



tax news

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*We have taken the greatest care in preparing the information contained herein, considering the need to make it as concise and timely as possible.*

*However if you intend to use the information in making business decisions or in applying the relevant legal regulations, you are welcome to contact us for a more thorough examination of any specific matters.*

**Subject: Enlargement of the “Split payment” mechanism (a specific VAT rule) from July 25, 2017, to any transaction with certain selected types of entities of the Public Administration (P.A.) and listed companies.**

### 1. What the split payment mechanism is

When the "split payment" mechanism is applicable, VAT is exposed in the invoice by the vendor, in the ordinary way.

However, VAT charged is paid by the customer directly to the Italian Tax Administration and not to its supplier.

As a result, the VAT liquidation does not consider VAT shown on the invoices issued, because the customer paid it directly to the Tax Administration (art. 17 ter D.P.R. 633/1972).

### 2. Formal changes to the invoices issued

In order to allow the application of the “split payment” method, the invoices issued must indicate that VAT shall be paid by the buyer directly to the Tax Administration.

The invoices report the statement “**Iva a Vs carico**” (“VAT payable by the purchaser pursuant to art. 17-ter of Presidential Decree no. 633/1972”) and “**Scissione dei pagamenti ex art. 17 ter D.P.R. 633/1972**” (Split payment operation pursuant to art. 17 ter D.P.R. 633/1972).

A suggested layout of the invoice reflecting the split payment mechanism might be the following:

Imponibile	€ 10.000,00
IVA 22%	€ 2.200,00
Totale	€ 12.200,00
<b>IVA a Vs. carico</b>	<b>- € 2.200,00</b>
Netto da pagare	€ 10.000,00

**Scissione dei pagamenti ex art. 17-ter D.P.R. 633/1972**

### 3. Who are the customers with whom the split payment mechanism is applied

When the split payment went to effect (on 1<sup>st</sup> January 2015), not all the P.A. were involved in this rule. The recent Ministerial decrees (D.M. dated June 27, 2017 and D.M. dated July 13, 2017) have progressively extended this rule also to other P.A. entities and specific private Companies.

In particular, there are now five specific categories:

- P.A. entities that must receive invoices with the specific procedure of e-invoice. You can use the following link to check if the customer is included in this category  
[Click to check on IPA WebSite](#)
- Companies lawfully controlled by the Presidency of the Council of Ministers (and its subsidiaries) and by the Ministries (and their subsidiaries)  
[Click for list](#)
- Companies effectively controlled by the Presidency of the Council of Ministers (and its subsidiaries) and by the Ministries (and their subsidiaries)  
[Click for list](#)
- Companies lawfully controlled by regions, provinces, metropolitan cities, municipalities, unions of municipalities and by subsidiaries of these entities  
[Click for list](#)
- Listed companies included in the FTSE MIB index of the Italian stock exchange  
[Click for list](#)

The above mentioned categories (and related lists) were approved with decree dated July 13, 2017 (that amended the previous decree dated June 27, 2017).

The affective categories have changed over time, as they were not complying with the pro tempore law in force.

In particular, the categories identified by the Decree dated July 13, 2017 shall be applied to invoices whose VAT was payable from July 25, 2017. Considering that many Taxpayers applied the Decree in advance, the law has introduced a safeguard clause, according to which no penalties will be applied for such cases.

Lastly, on August 4, 2017, the lists of categories have been further updated. Below you can find the links for the identification of the new affected categories:

- [www.indicepa.gov.it](http://www.indicepa.gov.it) where in this specific [page](#) you can check if the customer is included in the category a)
- [www.finanze.it](http://www.finanze.it) where in this specific [page](#) the lists of the categories b),c),d),e) are published.

We are at your disposal for any clarification and request of assistance on this issue.

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