

IOTA Forum on Combating VAT Fraud

SARAJEVO, 11-12 June 2025



*Tax representatives: the Italian approach
against fiscal risks and VAT fraud.*

*Italian Revenue Agency
Taxpayers' Compliance and Enforcement
division*

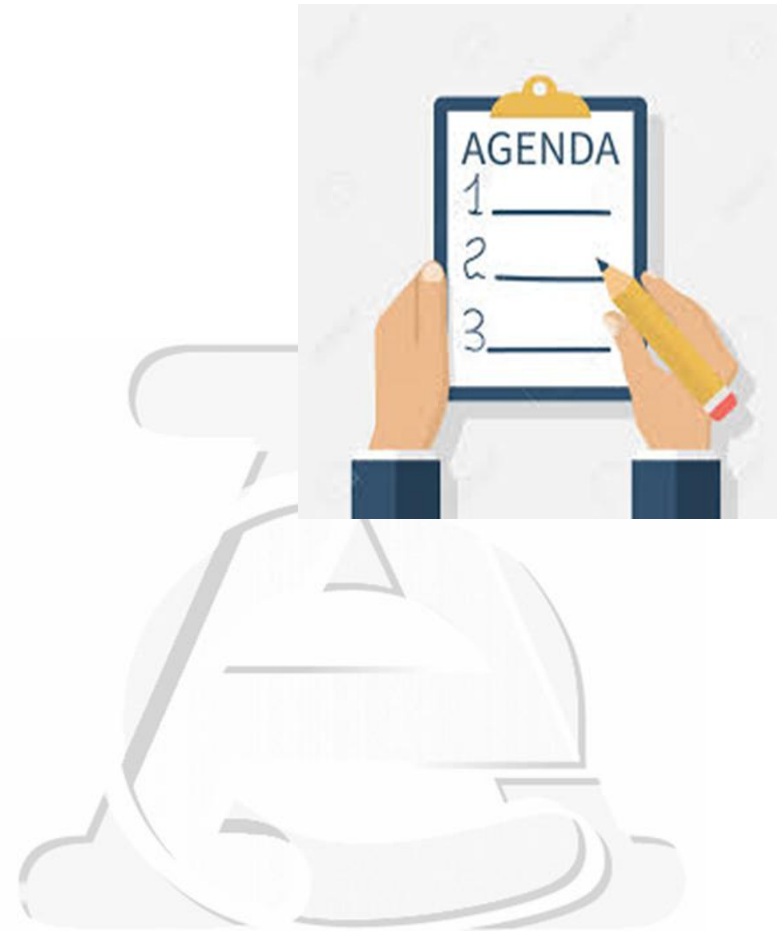
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*Serious Tax Offences department
Antifraud analysis and strategies unit*

Andrea Damiani

Main points - Agenda

- ❑ Starting point
- ❑ Phenomenon overview
- ❑ Desk analysis results
- ❑ Activities outcomes
- ❑ Legal framework evolution
- ❑ Expected outcomes



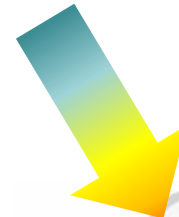
Tax Representatives: starting point

Extra UE traders
(without permanent establishment in IT)



Traders from a third country with reciprocal agreements operate:

through **direct VAT registration** in Italy or by **appointment of a tax representative** established in Italy



Traders from a third country without reciprocal agreements (for example, PRC) operate:

by **appointment of a tax representative** established in Italy

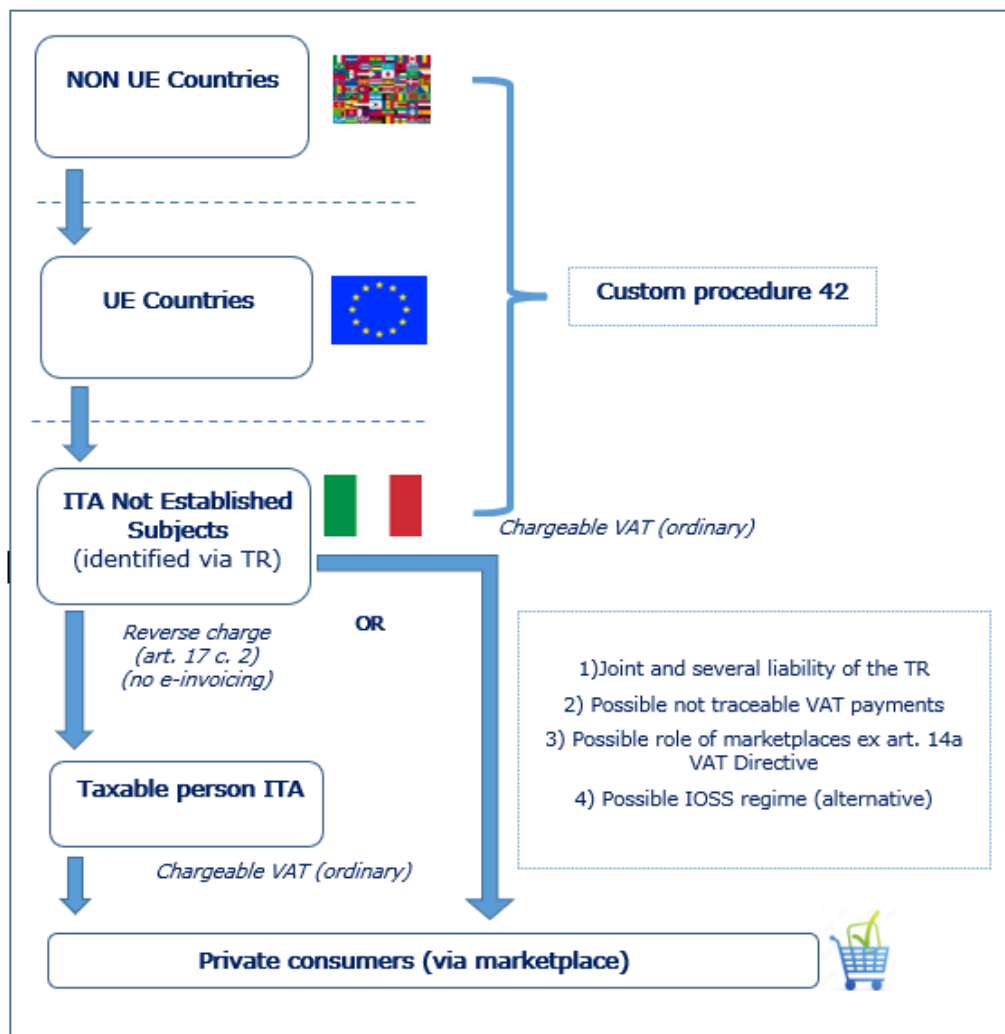
Tax Representatives: phenomenon overview

Observed scenario:

High concentration of **NOT ESTABLISHED SUBJECTS** represented by a single **TAX REPRESENTATIVE**

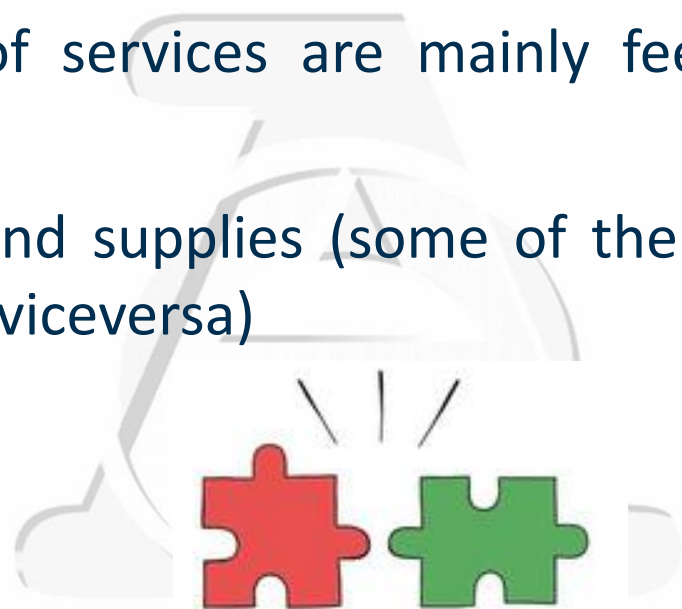
- **NES** main features:
 - ✓ E-commerce
 - ✓ Country of residence: mainly China
 - ✓ High number of new VRN every day, mainly with short life
 - ✓ High risk fiscal profile
- **TR** main features:
 - ✓ Legal representatives: mainly Chinese citizens
 - ✓ Often unreachable at the declared premises
 - ✓ Fuzzy fiscal profile

Tax Representatives: phenomenon overview



Tax Representatives: desk analysis results

- VAT exempted turnover growth (allegedly due to marketplaces)
- VAT paid by means of specific forms in 65% cases (payments possible also by bank transfer)
- Relevant amounts of Intracommunity Acquisitions (ICA) of goods are mainly concentrated on a small number of NESs
- Intracommunity Acquisitions (ICA) of services are mainly fees from Digital Platforms
- Mismatching between acquisitions and supplies (some of them only buy without reselling, few other viceversa)



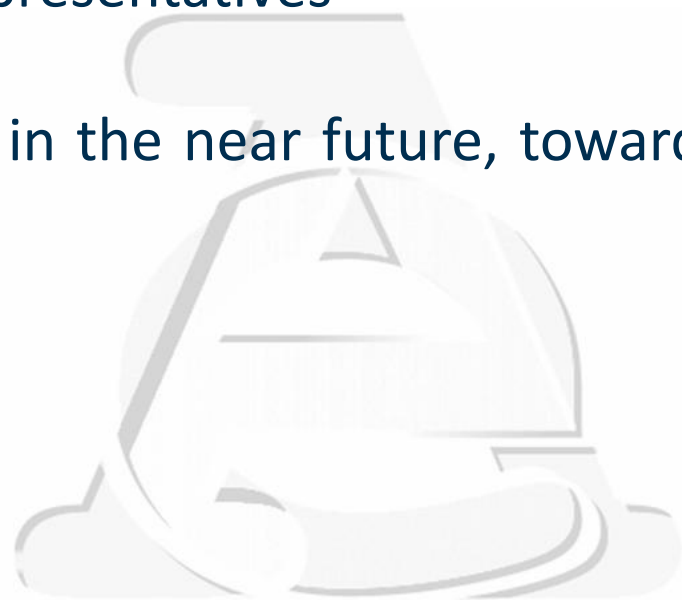
Tax Representatives: main fiscal risks

1. High level of **evanescence** for several Tax Representatives: rules on joint and several liability's avoidance (Italian reference law: art. 17 c. 3 DPR n. 633/1972)
2. ICA of goods resulting from the VIES **not generally declared** in NES' tax returns (mainly: nihil VAT returns)
3. **NES' high risk fiscal profile** (incoherent tax returns, missing VAT payments, etc.)

Tax Representatives: activities outcomes

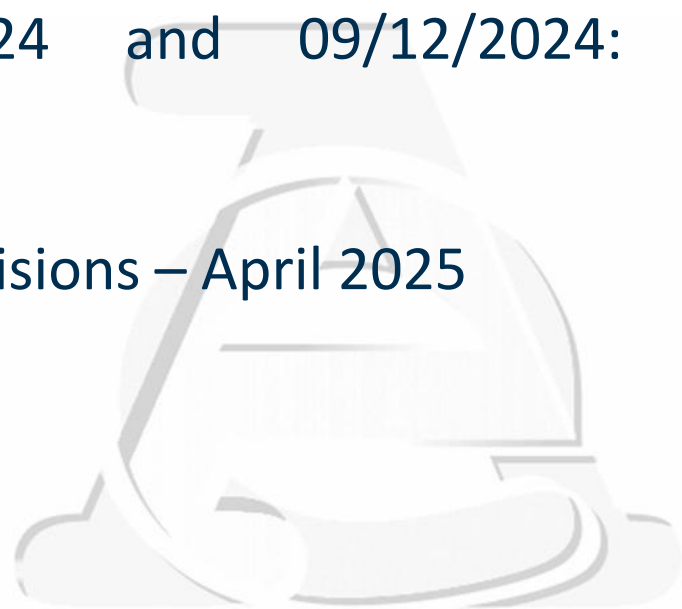
Results from operational activities / planned activities:

- Preliminary inspection against Tax Representatives
- Audits on the spot to be conducted, in the near future, towards Tax Representatives
- Deregistration of NESs' VRN



Tax Representatives: legal framework evolution

- ❑ Law n. 111 - 09/08/2023: enabling act
- ❑ Legislative Decree n. 13 - 12/02/2024: tax reform
- ❑ Ministerial Decree 04/12/2024 and 09/12/2024: implementing acts
- ❑ Tax Administration technical provisions – April 2025



Tax Representatives: legal framework evolution

Enabling act of the Tax Reform (August 2023)

Reflections on Tax Representatives and Not Established Subjects



1. Warranty obligations
for NES and TR



2. Further obligations for TR



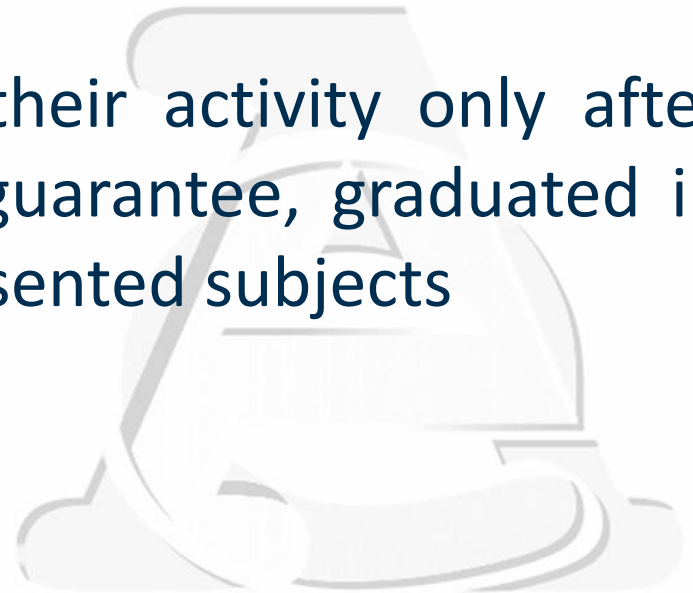
3. New subjective
requirements for TR



Tax Representatives: legal framework evolution

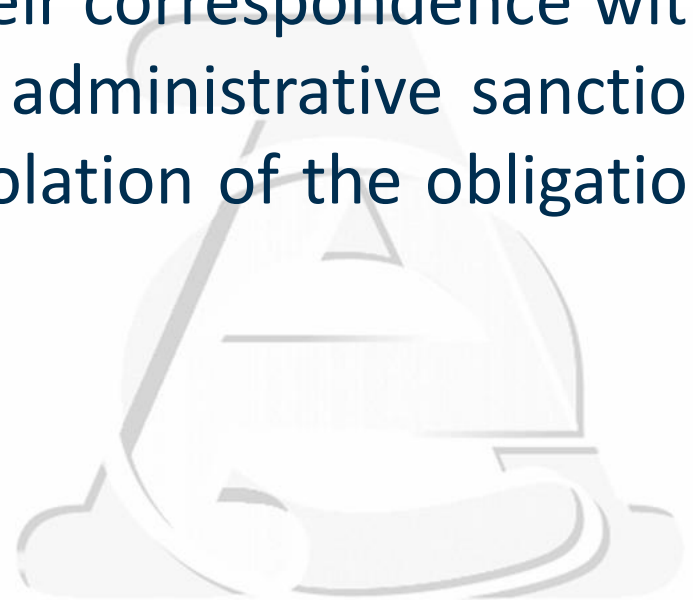
1. Warranty obligations for NES and TR

- ☐ NES identified through TR can carry out IC operations only after issuing a suitable guarantee
- ☐ TR will be able to carry out their activity only after issuing themselves a suitable guarantee, graduated in relation to the number of represented subjects



2. Further obligations for TRs

The Tax Representative is obliged to verify the truthfulness and completeness of the documents forwarded by the taxpayer and their correspondence with the available information. A new administrative sanction has been introduced in case of violation of the obligation (€ 3.000 up to € 50.000)



3. New subjective requirements for TRs

The Tax Representative must meet new subjective requirements in order to perform his activity.

More in details, TR must not have:

- ✓ been convicted for financial crimes
- ✓ criminal proceedings pending for financial crimes
- ✓ committed serious and repeated violations of the provisions on contributions and tax matters

Tax Representatives: expected outcomes

Expected medium - term outcomes:

➤ Elusive TRs:

- ☐ deregistration of the TRs and all the linked NESs

➤ Non-elusive TRs:

- ☐ notification of fiscal charges against NESs
- ☐ activation of the joint and several liability against the TRs

Thanks for your attention!

Questions?

