

**Question for written answer E-001845/2014
to the Commission**

Rule 117

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Subject: Automatic retentions from foreign payments to Italy

On 1 February this year, a law came into effect in Italy which provides for a retention of 20 % from payments received from abroad intended for current accounts in Italy. This advance tax deduction is automatic, and it is then the responsibility of the taxpayer to prove that the amounts in question do not constitute income and to apply for a refund of the tax.

This is a very complex mechanism, which provides for the retention to be made in every case by an independent collection agent, unless the taxpayer is able to attest, by means of self-certification in free form, that the flows do not constitute income from capital or other income arising from foreign investment or from foreign activities of a financial nature. It is then the responsibility of the taxpayer to claim through the intermediary a refund of tax which is not payable or applied in excess of the amount due.

It should be emphasised that mobility within the European Union has increased significantly in recent years, and many people, particularly young people, often move to other European countries for work, and there open current accounts with local banks, whilst maintaining financial dealings of various kinds with their home country, clearly not for the purposes of evasion or money-laundering, but simply out of need.

In view of all the foregoing, does the European Commission consider that the measure adopted by Italy is contrary to the free movement of capital as laid down by Article 63 TFEU?

If the Commission accepts this measure, does it nevertheless consider it disproportionate, since the system of payment by bank transfer is already easy to monitor in order to prevent evasion and money-laundering?

Finally, does it consider that such a law, which, furthermore, goes against the desired single euro payments area (SEPA), may paradoxically reduce the use of traceable payment instruments in favour of a return to the movement of cash, with all the problems involved?