



IOTA Forum on Combating VAT Fraud

Tbilisi, 06-07 May 2026



*Tax Representatives in Italy: risk analysis
and policy follow up in the fight against VAT
Fraud*

**Italian Revenue Agency
Central Directorate for Taxation**

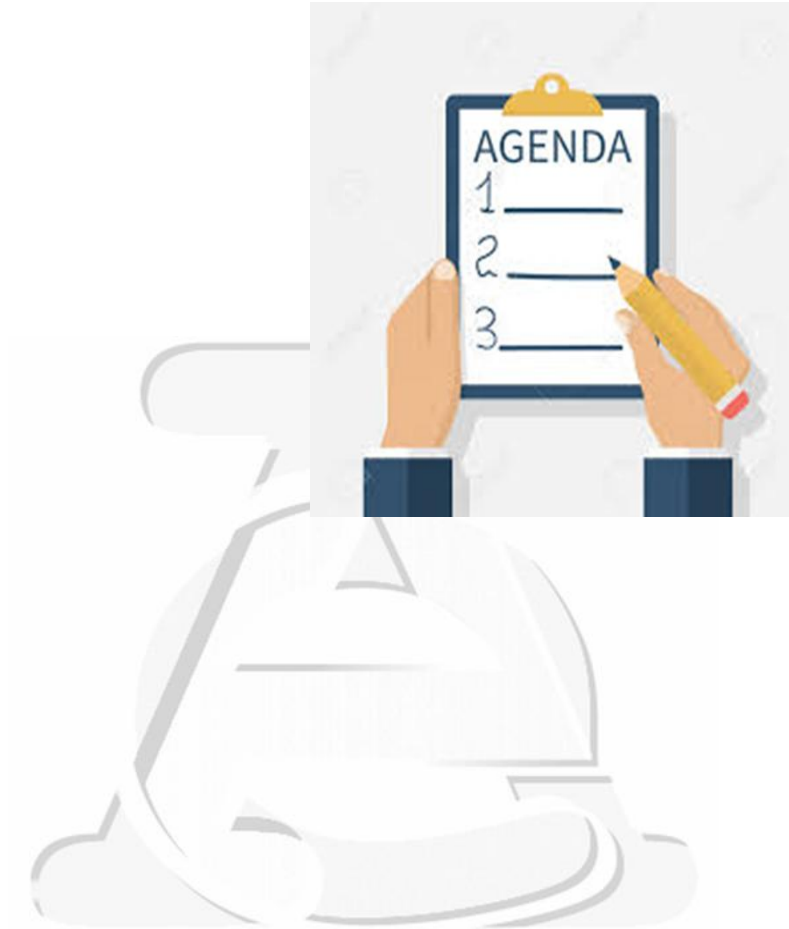
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**Serious Tax Offences department
Antifraud analysis and strategies office**

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Main points - Agenda

- ❑ **Where we started**
- ❑ **Phenomenon overview**
- ❑ **Legal framework**
- ❑ **Results follow-up**
- ❑ **Ongoing activities**



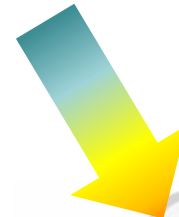
Where we started

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

Phenomenon overview

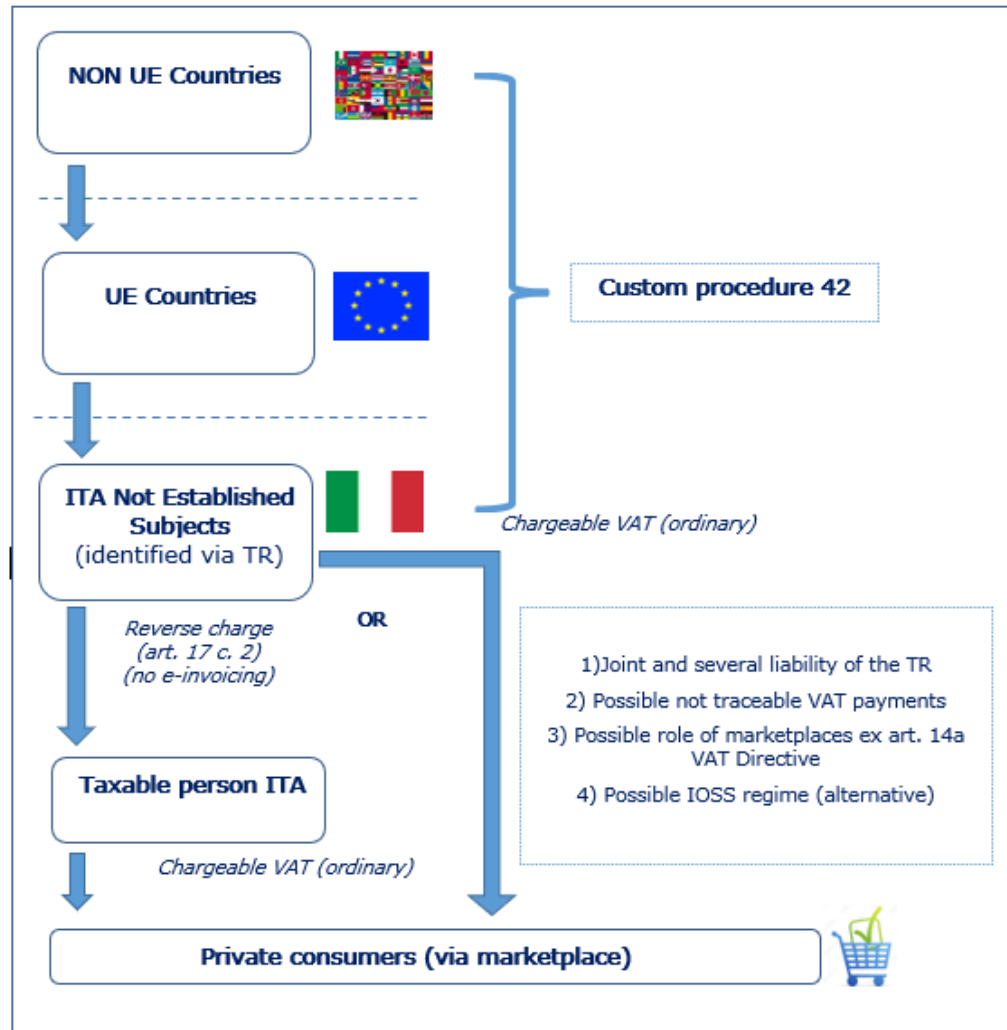
Observed scenario:

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

Phenomenon overview



Phenomenon overview: before the law reform

- Significant presence of non-resident entities carrying out **E-commerce transactions** (distance sales of goods to domestic final consumers through electronic platforms).
- **Short lifespan VRN** allocated to represented non-resident entities.
- **Opaque tax profile** and failure to declare intra-Community acquisitions of goods (as evidenced by VIES data) in VAT returns (where such returns have been submitted).
- **The consolidation of tax representation** of thousands of non-resident entities in the hands of a small number of tax representatives - some of whom have succeeded one another over time - whose personal profiles exhibit significant inconsistencies given the large number of entities they represent.

Phenomenon overview: before the law reform

- Evidence arising from prior investigative activities conducted with respect to fiscal representatives (examples):
 - ✓ Non-existent registered offices or mere domiciliation arrangements.
 - ✓ Legal representatives (of companies acting as fiscal representatives) who are untraceable or resident abroad.
 - ✓ Declared business activities incompatible with the role performed (e.g. wellness centres).



Legal framework

- ❑ Law n. 111 - 09/08/2023: enabling act
- ❑ Legislative Decree n. 13 - 12/02/2024: tax reform which amended **Article 17, paragraph 3**, and **Article 35, paragraph 7-quater**, of Presidential Decree No. 633 of October 26, 1972.
- ❑ Ministerial Decree 04/12/2024 (referred to art. 35) and 09/12/2024 (referred to art.17): **implementing acts**
- ❑ Tax Administration technical provisions – April 2025
- ❑ Provisions of the Revenue Agency Director, ref. no. 178713/2025 of 14/04/2025 (Art. 35) and ref. no. 186368/2025 of 17/04/2025 (Art. 17)
- ❑ a number of **policy documents** setting out **operational guidelines** for the submission of lists relating to the ‘transitional regime’ and for the verification of the validity of the guarantees provided by taxpayers

Legal framework

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



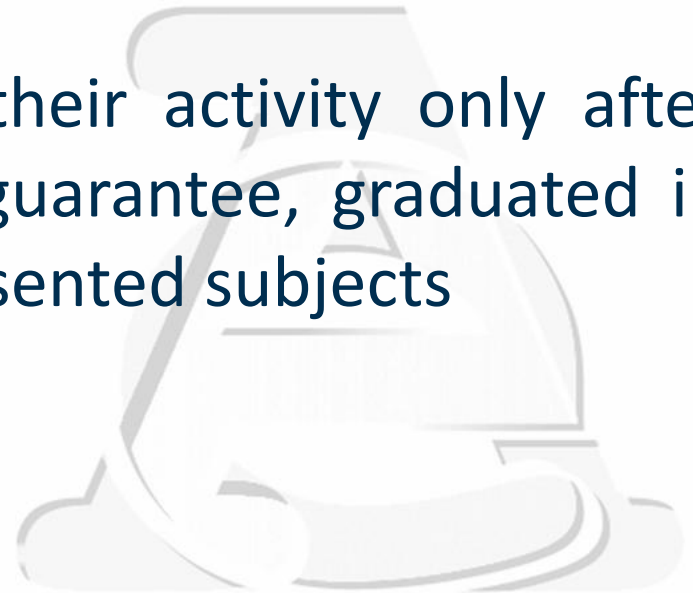
3. New subjective
requirements for TR



Legal framework

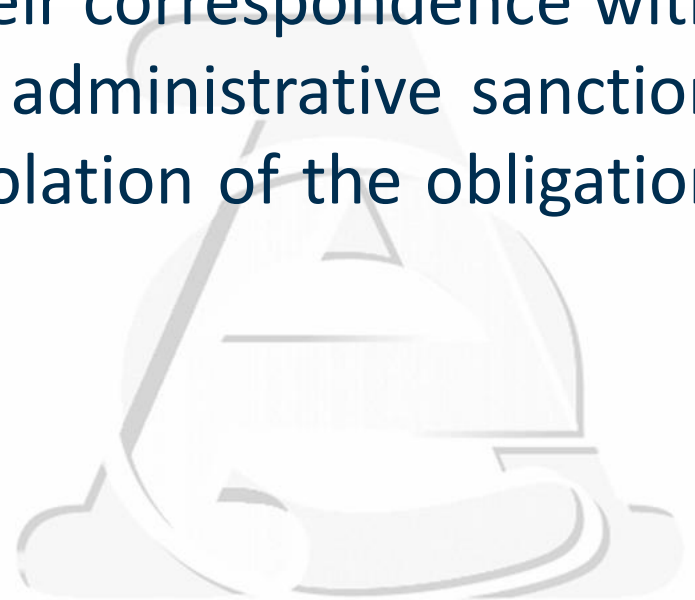
1. Warranty obligations for NES and TR

- ❑ 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

Results follow-up

Results of the centralized VAT cancellation process, i.e., removal from the VIES system (data updated as of March 18, 2026)

ART. 17, par. 3

- ❑ Over **45,000 VAT numbers** were cancelled due to missing mandatory declarations or financial guarantees, (out of over 80,000). Additionally, almost 13,000 VAT numbers were deactivated for other reasons
- ❑ Approximately **700 fiscal representatives** successfully completed validation, showing that compliant actors maintain market access (out of almost 5,000)

Results follow-up

Results of the centralized VAT cancellation process, i.e., removal from the VIES system (data updated as of March 18, 2026)

ART. 35, par. 7-quater

- Over 2,000 VAT numbers** were excluded from VIES because they did not provide a guarantee
- Over 600 VAT numbers** (out of over 70,000) remained in the VIES system because they provided a valid guarantee

provoking a reduction in the scale of the phenomenon

Ongoing activities



❑ Verification of Guarantees

The agency verifies guarantees and documentation submitted by fiscal representatives to ensure compliance and legitimacy.

❑ Automated VAT Procedures

Management of automated processes for VAT number cancellation and VIES exclusion after statutory deadlines.

❑ Inter-departmental Coordination

Procedural units and anti-fraud services collaborate to handle complex and high-risk cases effectively.

❑ Systematic Implementation of the Reform

Ongoing activities ensure that the reform is embedded in standard procedures, supported by clear accountability.

Thanks for your attention!



Questions?