

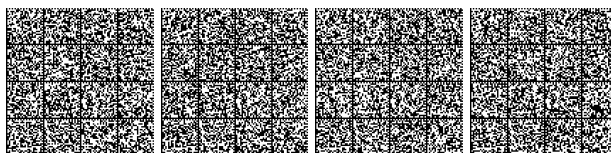
AGREEMENT
BETWEEN
THE GOVERNMENT OF THE ITALIAN REPUBLIC
AND THE GOVERNMENT OF THE PRINCIPALITY OF MONACO
ON THE EXCHANGE OF INFORMATION ON TAX MATTERS

Article 1
Object and Scope of the Agreement

The competent authorities of the Contracting Parties shall provide assistance through exchange of information that is foreseeably relevant to the administration and enforcement of the domestic laws of the Contracting Parties concerning taxes covered by this Agreement. Such information shall include information that is foreseeably relevant to the determination, assessment and collection of such taxes, the recovery and enforcement of tax claims, or the investigation or prosecution of tax matters. Information shall be exchanged in accordance with the provisions of this Agreement and shall be treated as confidential in the manner provided in Article 8. The rights and safeguards secured to persons by the laws or administrative practice of the requested Party remain applicable to the extent that they do not unduly prevent or delay effective exchange of information.

Article 2
Jurisdiction

A Requested Party is not obligated to provide information which is neither held by its authorities nor in the possession or control of persons who are within its territorial jurisdiction.



Article 3 Taxes Covered

1. The taxes which are the subject of this Agreement are:

a) in Italy,

- the personal income tax (IRPEF);
- the corporate income tax (IRES);
- the regional tax on productive activities (IRAP);
- the inheritance tax;
- the gift tax;
- the substitute tax;

b) in Monaco,

- the profit tax on commercial income levied from individual persons;
- the profit tax levied from companies;
- the inheritance tax;
- the gift tax;
- the transfer tax;
- the excise tax;

2. This Agreement shall also apply to any identical taxes, including local taxes, imposed after the date of signature of the Agreement in addition to or in place of the existing taxes. This Agreement shall also apply to any substantially similar taxes imposed after the date of signature of the Agreement in addition to or in place of the existing taxes if the competent authorities of the Contracting Parties so agree. Furthermore, the taxes covered may be expanded or modified by mutual agreement of the Contracting Parties in the form of an exchange of letters. The competent authorities of the Contracting Parties shall notify each other of any substantial changes to the taxation and related information gathering measures covered by the Agreement.

Article 4 Definitions

1. For the purposes of this Agreement, unless otherwise defined:

- a) the term "Contracting Party" means Italy or Monaco as the context requires;
- b) the term "Italy" means the Italian Republic and includes any area beyond the territorial waters which is designated as an area within which Italy, in compliance with its legislation and in conformity with the international law, may exercise sovereign rights in respect of the exploration and exploitation of the natural resources of the seabed, the subsoil and the superjacent waters;
- c) the term "Monaco" means the Principality of Monaco's lands, internal waters, territorial sea including its bed and subsoil, the air space over them, the exclusive economic zone and the continental shelf,



over which the Principality of Monaco exercises sovereign rights and jurisdictions in accordance with the provisions of international law and the Principality of Monaco's national laws and regulations;

- d) the term "competent authority" means
 - i) in the case of Italy, the Ministry of Economy and Finance;
 - ii) in the case of Monaco, the Minister for Finance and Economy, or his authorized representative.
- e) the term "person" includes an individual, a company and any other body of persons;
- f) the term "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;
- g) the term "publicly traded company" means any company whose principal class of shares is listed on a recognized stock exchange provided its listed shares can be readily purchased or sold by the public. Shares can be purchased or sold "by the public" if the purchase or sale of shares is not implicitly or explicitly restricted to a limited group of investors;
- h) the term "principal class of shares" means the class or classes of shares representing a majority of the voting power and value of the company;
- i) the term "recognized stock exchange" means any stock exchange agreed upon by the competent authorities of the Contracting Parties;
- j) the term "collective investment fund or scheme" means any pooled investment vehicle, irrespective of legal form. The term "public collective investment fund or scheme" means any collective investment fund or scheme provided the units, shares or other interests in the fund or scheme can be readily purchased, sold or redeemed "by the public". Units, shares or other interests in the fund or scheme can be readily purchased, sold or redeemed "by the public" if the purchase, sale or redemption is not implicitly or explicitly restricted to a limited group of investors;
- k) the term "tax" means any tax to which the Agreement applies;
- l) the term "applicant Party" means the Contracting Party requesting information;
- m) the term "requested Party" means the Contracting Party requested to provide information;
- n) the term "information gathering measures" means laws and administrative or judicial procedures that enable a Contracting Party to obtain and provide the requested information;
- o) the term "information" means any fact, statement or record in any form whatever;
- p) the term "criminal tax matters" means tax matters involving intentional conduct which is liable to prosecution under the criminal laws of the applicant Party;
- q) the term "criminal laws" means all criminal laws designated as such under domestic law irrespective of whether contained in the tax laws, the criminal code or other statutes.



2. As regards the application of this Agreement at any time by a Contracting Party, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the law of that Party, any meaning under the applicable tax laws of that Party prevailing over a meaning given to the term under other laws of that Party.

Article 5

Exchange of Information Upon Request

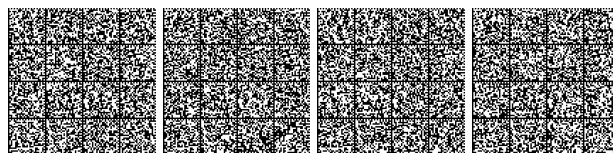
1. The competent authority of the requested Party shall provide upon request information for the purposes referred to in Article 1. Such information shall be exchanged without regard to whether the conduct being investigated would constitute a crime under the laws of the requested Party if such conduct occurred in the requested Party.

2. If the information in the possession of the competent authority of the requested Party is not sufficient to enable it to comply with the request for information, that Party shall use all relevant information gathering measures to provide the applicant Party with the information requested, notwithstanding that the requested Party may not need such information for its own tax purposes.

3. If specifically requested by the competent authority of an applicant Party, the competent authority of the requested Party shall provide information under this Article, to the extent allowable under its domestic laws, in the form of depositions of witnesses and authenticated copies of original records.

4. Each Contracting Party shall ensure that its competent authorities for the purposes specified in Article 1 of the Agreement, have the authority to obtain and provide upon request:

- a) information held by banks, other financial institutions, and any person acting in an agency or fiduciary capacity including nominees and trustees:
- b) information regarding the ownership of companies, partnerships, trusts, foundations, "Anstalten" and other persons, including, within the constraints of Article 2, ownership information on all such persons in an ownership chain; in the case of trusts, information on settlors, trustees, and beneficiaries; and in the case of foundations, information on founders, members of the foundation council and beneficiaries. Further, this Agreement does not create an obligation on the Contracting Parties to obtain or provide ownership information with respect to publicly traded companies or public collective investment funds or schemes unless such information can be obtained without giving rise to disproportionate difficulties.



5. The competent authority of the applicant Party shall provide the following information to the competent authority of the requested Party when making a request for information under the Agreement to demonstrate the foreseeable relevance of the information to the request:

- (a) the identity of the person under examination or investigation;
- (b) a statement of the information sought including its nature and the form in which the applicant Party wishes to receive the information from the requested Party;
- (c) the tax purpose for which the information is sought;
- (d) the period for which the information is sought;
- (e) grounds for believing that the information requested is held in the requested Party or is in the possession or control of a person within the jurisdiction of the requested Party;
- (f) to the extent known, the name and address of any person believed to be in possession of the requested information;
- (g) a statement that the request is in conformity with the law and administrative practices of the applicant Party, that if the requested information was within the jurisdiction of the applicant Party then the competent authority of the applicant Party would be able to obtain the information under the laws of the applicant Party or in the normal course of administrative practice and that it is in conformity with this Agreement;
- (h) a statement that the applicant Party has pursued all means available in its own territory to obtain the information, except those that would give rise to disproportionate difficulties.

6. The competent authority of the requested Party shall forward the requested information as promptly as possible to the applicant Party. To ensure a prompt response, the competent authority of the requested Party shall:

- a) Confirm receipt of a request in writing to the competent authority of the applicant Party and shall notify the competent authority of the applicant Party of deficiencies in the request, if any, within 60 days of the receipt of the request.
- b) If the competent authority of the requested Party has been unable to obtain and provide the information within 90 days of receipt of the request, including if it encounters obstacles in furnishing the information or it refuses to furnish the information, it shall immediately inform the applicant Party, explaining the reason for its inability, the nature of the obstacles or the reasons for its refusal.



Article 6

Tax Examinations Abroad

1. A Contracting Party may allow representatives of the competent authority of the other Contracting Party to enter the territory of the first-mentioned Party in order to interview individuals and examine records with the written consent of the persons concerned. The competent authority of the second-mentioned Party shall notify the competent authority of the first-mentioned Party of the time and place of the meeting with the individuals concerned.
2. At the request of the competent authority of one Contracting Party, the competent authority of the other Contracting Party may allow representatives of the competent authority of the first-mentioned Party to be present at the appropriate part of a tax examination in the second-mentioned Party.
3. If the request referred to in paragraph 2 is acceded to, the competent authority of the Contracting Party conducting the examination shall, as soon as possible, notify the competent authority of the other Party about the time and place of the examination, the authority or official designated to carry out the examination and the procedures and conditions required by the first-mentioned Party for the conduct of the examination. All decisions with respect to the conduct of the tax examination shall be made by the Party conducting the examination.

Article 7

Possibility of Declining a Request

1. The requested Party shall not be required to obtain or provide information that the applicant Party would not be able to obtain under its own laws for purposes of the administration or enforcement of its own tax laws. The competent authority of the requested Party may decline to assist where the request is not made in conformity with this Agreement.
2. The provisions of this Agreement shall not impose on a Contracting Party the obligation to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process. Notwithstanding the foregoing, information of the type referred to in Article 5, paragraph 4 shall not be treated as such a secret or trade process merely because it meets the criteria in that paragraph.
3. The provisions of this Agreement shall not impose on a Contracting Party the obligation to obtain or provide information, which would reveal confidential communications between a client and an attorney, solicitor or other admitted legal representative where such communications are:
 - (a) produced for the purposes of seeking or providing legal advice or
 - (b) produced for the purposes of use in existing or contemplated legal proceedings.



4. The requested Party may decline a request for information if the disclosure of the information would be contrary to public policy (*ordre public*).

5. A request for information shall not be refused on the ground that the tax claim giving rise to the request is disputed.

6. The requested Party may decline a request for information if the information is requested by the applicant Party to administer or enforce a provision of the tax law of the applicant Party, or any requirement connected therewith, which discriminates against a national of the requested Party as compared with a national of the applicant Party in the same circumstances.

Article 8

Confidentiality

Any information received by a Contracting Party under this Agreement shall be treated as confidential and may be disclosed only to persons or authorities (including courts and administrative bodies) in the jurisdiction of the Contracting Party concerned with the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes covered by this Agreement. Such persons or authorities shall use such information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions. The information may not be disclosed to any other person or entity or authority or any other jurisdiction without the express written consent of the competent authority of the requested Party.

Article 9

Costs

Unless the competent authorities of the Parties otherwise agree, ordinary costs incurred in providing assistance shall be borne by the requested Party, and extraordinary costs in providing assistance (including costs of engaging external advisors in connection with litigation or otherwise) shall be borne by the applicant Party. The respective competent authorities shall consult from time to time with regard to this Article, and in particular the competent authority of the requested Party shall consult with the competent authority of the applicant Party if the costs of providing information with respect to a specific request are expected to be significant.

"Extraordinary costs" do not include ordinary administrative and overhead expenses incurred by the requested Party in reviewing and responding to information requests submitted by the applicant Party.



Article 10

Implementation Legislation

The Contracting Parties shall enact any legislation necessary to comply with, and give effect to, the terms of the Agreement.

Article 11

Mutual Agreement Procedure

1. Where any difficulties or doubts arise between the Contracting Parties regarding the implementation or interpretation of the Agreement, the competent authorities shall endeavour to resolve the matter by mutual agreement.
2. The competent authorities of the Contracting Parties may mutually agree on the procedures to be used under Articles 5 and 6.
3. The competent authorities of the Contracting Parties may communicate with each other directly for purposes of reaching agreement under this Article.
4. The Contracting Parties may also agree on other forms of dispute resolution.

Article 12

Miscellaneous provisions

1. Double taxation on income shall be avoided as follows:
 - a) In the case of Italy, if a resident of Italy owns items of income which are taxable in Monaco, Italy, in determining its income taxes specified in Article 3 of this Agreement, may include in the basis upon which such taxes are imposed the said items of income.
In such a case, Italy shall deduct from the taxes so calculated the income tax paid in Monaco but in an amount not exceeding that proportion of the aforesaid Italian tax which such items of income bear to the entire income.
The income tax paid in Monaco for which deduction is granted is only the pro rata amount corresponding to the foreign income which is included in the aggregate income.
However, no deduction shall be granted if the item of income is subjected in Italy to a substitute tax or to a final withholding tax, or to substitute taxation at the same rate as the final withholding tax, also by request of the recipient, in accordance with Italian law.

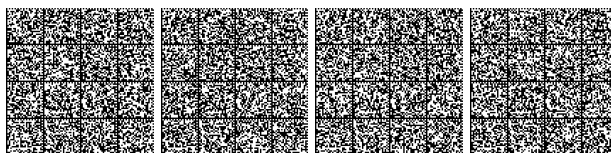


- b) In the case of Monaco, where a resident of Monaco derives income which, in accordance with the provisions of this Agreement, is taxable in Italy, then Monaco shall allow a deduction from the tax on income of that resident an amount equal to the tax paid in Italy provided that such deduction shall not exceed that part of the tax, as computed before the deduction is given, which is attributable to the income derived from Italy.
2. Where an individual is resident of both Contracting Parties, his status shall be determined as follows:
- a) he shall be deemed to be a resident only of the Party in which he has a permanent home available to him; if he has a permanent home available to him in both Parties, he shall be deemed to be a resident only in the Party with which his personal and economic relations are closer (center of vital interests);
 - b) if the Party in which he has his center of vital interests cannot be determined, or if he has not a permanent home available to him in either Party, he shall be deemed to be a resident only of the Party in which he has an habitual abode;
 - c) if he has an habitual abode in both Parties or in neither of them, he shall be deemed to be a resident only of the Party of which he is a national;
 - d) if he is a national of both Parties or neither of them, the competent authorities of the Parties shall settle the question by mutual agreement. In the absence of such agreement, each Contracting Party shall apply its domestic legislation for determining the residence status of such individual.

Article 13

Entry into Force

1. This Agreement shall enter into force on the day after the date on which the Contracting Parties have notified each other that their respective requirements for the entry into force of this Agreement have been fulfilled. The relevant date shall be the day on which the last notification is received.
2. Upon the date of entry into force, this Agreement shall have effect for all requests regarding acts, facts, events and circumstances related to the period starting as from the date of the signature.



Article 14**Termination**

1. Either Contracting Party may terminate the Agreement by serving a notice of termination either through diplomatic channels or by letter to the competent authority of the other Contracting Party.
2. Such termination shall become effective on the first day of the month following the expiration of a period of six months after the date of receipt of notice of termination by the other Contracting Party.
3. Following termination of the Agreement, the Contracting Parties shall remain bound by the provisions of Article 8 with respect to any information obtained under the Agreement.

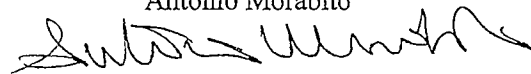
This Agreement shall operate based on the national legislation of both Parties and in accordance with applicable international law obligations and, as far as Italy is concerned, in compliance with the obligations arising from Italy's membership in the European Union.

In witness whereof, the undersigned, being duly authorized thereto, have signed the Agreement.

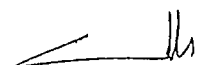
Done at 2nd March on 2015 in Monaco, in two originals, each in the Italian, French and English languages, each text being equally authentic. In case of divergence of interpretation, the English text shall prevail.

For the Government of the Italian
Republic, the Ambassador of Italy to the
Principality of Monaco ,

Antonio Morabito



For the Government of the Principality of
Monaco, the Minister for Foreign Affairs
and Cooperation,
Gilles Tonelli



**PROTOCOL
TO THE AGREEMENT
BETWEEN
THE GOVERNMENT OF THE ITALIAN REPUBLIC
AND THE GOVERNMENT OF THE PRINCIPALITY OF MONACO
ON THE EXCHANGE OF INFORMATION ON TAX MATTERS**

The Government of the Italian Republic and the Government of the Principality of Monaco, having signed today the Agreement on the Exchange of Information on Tax Matters, hereinafter referred to as "the Agreement":

- recognizing each other's legitimate tax claims and the need to have certainty that taxpayers of both countries with assets abroad fully comply with their tax obligations;
- acknowledging that Monaco has committed itself to the OECD standard in tax matters and pursues a comprehensive tax compliance strategy, which includes to support Italian clients of Monaco financial intermediaries to regularize their tax affairs;
- clarifying that "Monaco financial intermediaries" are financial institutions located in Monaco;
- acknowledging that Italian taxpayers have the possibility to regularize their tax position on undeclared assets held with foreign intermediaries, relating to all tax years still assessable, through a domestic voluntary disclosure program (VDP) that is available as of 1° January 2015. Participants in the Italian VDP shall not be liable to certain criminal and administrative sanctions under the conditions provided for and to the extent granted by the VDP (article 5-quinquies of Law No 227 of 04.08.1990, as amended by Article 1 of Law No 186 of 15.12.2014), and shall remain free to place their assets in any State or jurisdiction;
- providing that Monaco financial intermediaries will ask their Italian resident account holders to hand in, by the date of expiring of the Italian VDP, a waiver demonstrating that Italian account holders took part in the Italian VDP or to submit a positive answer concerning the regularity of the deposited assets in respect of the Italian tax law;
- agreeing that the meaning of the language "accounts held" with a Monaco financial intermediary is consistent with the meaning of "account maintained" as defined in the OECD Commentary on the Common Reporting Standard, in particular with paragraphs 62 and 63 of Section VIII and with paragraph 5 of Section IX;
- acknowledging that group requests under this Protocol are meant to be in conformity with the OECD standard as in the Commentary of 2012 on Article 26 of the OECD Model Tax Convention, based on the pattern of behavior of Italian clients trying to evade their tax obligations from the date of the signature of the Agreement;
- agreeing that group requests regard the period from the date of the signature of the Agreement, to the date of the implementation of an agreement on automatic exchange of information based on the OECD Common Reporting Standard between Italy and Monaco;
- agreeing that Italy and Monaco will review the pattern of group requests after the expiring date of the Italian VDP, if necessary;

have agreed that the following additional provisions shall form integral part of the Agreement:



ARTICLE 1

1. Monaco allows group requests concerning accounts held by an Italian resident account holder with Monaco financial intermediaries for the period between the date of the signing of the Agreement and the date of implementation of an agreement providing for automatic exchange of information based on the OECD Common Reporting Standard between Monaco and Italy.

2. Until the due diligence procedures provided for by the Common Reporting Standard are implemented in Monaco, the due diligence procedures used to identify the Italian resident account holders for the purposes of group requests are based on the Monaco anti-money laundering legislation and on any other relevant Monaco provisions in force at the date the due diligence is carried out.

ARTICLE 2

Group requests as referred to in Article 1 will apply to the following cases of action or non-action by Italian resident account holders :

(1) "Closed Accounts"

"Closed accounts" are accounts held by Italian resident account holders and closed between the date of signature of the Agreement and the date of implementation of an agreement providing for automatic exchange of information based on OECD Common Reporting Standard between Monaco and Italy independently of when such accounts were opened. This will include accounts closed where the assets are transferred to any other financial institution and/or are withdrawn in cash.

A closed account is out of scope of the group request, if one of the following applies:

- i. the Italian resident account holder handed in the waiver provided for by the Italian VDP to the Monaco financial intermediary;
- ii. the assets were transferred to financial intermediaries located in Italy or to a country that practices automatic exchange of information regarding financial accounts, based on OECD Common Reporting Standard, with Italy at the time of the transfer.

(2) "Substantially Emptied Accounts"

"Substantially emptied accounts" are accounts held with Monaco financial intermediaries by Italian resident account holders that meet all the following requirements:

- a) maintained at the date of the signature of the Agreement;
- b) still existing at the expiring date of the Italian VDP;
- c) having an account balance of over 15,000 EUR at the end of the month preceding the date of the signature of the Agreement;
- d) presenting at the end of the month of the expiring date of the Italian VDP or, if later, at 31 December 2015, an account balance that is substantially lower than the account balance indicated in letter c).

For the purpose of letter d), the account balance indicated in letter d) is substantially lower if it is lower than 50 per cent of the account balance indicated in letter c).

A substantially emptied account is out of scope of the group request, if one of the following applies:

- i. the Italian resident account holder handed in the waiver provided for by the Italian VDP to the Monaco financial intermediary;



- ii. the assets were transferred to financial intermediaries located in Italy or to a country that practices automatic exchange of information regarding financial accounts, based on the OECD Common Reporting Standard, with Italy at the time of the transfer.

(3) "Idle Accounts"

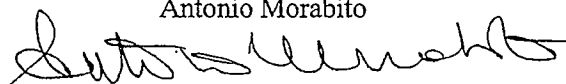
"Idle accounts" are all other accounts not being closed or substantially emptied accounts held by an Italian resident account holder at the date of signature of the Agreement and maintained at the date of implementation of an agreement providing for automatic exchange of information based on the OECD Common Reporting Standard between Monaco and Italy.

An idle account is out of scope of the group request, if one of the following applies:

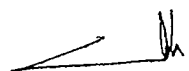
- i. the Italian resident account holder handed in the waiver provided for by the Italian VDP to the Monaco financial intermediary;
- ii. the Italian resident account holder gave a positive answer by the expiring date of the VDP to the request of the Monaco financial intermediary concerning the regularity of the deposited assets in respect of the Italian law.

Done at Monaco on 2nd March 2015, in two originals, each in the Italian, French and English languages, all texts being equally authentic. In case of divergence of interpretation, the English text shall prevail.

For the Government of the Italian
Republic, the Ambassador of Italy to the
Principality of Monaco,
Antonio Morabito



For the Government of the Principality of
Monaco, the Minister for Foreign Affairs
and Cooperation,
Gilles Tonelli



LAVORI PREPARATORI

Camera dei deputati (n. 3330):

Presentato dal Ministro degli affari esteri e della cooperazione internazionale PAOLO GENTILONI SILVERI, dal Ministro dell'economia e finanze PIETRO CARLO PADOAN (Governo RENZI-I) in data 29 settembre 2015.

Assegnato alla III commissione permanente (Affari esteri e comunitari) in sede referente l'8 ottobre 2015, con pareri delle commissioni I (Affari costituzionali), II (Giustizia), V (Bilancio), VI (Finanze).

Esaminato dalla III commissione permanente (Affari esteri e comunitari) in sede referente il 21 ottobre 2015 e il 2 dicembre 2015.

Esaminato in aula il 21 marzo 2016 ed approvato il 30 marzo 2016.

Senato della Repubblica (atto n. 2310):

Assegnato alla 3ª commissione permanente (Affari esteri, emigrazione) in sede referente il 13 aprile 2016, con pareri delle commissioni Iª (Affari costituzionali), 2ª (Giustizia), 5ª (Bilancio), 6ª (Finanze).

Esaminato dalla 3ª commissione permanente (Affari esteri, emigrazione) in sede referente il 20 aprile 2016 e il 2 novembre 2016.

Esaminato in aula ed approvato definitivamente il 15 novembre 2016.

16G00246

