

The Italian Financial Transaction Tax Factsheet

	On shares and other equities	On equity derivatives
Status	Finally approved. Secondary implementing legislation to be issued	
When	On transactions executed on or after 1 March 2013	On transactions executed on or after 1 July 2013
On what	Transfers of <ul style="list-style-type: none"> ■ shares and participating financial instruments issued by Italian resident companies; and ■ other instruments representing the above (e.g. ADRs). 	Derivatives, whether cash- or physically-settled, securitised or not, whose underlying is shares or value of Italian shares, including options, warrants, covered warrants, certificates. Physical transfer of taxable underlying is also taxed separately.
Foreign elements	Residence and nationality of the parties and place of execution of the trade are irrelevant.	
On what basis	On the net daily balance of transactions on the same security by the same person	Fixed amount depending on transaction. See amounts table overleaf applicable on each of the parties.
At what rate	0.1% on transfers transacted on a qualified market ¹ (0.12% in 2013) 0.2% otherwise (0.22% in 2013) 0.02% on high frequency trading	
On whom	The ultimate transferee. Not on the intermediaries	Both parties equally. Not on the intermediaries
Who applies it	The financial intermediary intervening in the taxable transaction (may refuse to trade if the tax is not funded by the transferee)	
When is it to be paid	By the 16th day of the month following the execution of the taxable transaction	
What if there are more intermediaries	The tax is applied by the intermediary closer to the receiving end of the transaction	
What if there are foreign intermediaries	An Italian representative must be appointed to comply with the tax	
Exceptions	<ul style="list-style-type: none"> ■ New issuances of shares, including upon conversion of bonds ■ Transfers by way of gift or inheritance ■ Collateralised financing (e.g. repos, stock loans, sell-buy-backs) ■ Transfers of shares issued by small caps² 	
Exemptions	<ul style="list-style-type: none"> ■ Market making activities³ ■ Transactions to ensure liquidity of newly issued shares ■ Pension funds and similar entities ■ Transactions between related parties ■ Transactions on qualifying "ethical" financial products ■ Transactions with the EU, the ECB, central banks of EU member states or institutions established by international agreements executed by Italy 	

¹ Being a regulated market or multilateral trading facility established in a EU Member State or a EEA Member State allowing an adequate exchange of information with Italy.

² Companies whose average market cap in the month of November of the year preceding the year of sale does not exceed EUR 500 million.

³ As per Article 2(1)(k) of Regulation (EU) No 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps.

FTT on derivatives

Financial instrument	Notional value of the contract (In Euro)							
	Up to 2.500	2.500 - 5.000	5.000 - 10.000	10.000 - 50.000	50.000 - 100.000	100.000 - 500.000	500.000 - 1.000.000	Over 1.000.000
Futures, certificates, covered warrants and options on yields, measures or indexes related to shares	0.01875	0.0375	0.075	0.375	0.75	3.75	7.5	15
Futures, warrants, certificates, covered warrants and options on shares	0.125	0.25	0.5	2.5	5	25	50	100
Share swap contracts and related yields, measures, indices Share forward contracts and related yields, measures, indices Contracts for difference on shares and related yields, measures, indices Any other cash settled securities linked to shares and related yields, measures, indices Combinations of the above contracts and securities	0.25	0.5	1	5	10	50	100	200
	The above amounts are reduced to 20% where the transaction is implemented in a regulated market or in a multilateral trading facility							

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