



Direzione Centrale Accertamento
Settore Grandi contribuenti

**International Tax Cooperation
for Financing of Sustainable
Development and the Role of
the
United Nations Model Double
Taxation Convention between
Developed and Developing
Countries
(Rome, Italy, January 30 2013)**



International Taxation and Developing Countries: The Italian Revenue Agency Perspective

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AGENDA

1. Introduction: organization of Italy Revenue Agency
2. Engagement with developing and transitioning economies on international tax issues
3. Key challenges
4. Way forward



1. INTRODUCTION: ORGANIZATION OF ITALY REVENUE AGENCY

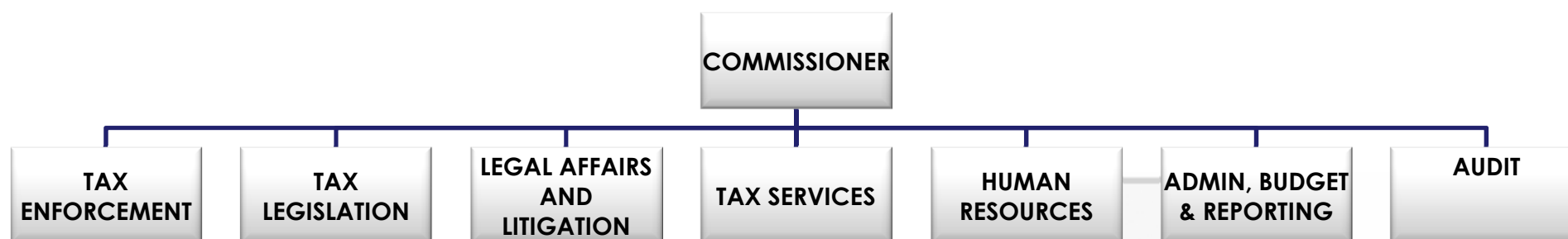
- ❑ **Italy Revenue Agency** is a non-profit public body carrying out all functions regarding the management, assessment and collection of taxes.
- ❑ The Agency is subject to the **supervision** of the MoF (fiscal policy)



1) ORGANIZATION OF ITALY REVENUE AGENCY (cont'd)

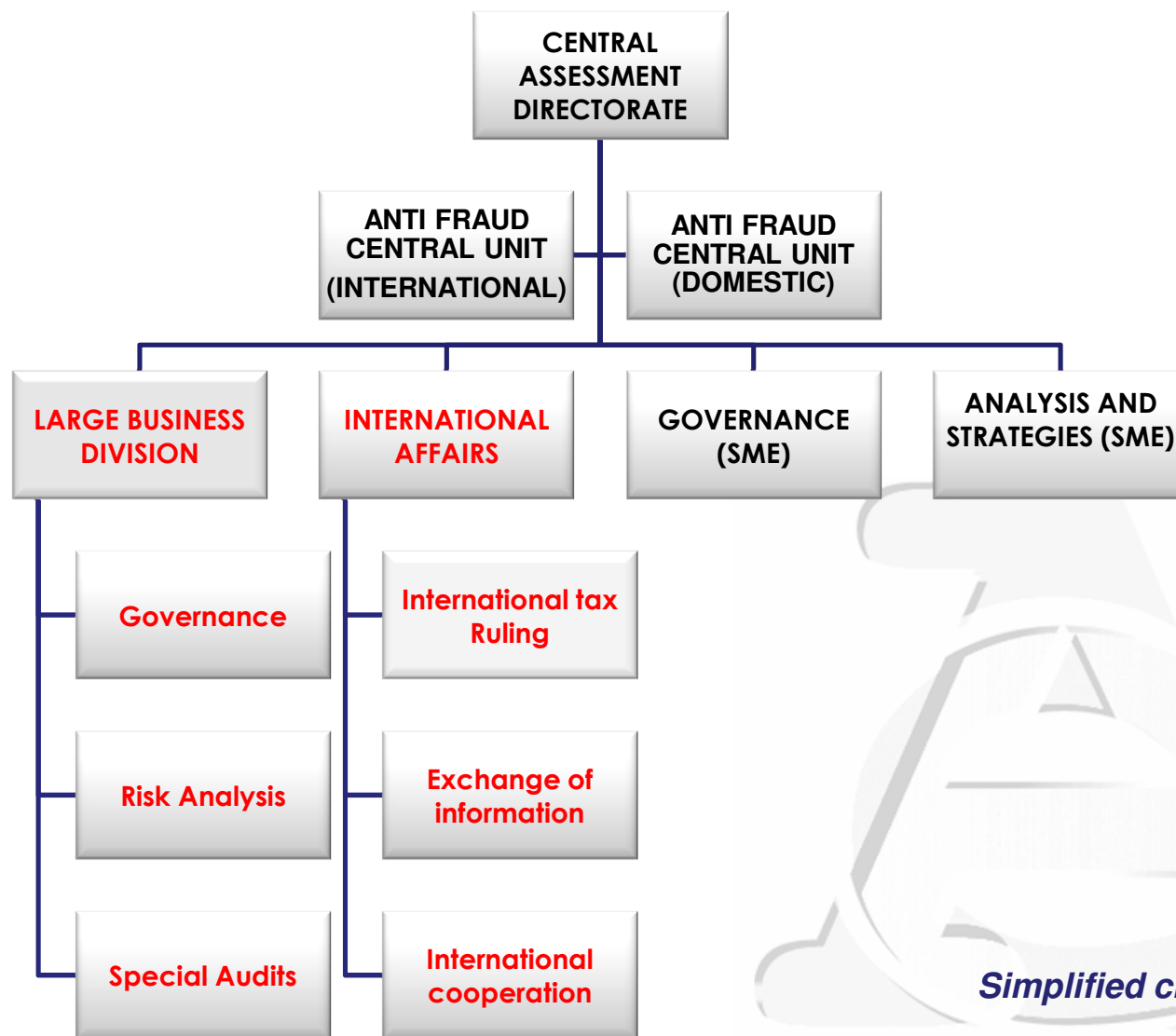
The Agency is organized into

- **Central Directorates** (mainly planning, direction, co-ordination and control functions)



- **Regional and Provincial Divisions** (with general operating functions)

1) ORGANIZATION OF ITALY REVENUE AGENCY (cont'd)



Simplified chart

2. Engagement with developing and transitioning economies on international tax issues

“Service” approach:

- 1. Support to NGOs and other stakeholders**
- 2. Capacity Building activities on a stand-alone basis or in co-operation with other IOs (e.g. Croatia, Georgia, Ghana, Liberia and Honduras)**
 - Transfer Pricing**
 - Tax Treaties application**
 - Tax Policy – Legislation Drafting**



3. Key challenges...

- **Italy faces(-ed) same/similar tax challenges as developing and transitioning countries**
 - **Aggressive tax planning**
 - **Misuse of fundamental concepts of tax treaties (e.g. residence, PEs, beneficial ownership etc.)**
 - **Transfer Pricing**



...and responses adopted

- **Balanced approach: *focus on enhancing tax compliance***
- **Examples:**
 - ☐ Risk management Program for LBTs (2009)
 - ☐ Need to offer advanced certainty (e.g. successful APA Program, implementation of T.P. Documentation Requirements), although...
 - ☐ **“Zero-tolerance” towards aggressive tax planning**

4. Way forward

- A. Inclusive Approach: participation of developing countries in Working Groups**
- B. Involvement in UN work on practical transfer pricing manual**
- C. Support of outreach and capacity building activities on a stand-alone basis or in co-operation with ROs and Ios (OECD, WB, ATAF, IOTA etc.)**

Thanks for your attention!

