



Tax & Legal Alert



Recent changes to the cooperative compliance regime

New lower thresholds to qualify for the cooperative compliance regime have been established in the Ministerial Decree of 31 January 2022 published in the Official Gazette of 8 February 2022. This regime was introduced by Legislative Decree no. 128/2015 setting forth *“Provisions on legal certainty in relations between tax authorities and taxpayers, in implementation of articles 5, 6 and 8(2) of Law no. 23 of 11 March”*.

The aim of the cooperative compliance regime is to increase the level of certainty about important tax issues through constant and prior dialogue with the taxpayer about their actual circumstances, in order to arrive at a common assessment of conditions likely to generate tax risks.

Taxpayers may access the regime on a voluntary basis if they meet certain dimensional and organizational criteria. An important organizational requirement is to have a Tax Control Framework in place; whereas, with regard to the dimensional aspects, access was originally reserved for resident taxpayers and for non-resident taxpayers with a permanent establishment in Italy , in both cases with turnover or revenues of not less than EUR10 billion. This threshold was subsequently reduced to EUR5 billion for fiscal years 2020 and 2021.

The dimensional threshold has now been further reduced to EUR1 billion for 2022, 2023 and 2024. As a result, the number of taxpayers who are potentially eligible for this regime has considerably increased. Consequently, a larger number of companies will have to adequately document the reliability of the controls and procedures adopted and to guarantee the reliability of the data disclosed, in order to allow stakeholders to correctly assess the company's compliance with sustainability goals.

Please [contact](#) KPMG in Italy's Tax & Legal specialists if you require any further information on this topic.

Kind regards,

Italian Tax & Legal Alert Team

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