

Market: Italy

27 September 2013

Update:

Declaration and payment of Italian FTT

Source: Monte Titoli

Earlier this week, the Association for Financial Markets in Europe (AFME), of which KAS BANK is an active member, has expressed their concerns about the payment and reporting guidelines for the Italian Financial Transaction Tax (IFTT).

Recently we have informed our clients about the publication of operational guidelines and a Frequently Asked Questions (FAQ) document. Despite these publications, a lot of operational details remain unclear.

After studying the underlying details we (like AFME) have many open questions on the data definitions but more importantly share the AFME concern about the so called "electronic register" which our clients have to build.

KAS BANK is seeking further clarification since many specs and definitions are still unclear. We are investigating in what way we can support our clients to be ready for the first tax payment.

According to the latest decree the tax is to be paid by the intermediary who receives the order of execution directly from the purchaser or from the final counterparty, this intermediary is the so called accountable party. An updated version of this decree is in place, but this is only available in Italian. As soon as we have the English version we will update you again on possible implications.

Declaration and payment for accountable parties

It is to be pointed out that the tax is applied both to on and off exchange transactions; the accountable parties (responsible to pay the tax) are below identified as:

- the buyer, for transactions affecting shares and similar;
- both counterparties (buyer and seller) for derivatives;
- entities submitting automatically, by means of an algorithm and electronically, instructions to buy and sell (high frequency trades)

Accountable parties have the following options for the declaration and payment of the tax:

- appoint Monte Titoli to submit declarations and tax payments to the Tax Agency;

Although the above information has been derived from sources qualifying as reliable and KAS BANK has been as meticulous as possible in preparing this Newsflash, it regrets that it cannot accept any liability whatsoever for any inadvertent errors or omissions.

- report directly to the tax authority;
- appoint a tax agent.

For all participants in Monte Titoli service the deadline for declarations of the Italian Financial Transaction Tax (FTT) will be extended to 31 October, instead of 16. The deadline to pay the tax will be extended to 10 November.

Accountable parties who decide to sign a contract with Monte Titoli can request for KAS BANK's assistance.

KAS BANK is closely monitoring the developments and we will inform our clients as soon as new information becomes available. Should you require additional information, please contact your account manager.

KAS BANK N.V.

Profile KAS BANK

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