

**AGREEMENT
BETWEEN
THE GOVERNMENT OF THE ITALIAN REPUBLIC
AND THE GOVERNMENT OF THE PRINCIPALITY OF LIECHTENS TEIN
ON THE EXCHANGE OF INFORMATION ON TAX MATTERS**

The Government of the Italian Republic and the Government of the Principality of Liechtenstein, hereinafter referred to as “the Contracting Parties”,

whereas the Contracting Parties wish to develop their relationship further by cooperating to their mutual benefits in the field of taxation;

whereas the Contracting Parties wish to strengthen the ability of both Contracting Parties to enforce their respective tax laws; and

whereas the Contracting Parties wish to establish the terms and conditions governing the exchange of information on tax matters –

have agreed as follows:

Article 1

Object and Scope of the Agreement

The competent authorities of the Contracting Parties shall provide assistance through exchange of information that is foreseeably relevant to the administration and enforcement of the domestic laws of the Contracting Parties concerning taxes covered by this Agreement, including information that is foreseeably relevant to the determination, assessment and collection of such taxes with respect to persons subject to such taxes, the recovery and enforcement of tax claims or the investigation in or prosecution of tax matters in relation to such persons. Information shall be exchanged in accordance with the provisions of this Agreement and shall be treated as confidential in the manner provided in Article 8. The rights and safeguards secured to persons by the laws or administrative practice of the requested Party remain applicable to the extent that they do not unduly prevent or delay effective exchange of information.

Article 2

Jurisdiction

A requested Party is not obligated to provide information which is neither held by its authorities nor in the possession or control of persons who are within its territorial jurisdiction.

Article 3
Taxes Covered

(1) The taxes which are the subject of this Agreement are:

- a) in the Principality of Liechtenstein:
 - the personal income tax (Erwerbssteuer);
 - the corporate income tax (Ertragssteuer);
 - the corporation taxes (Gesellschaftssteuern);
 - the real estate capital gains tax (Grundstücksgewinnsteuer);
 - the wealth tax (Vermögenssteuer);
 - the coupon tax (Couponsteuer);
 - the value-added tax (Mehrwertsteuer);

- b) in Italy:
 - the personal income tax (IRPEF)
 - the corporate income tax (IRES);
 - the regional tax on productive activities (IRAP);
 - the value added tax (IVA);
 - the inheritance tax (imposta di successione);
 - the gift tax (imposta sulle donazioni);
 - the tax on insurance premiums – imposta sui premi assicurativi
 - the financial transaction tax (imposta sulle transazioni finanziarie);
 - the tax on immovable property located abroad (IVIE)
 - the tax on financial assets held abroad (IVAFE);
 - the substitute taxes.

(2) This Agreement shall apply also to any identical taxes imposed after the date of signature of the Agreement in addition to or in place of the existing taxes. This Agreement shall also apply to any substantially similar taxes imposed after the date of signature of this Agreement in addition to, or in place of, the existing taxes if the competent authorities of the Contracting Parties so agree. Furthermore, the taxes covered may be expanded or modified by mutual agreement of the Contracting Parties in the form of an exchange of letters. The competent authorities of the Contracting Parties shall notify each other of any substantial changes to the taxes covered by this Agreement and the related information gathering measures.

Article 4
Definitions

(1) For the purposes of this Agreement, unless otherwise defined,

- a) the term “Principality of Liechtenstein” means, when used in a geographical sense, the area of the sovereign territory of the Principality of Liechtenstein;
- b) the term “Italy” means the Italian Republic and includes any area beyond the territorial waters which is designated as an area within which Italy, in compliance with its legislation and in conformity with the international law, may exercise sovereign rights in respect of the exploration and exploitation of the natural resources of the seabed, the subsoil and the superjacent waters;
- c) the term “competent authority” means:
 - aa) in the case of the Principality of Liechtenstein, the Government of the Principality of Liechtenstein or its authorised representative;
 - bb) in the case of Italy, the Ministry of Economy and Finance;
- d) the term “person” includes an individual, a company, a dormant inheritance and any other body of persons;

- e) the term “company” means any body corporate, as well as entities and special asset dedications that are treated as a body corporate for tax purposes;
- f) the term “publicly traded company” means any company whose principal class of shares is listed on a recognised stock exchange, that fulfils the material requirements of Article 4 of the directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004, provided its listed shares can be readily purchased or sold by the public. Shares can be purchased or sold “by the public” if the purchase or sale of shares is not implicitly or explicitly restricted to a limited group of investors;
- g) the term “principal class of shares” means the class or classes of shares representing a majority of the voting power and the value of the company;
- h) the term “collective investment fund or scheme” means any pooled investment vehicle, irrespective of legal form. The term “public collective investment fund or scheme” means any collective investment fund or scheme provided the units, shares or other interests in the fund or scheme can be readily purchased, sold or redeemed by the public. Units, shares or other interests in the fund or scheme can be readily purchased, sold or redeemed “by the public” if the purchase, sale or redemption is not implicitly or explicitly restricted to a limited group of investors;
- i) the term “tax” means any tax to which this Agreement applies;
- j) the term “applicant Party” means the Contracting Party requesting information;
- k) the term “requested Party” means the Contracting Party requested to provide information;
- l) the term “information gathering measures” means laws and administrative or judicial procedures that enable a Contracting Party to obtain and provide the requested information;
- m) the term “information” means any fact, statement or record in any form whatever;
- n) the term “tax matters” means all tax matters, including criminal tax matters;
- o) the term “criminal tax matters” means tax matters involving intentional conduct which is liable to prosecution under the criminal laws of the applicant Party;
- p) the term “criminal laws” means all criminal laws designated as such under domestic law irrespective of whether contained in the tax laws, the criminal code or other statutes.

(2) As regards the application of this Agreement at any time by a Contracting Party, any term not defined in this Agreement, unless the context otherwise requires or the competent authorities agree to a common meaning pursuant to the provisions of Article 10 of this Agreement, shall have the meaning that it has at that time under the laws of that Contracting Party, any meaning under the applicable tax laws of that Contracting Party prevailing over a meaning given to the term under other laws of that Contracting Party.

Article 5

Exchange of Information Upon Request

(1) The competent authority of the requested Party shall provide upon request of the applicant Party information for the purposes referred to in Article 1. Such information shall be exchanged without regard to whether the requested Party needs such information for its own tax purposes or whether the conduct being investigated would constitute a crime under the laws of the requested Party if such conduct occurred in the requested Party.

(2) If the information in the possession of the competent authority of the requested Party is not sufficient to enable it to comply with the request for information, that Party shall use all relevant information gathering measures to provide the applicant Party with the information requested, notwithstanding that the requested Party may not, at that time, need such information for its own tax purposes.

(3) If specifically requested by the competent authority of an applicant Party, the competent authority of the requested Party shall provide information under this Article, to the extent allowable under its domestic laws, in the form of depositions of witnesses and authenticated copies of original records.

(4) Each Contracting Party shall ensure that its competent authorities, in accordance with the terms of this Agreement have the authority to obtain and provide upon request:

- a) information held by banks, other financial institutions, and any person acting in an agency or fiduciary capacity including nominees and trustees;
- b) information regarding the ownership of companies, partnerships and other persons, including ownership information on all such persons in an ownership chain, and,
 - aa) in the case of investment funds or schemes, information on the units, shares or other interests in the fund or scheme;
 - bb) in the case of trusts, information on settlors, trustees, protectors, beneficiaries and any other natural person(s) exercising ultimate effective control over the trust;
 - cc) in the case of any other legal entity or legal arrangement other than a trust (e.g. foundation, *Anstalt*), information on any equivalent person(s) or on any person(s) being in a similar position;

provided that this Agreement does not create an obligation on the Contracting Parties to obtain or provide ownership information with respect to publicly traded companies or public collective investment funds or schemes unless such information can be obtained without giving rise to disproportionate difficulties.

(5) The competent authority of the applicant Party shall provide in writing the following information to the competent authority of the requested Party when making a request under this Agreement in order to demonstrate the foreseeable relevance of the information to the request:

- a) the identity of the person under examination or investigation;
- b) the taxable period for which the information is sought;
- c) a statement of the information sought including its nature and the form in which the applicant Party wishes to receive the information from the requested Party;
- d) the matter under the applicant Party's tax law with respect to which the information is sought;
- e) grounds for believing that the information requested is held in the requested Party or is in the possession or control of a person within the jurisdiction of the requested Party;
- f) to the extent known, the name and address of any person believed to be in possession of the requested information;
- g) a statement that the request is in conformity with the law and administrative practices of the applicant Party, that if the requested information was within the jurisdiction of the applicant Party then the competent authority of the applicant Party would be able to obtain the information under the laws or in the normal course of administrative practice of the applicant Party and that it is in conformity with this Agreement;
- h) a statement that the applicant Party has pursued all means available in its own territory to obtain the information, except those that would give rise to disproportionate difficulties.

(6) The competent authority of the requested Party shall forward the requested information as promptly as possible to the applicant Party. To ensure a prompt response, the competent authority of the requested Party shall:

- a) confirm receipt of a request in writing to the competent authority of the applicant Party and shall notify the competent authority of the applicant Party of deficiencies in the request, if any, within 60 days of the receipt of the request;
- b) if the competent authority of the requested Party has been unable to obtain and provide the information within 90 days of receipt of the request, including if it encounters obstacles in furnishing the information or it refuses to furnish the information, it shall immediately inform the applicant Party, explaining the reason for its inability, the nature of the obstacles or the reasons for its refusal.

Article 6

Tax Examinations Abroad

(1) By reasonable notice given in advance, the applicant Party may request that the requested Party allows representatives of the competent authority of the applicant Party to enter the territory of the requested Party to interview individuals and examine records with the prior written consent of the individuals or other persons concerned. The competent authority of the requested Party shall notify the competent authority of the applicant Party of the time and place of the meeting with the individuals concerned.

(2) At the request of the competent authority of the applicant Party, the competent authority of the requested Party may allow representatives of the competent authority of the applicant Party to be present at the appropriate part of a tax examination in the requested Party.

(3) If the request referred to in paragraph 2 is acceded to, the competent authority of the requested Party conducting the examination shall, as soon as possible, notify the competent authority of the applicant Party about the time and place of the examination, the authority or official designated to carry out the examination and the procedures and conditions required by the requested Party for the conduct of the examination. All decisions with respect to the conduct of the tax examination shall be made by the requested Party conducting the examination.

Article 7

Possibility of Declining a Request

(1) The competent authority of the requested Party may decline a request of the applicant Party, where

- a) the request is not made in conformity with this Agreement and, in particular, where the requirements of Article 5 are not met; or
- b) the disclosure of the information requested would be contrary to the public policy (*ordre public*) of the requested Party.

(2) This Agreement shall not impose upon a requested Party any obligation

- a) to provide information subject to legal privilege, or any trade, business, industrial, commercial or professional secret or trade process, provided that information described in Article 5 paragraph 4 shall not by reason of that fact alone be treated as such a secret or trade process; or
- b) to carry out administrative measures at variance with its laws and administrative practices, provided that nothing in this subparagraph shall affect the obligations of a Contracting Party under Article 5 paragraph 4 of this Agreement.

(3) A request for information shall not be refused on the ground that the tax claim giving rise to the request is disputed.

(4) The requested Party shall not be required to obtain and provide information which the applicant Party would be unable to obtain under its own laws or in the normal course of administrative practice in response to a valid request made in similar circumstances from the requested Party under this Agreement.

(5) The requested Party may decline a request for information if the information is requested by the applicant Party to administer or enforce a provision of the tax law of the applicant Party, or any requirement connected therewith, which discriminates against a national of the requested Party as compared with a national of the applicant Party in the same circumstances.

Article 8
Confidentiality

(1) All information provided and received by the competent authorities of the Contracting Parties shall be kept confidential.

(2) This information may be disclosed only to persons or authorities (including courts and administrative bodies) of the Contracting Parties concerned with the purposes specified in Article 1, and used by such persons or authorities only for such purposes. For these purposes information may be used in public court proceedings or in judicial decisions.

(3) Such information may not be used for any purpose other than for the purposes stated in Article 1 without the expressed written consent of the competent authority of the requested Party.

(4) Information received under this Agreement must not be disclosed to any other State or sovereign territory not party to this Agreement without the express written consent of the competent authority of the requested Party.

(5) Personal data may be transmitted to the extent necessary for carrying out the provisions of this Agreement and subject to the provisions of the law of the supplying Party.

Article 9
Costs

(1) The ordinary costs incurred in providing information shall be borne by the requested State. The extraordinary costs incurred in providing information shall be borne by the applicant State. The respective competent authorities shall consult from time to time with regard to this Article, and in particular the competent authority of the requested Party shall consult with the competent authority of the applicant Party if the costs of providing information with respect to a specific request are expected to be significant.

(2) ‘Extraordinary costs’ do not include ordinary administrative and overhead expenses incurred by the requested Party in reviewing and responding to information requests submitted by the applicant Party.

Article 10
Mutual Agreement Procedure

(1) Where difficulties or doubts arise between the Contracting Parties regarding the implementation or interpretation of this Agreement, the competent authorities shall endeavour to resolve the matter by mutual agreement.

(2) In addition to the agreements referred to in paragraph 1, the competent authorities of the Contracting Parties may mutually agree on the procedures to be used under this Agreement.

(3) The competent authorities of the Contracting Parties may communicate with each other directly for purposes of reaching agreement under this Article.

(4) The Contracting Parties may also agree on other forms of dispute resolution.

Article 11
Protocol

The attached Protocol shall be an integral part of this Agreement.

Article 12
Entry into Force

(1) This Agreement shall enter into force on the day after the date on which the Contracting Parties have notified each other that their respective requirements for the entry into force of this Agreement have been fulfilled. The relevant date shall be the day on which the last notification is received.

(2) Upon the date of entry into force, this Agreement shall have effect for all requests regarding acts, facts, events and circumstances related to the period starting as from the date of the signature.

Article 13
Termination

(1) This Agreement shall remain in force until terminated; either Contracting Party may terminate this Agreement by serving a notice of termination by letter to the competent authority of the other Contracting Party.

(2) Such termination shall become effective on the first day of the month following the expiration of a period of three months after the date of receipt of notice of termination by the other Contracting Party.

(3) After termination of this Agreement, both Contracting Parties shall remain bound by the provisions of Article 8 with respect to any information provided and received under this Agreement.

This Agreement shall operate based on the national legislation of both Parties and in accordance with applicable international law obligations and with the obligations arising from both Parties' membership in the European Economic Area and, as far as Italy is concerned, in compliance with the obligations arising from Italy's membership in the European Union.

In witness whereof the undersigned, being duly authorised thereto by their respective Governments, have signed this Agreement.

Done at _____, this _____, in duplicate, in the Italian, German and English languages, each text being equally authentic. In case of diversion of interpretation the English text shall prevail.

For the Government
of the Italian Republic

For the Government
of the Principality of Liechtenstein

Protocol
to the Agreement between the Government of the Italian Republic and the Government of the
Principality of Liechtenstein on the exchange of information on tax matters

At the signing today of the Agreement between the Government of the Italian Republic and the Government of Principality of Liechtenstein (the „Contracting Parties“) for the Exchange of Information in Tax Matters (“the Agreement”), the undersigned have agreed that the following provisions shall form an integral part of the Agreement.

1. With reference to Article 6, paragraph 1 of the Agreement, it is understood that the provisions thereunder shall have effect as of the date when Liechtenstein notifies in writing the entry into force of domestic provisions allowing representatives of the Italian competent authority to enter Liechtenstein’s territory for the purposes of the tax examinations abroad.

2. With reference to Article 12, the Contracting Parties agree that the language in paragraph 2 is intended to include, but is not limited to, the provision of information on account balances (or values) generated as from the date of signature of the Agreement and maintained at a financial institution located in one of the Contracting Parties.

3. Formal communications, including requests for information, made in connection with or pursuant to the provisions of this Agreement entered into will be in writing directly to the competent authority of the other Contracting Party at the addresses given below, or such other address as may be notified by one Contracting Party to the other from time to time. Any subsequent communications regarding requests for information will be in writing between the earlier mentioned competent authorities or their authorised entities, whereas the possibility of direct consultation is being given.

Competent Authority for the Principality of Liechtenstein:

Fiscal Authority
Heiligkreuz 8
P.O. Box 684
9490 Vaduz
Liechtenstein

Competent Authority for Italy:

Ministry of Economy and Finance
Director General of Finance
Department of Finance
Via dei Normanni 5
00184 Roma (Italy)

In witness whereof the undersigned, being duly authorised thereto by their respective Governments, have signed this Protocol.

Done at _____, this _____, in duplicate, in the Italian, German and English languages, each text being equally authentic. In case of diversion of interpretation the English text shall prevail.

For the Government
of the Italian Republic

For the Government
of the Principality of Liechtenstein

Joint declaration of the Government of the Principality of Liechtenstein and the Government of the Italian Republic

Building on their common membership in the European Economic Area and wishing to develop their relationship further, after the signing of the Agreement for the Exchange of Information on Tax Matters (hereafter called “the Agreement”), Liechtenstein and Italy declare that:

- they commit to enact and implement the relevant agreements and the necessary domestic legislation so as to ensure the automatic exchange of information between the respective competent authorities according to the OECD Standard for Automatic Exchange of Financial Account Information (“Common Reporting Standard”) as from 2017, with reference to pre-existing accounts that are open on 31 December 2015 and new accounts opened from 1 January 2016;
- they fully subscribe to the concept of non-discriminatory tax treatment of each other's nationals;
- they acknowledge that, based on Italian or Liechtenstein law, respectively, banks, financial institutions as well as consultants and their employees are responsible for their own tax infringements and not for the tax infringements of their clients. In principle, they are not liable to penalties for tax infringements of their clients. Their cooperative attitude in the regularization of the past will be positively taken into consideration in the evaluation of their behavior, whenever it will be necessary. Their behavior will be considered cooperative if, for example, they have contacted their clients to encourage them to use the regularization mechanism available or if they spontaneously ask their clients whether the assets deposited are duly taxed.
- since the Agreement, with Protocol and Additional Protocol, provides for exchange of information equivalent to that provided for by Article 26 of the OECD Model Tax Convention and the Commentary thereof, upon entry into force of the Agreement, with Protocol and Additional Protocol, Italy shall for the purposes of the Voluntary Disclosure treat Liechtenstein as a White List Country according to the relevant legislation (Article 5-quinquies of Law 04.08.1990, No 227, as amended by Article 1 of Law 15.12.2014, No 186) and treat all relevant assets held at Liechtenstein financial institution as eligible for the most favorable conditions.
- moreover, since the Agreement provides for adequate exchange of information, upon entry into force of the Agreement, Italy will include Liechtenstein in the White Lists of Countries with agreements allowing information exchange (for example: *Decreto Ministeriale 4 settembre 1996; Imposta sulle transazioni finanziarie, Legge 24 dicembre 2012, n. 228, Decreto del Ministro dell'Economia e Finanze del 21 febbraio 2013*);
- upon entry into force of the Agreement Liechtenstein insurance companies are no longer required to appoint an Italian tax representative in order to fill the tax form and to make payments referred to in Article 9, Law No 1216/1961;
- taking into account the economic relations between the two Parties, upon entry into force of the Agreement, they will swiftly start negotiations on a Double Taxation Convention.

Done at this of 2015.

For the Government of
the Principality of Liechtenstein

For the Government of
the Italian Republic

Joint declaration of the Government of the Principality of Liechtenstein and the Government of the Italian Republic

Building on their common membership in the European Economic Area and wishing to develop their relationship further, after the signing of the Agreement for the Exchange of Information on Tax Matters (hereafter called “the Agreement”), Liechtenstein and Italy declare that:

- they commit to enact and implement the relevant agreements and the necessary domestic legislation so as to ensure the automatic exchange of information between the respective competent authorities according to the OECD Standard for Automatic Exchange of Financial Account Information (“Common Reporting Standard”) as from 2017, with reference to pre-existing accounts that are open on 31 December 2015 and new accounts opened from 1 January 2016;
- they fully subscribe to the concept of non-discriminatory tax treatment of each other's nationals;
- they acknowledge that, based on Italian or Liechtenstein law, respectively, banks, financial institutions as well as consultants and their employees are responsible for their own tax infringements and not for the tax infringements of their clients. In principle, they are not liable to penalties for tax infringements of their clients. Their cooperative attitude in the regularization of the past will be positively taken into consideration in the evaluation of their behavior, whenever it will be necessary. Their behavior will be considered cooperative if, for example, they have contacted their clients to encourage them to use the regularization mechanism available or if they spontaneously ask their clients whether the assets deposited are duly taxed.
- since the Agreement, with Protocol and Additional Protocol, provides for exchange of information equivalent to that provided for by Article 26 of the OECD Model Tax Convention and the Commentary thereof, upon entry into force of the Agreement, with Protocol and Additional Protocol, Italy shall for the purposes of the Voluntary Disclosure treat Liechtenstein as a White List Country according to the relevant legislation (Article 5-quinquies of Law 04.08.1990, No 227, as amended by Article 1 of Law 15.12.2014, No 186) and treat all relevant assets held at Liechtenstein financial institution as eligible for the most favorable conditions.
- moreover, since the Agreement provides for adequate exchange of information, upon entry into force of the Agreement, Italy will include Liechtenstein in the White Lists of Countries with agreements allowing information exchange (for example: *Decreto Ministeriale 4 settembre 1996; Imposta sulle transazioni finanziarie, Legge 24 dicembre 2012, n. 228, Decreto del Ministro dell'Economia e Finanze del 21 febbraio 2013*);
- upon entry into force of the Agreement Liechtenstein insurance companies are no longer required to appoint an Italian tax representative in order to fill the tax form and to make payments referred to in Article 9, Law No 1216/1961;

- taking into account the economic relations between the two Parties, upon entry into force of the Agreement, they will swiftly start negotiations on a Double Taxation Convention.

Done at this of 2015.

For the Government of
the Principality of Liechtenstein

For the Government of
the Italian Republic