Real Estate Group
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Flat Tax

For wealthy private individuals

Italy's attractive tax model for the international income elite

Italy welcomes wealthy private individuals

Exclusive tax incentives for high net worth individuals (HNWI)

To specifically attract investments and top international talent, Italy offers an exclusive tax package for wealthy private individuals who wish to relocate their residence to Italy

This offer is aimed at individuals with substantial wealth, for example in the context of Brexit, due to changes in foreign tax regulations, or the desire to enjoy a high-quality lifestyle under the southern sun.

The regulation is deliberately tailored to your needs.

The offer at a glance

A tailored package consisting of

✓ A special flat tax on foreign income

✓ Exemption from inheritance and gift taxes

✓ Accelerated visa and residence procedures

The three key benefits:

✓ Flat tax on foreign income

✓ Tax exemption for gifts and inheritances

✓ Fast-track procedures for residence permits and visas

Tailored flat tax for foreign income

At the center of this tax package is a unique flat tax model for income earned abroad.

Regardless of the amount of your foreign income, you have the option to pay an annual flat tax of €100,000.

For each immediate family member relocating to Italy with you, a reduced rate of €25,000 per year can be applied.

These include:

- ✓ Your spouse
- ✓ Your children
- ✓ Your siblings
- ✓ Your parents
- ✓ Your parents-in-law
- ✓ Your daughters-in-law and sons-in-law

The benefits of the Italian flat tax

Choosing Italian tax residency in combination with the flat tax model offers you two key advantages:

- Transfer of foreign income to Italy without additional taxation
- Exemption from reporting foreign assets (RW form) as well as from paying a wealth tax

Your tax burden in Italy is thus reduced to:

- Income earned within Italy
- Capital gains from the sale of qualifying holdings, provided they are realized within five years of opting for the flat tax

IIn the latter case, these capital gains can also be included in the flat tax system, provided there is a positive ruling from the tax authorities confirming that no legal violations occurred during the sale and that there is no intent to circumvent taxes.

Additionally, a minimum residence period of five years in Italy is required after the sale of the holding.

Flexibility of the model

Das Flat-Tax-Modell bietet bemerkenswerte Flexibilität.

The flat tax model offers remarkable flexibility.

These items are then subject to the usual Italian tax regulations as well as applicable foreign tax credits.

Eligibility requirements

To qualify for the flat tax, you must have lived outside Italy for at least nine of the ten years preceding your move to Italy.

To verify eligibility, it is advisable to submit a binding request to the Italian tax authorities (Tax Ruling).

In it, you must, among other things:

- Your previous residence
- Clearly disclose the source of your foreign income.

The tax authorities then verify whether you have not been tax resident in Italy for more than 12 months in the past decade. The processing time for these applications is generally up to 120 days.

Duration of the benefits

Upon opting for the flat tax system, the benefits apply for a period of up to 15 years, unless you choose to exit early.

Early exit is possible at any time without financial penalties or fines.

Important: The flat tax arrangement ends automatically if the annual lump-sum tax is not paid or is only partially paid on time.

Taxation of capital income and bank assets

CAPITAL INCOME

Income from abroad or from entities not resident in Italy is considered foreign income and thus falls under the flat tax regime.

This also applies if the underlying assets are held in a foreign financial institution, but are managed through:

- A custody or management mandate handled by an Italian financial intermediary
- Or through a life insurance policy from a foreign provider that operates in Italy under the EU freedom to provide services – even if the payout is made through an Italian entity.

OTHER INCOME

Income from assets located in Italy, as well as gains from the sale of shares in Italian companies, is considered Italian income and is not subject to the flat tax.

Income can still be classified as "foreign" if, for example, it is managed through an Italian financial intermediary that:

- Manages foreign assets according to the client's instructions
- Acts solely in an advisory capacity, without control over the assets

INHERITANCE AND GIFT TAX

Under Italian law, inheritances and gifts are generally subject to the applicable taxation.

For new residents under the flat tax regime, however, assets located abroad can be transferred tax-free, both in the case of gifts and inheritances.

This allows for a tax-neutral transfer of assets in an international context, provided the assets are located outside Italy and the beneficiary falls under the flat tax system.

Exemption from inheritance and gift taxes

Assets inherited or gifted by individuals subject to Italian taxation are generally subject to Italian inheritance and gift tax.

For new residents who opt for the flat tax model, however, a significant advantage applies:

Only assets located in Italy are subject to taxation. Foreign assets, on the other hand, can be transferred tax-free, whether by gift or inheritance.

RESIDENCE AND VISAS FOR NON-EU CITIZENS

Non-EU citizens who wish to live in Italy for more than three months require a visa.

For wealthy individuals without the intention to work, the so-called "Elective Residence Visa" is particularly suitable – a visa for voluntary residence in Italy.

The requirements for this are:

- ✓ A residence in Italy
- ✓ Sufficient passive income to support living expenses without employment

This visa is initially valid for 12 months and must be renewed 30 days before expiration.

After five years, under certain conditions, an application for a permanent European residence permit can be submitted – including freedom of movement within the EU.

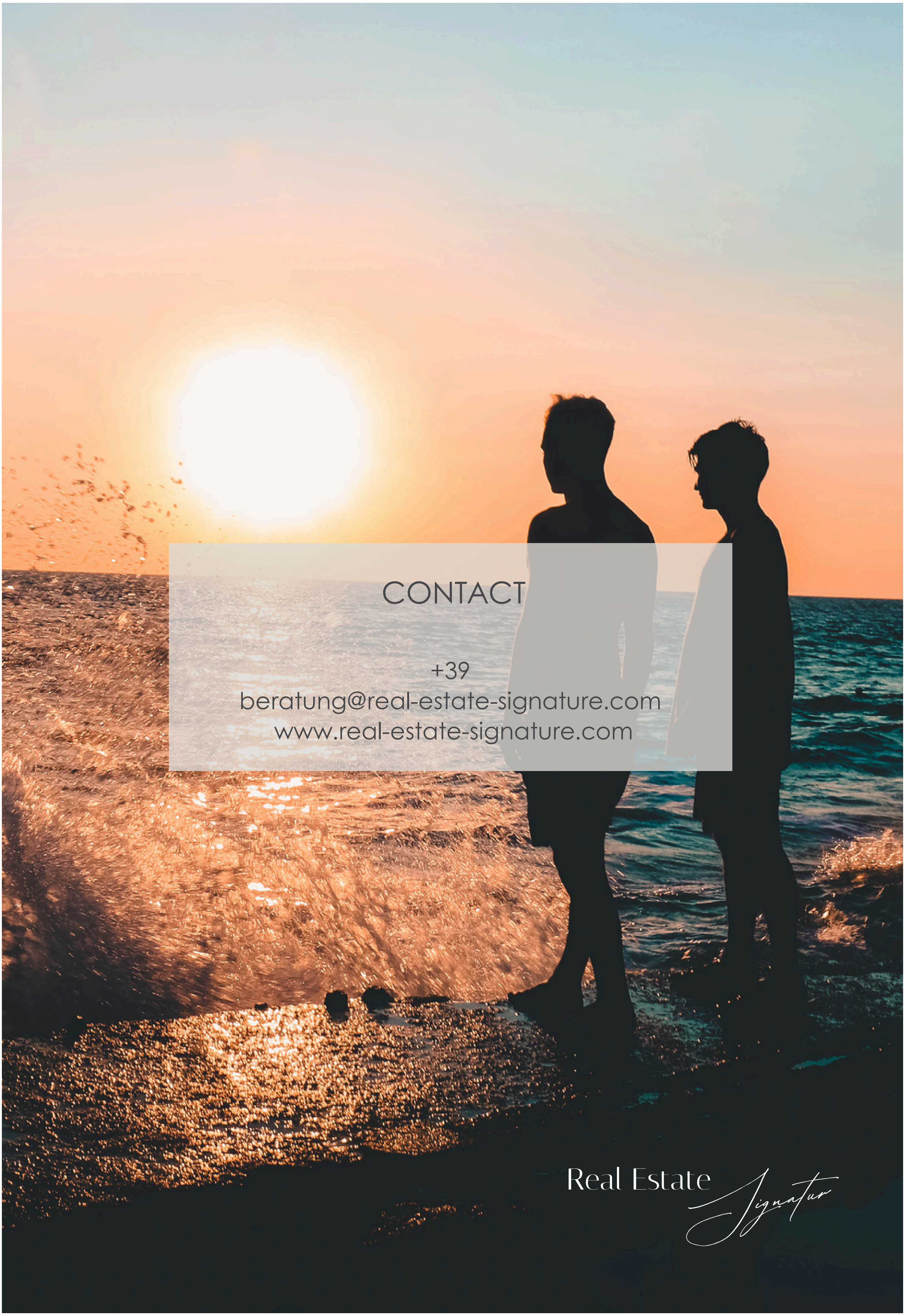
Exemption from inheritance and gift taxes

FAST-TRACK PROCEDURES FOR INVESTORS

Italy offers new tax residents and their family members an accelerated visa process, provided certain investments are made in the country:

- IInvestment of at least €250,000 in an innovative startup in Italy
- Investment of at least €2 million in Italian government bonds with a minimum term of two years
- IInvestment of at least €500,000 in an Italian company – including publicly listed ones – with a minimum holding period of two years
- Donation of at least €1 million for philanthropic purposes in areas such as science, education, culture, or research to promote the Italian public good

> The flat tax is not only fiscally attractive – it also provides access to a legally secure, flexible residence in Italy with a long-term perspective.



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