

**The new Italian HNWI regime: a compromise between public budgetary needs
and constitutional issues**

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Tax systems often try to attract wealth. In the past years, special tax schemes aimed at attracting the so-called High Net Worth Individuals ('HNWIs') have been implemented all over Europe.

HNWI schemes are stimulating the debate between the ones who consider them as inopportune privileges and the ones who consider them as a valuable mean to attract highly skilled individuals and increase revenues. Both these positions have valuable supporting arguments and the attention of the tax community (both scholars and practitioners) on this topic is increasingly growing.

On 7 December 2016, the Italian Parliament passed the Budgetary Law for 2017. Among other measures, the Budgetary Law sets a special tax scheme for 'HNWIs that move their tax residence in Italy (hereinafter also 'special HNWI scheme' or 'special scheme').

More precisely, the new article 24-bis is introduced into the Italian Tax Code (ITC). Under this provision, individuals who transfer their tax residence in Italy are entitled to a special tax scheme for their foreign incomes. This scheme is available from 2017 and is aimed at attracting capital in Italy by setting a more tax-friendly environment for certain categories of individuals.

The reporter/author comments on this legislative innovation with the purpose to contribute to the debate actually ongoing into the tax community.

First, the main features of this special HNWI scheme are described. The reader is given a comprehensive analysis of the new article 24-bis of the ITC. Then, some arguments are made from both a legal and a policy standpoint. In particular, the aforesaid debate is 'immersed' into the Italian legal frame and context.

Finally, the focus is moved on a broader context and a comparison with the UK 'non-doms' scheme is proposed. At the very moment, serious attention is paid by tax experts to UK on account of the Brexit vote. In fact, although it is still impossible to figure out the tax consequences of the UK leave, it is already possible to speculate that a number of HNWIs who in the past chose London to relocate will now consider the possibility to move to continental Europe. No need to say that such an evaluation is unlikely to be exclusively tax-driven and other factors enter into the game (i.e. visa programs, belonging to the Schengen area, quality of the banking services, etc.). Nevertheless, it is likely that in the future more than one tax expert will be asked to compare different HNWI schemes.