

Application of 20% withholding tax suspended because...outdated(!)

The Italian Treasury has released today a press note ([Comunicato Stampa N° 46 del 19 febbraio 2014](#)) whereby it declares the intent to suspend the application of the general withholding tax on foreign bank transfers to Italian individuals. The reason for such change of mind can be read in the note: the application of EU-USA IGA reporting standards has established an automatic multilateral information exchange flow among OECD Member States (Common Reporting Standard), leading to a safer environment for tax fraud prevention.

The Ministry further says that the measure, initially submitted to EU Commission scrutiny after its first proposal, made in 2012, (Case EU Pilot 171/11/Taxu) has now become... outdated.

It is however curious how the measure has undergone a speedy obsolescence within 48 hours! That's what we may call an instant tax...