non-dom regime is available to HNWI's and anyone interested in moving to Italy. There is only one condition to be met: you must not have lived in Italy for the past 9 out of 10 years. You will become an Italian tax resident, and any nationality is permitted to apply, even Italian returnees.

### THE RULE

Italian-source income and gains are ordinarily taxed (under a progressive and proportional rate up to 43%). But under the non-dom regime, foreign income is sheltered from Italian tax, provided you pay an annual €100,000 fee. The non-dom regime may be extended to the applicant's family members, at an additional cost of €25,000 per member.

### HOW TO APPLY

To become an Italian non-dom, you must file a preliminary ruling request with the tax authorities, disclosing your last jurisdiction of residence. The request can also be filed as a non-resident: although you should not move to Italy before receiving confirmation from the Italian Revenue Agency. The non-dom procedure and requirements are clear, and the authorities must reply within 120 days (+60 under certain conditions) to give a green or red light. If they don't reply, you will automatically receive a green light.

### THE TERMS

You may be an Italian non-dom for up to 15 years. Non-dom status can be revoked when you wish, and will automatically be revoked if you fail to pay the annual fee.

### RELATED ADVANTAGES

The new regime also has an impact on succession and gift tax, provides exemptions from property taxes on foreign assets (a.k.a. IVIE and IVAFE) and, more importantly, from the ordinary reporting regime under Italian law. Moreover, the rules include the introduction of a new Investment Visa to simplify Italy's immigration law in connection with the new tax system. As a result, it is crucial to take advice on all of these potentially positive effects: the non-dom regime could be a unique opportunity to optimise your wealth planning.

Moving to Italy could be your first step for more efficient wealth management and succession planning.

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