

## **Joint declaration of the Government of the Italian Republic and the Government of the Principality of Monaco**

Wishing to develop their relationship further, after the signing of the Agreement for the Exchange of Information on Tax Matters (hereafter called “the Agreement”), Italy and Monaco declare that:

- they commit to enact and implement the relevant agreements and the necessary domestic legislation so as to ensure the automatic exchange of information between the respective competent authorities according to the OECD Standard for Automatic Exchange of Financial Account Information (“Common Reporting Standard”) in the timeframe agreed internationally;
- they acknowledge that, based on Italian or Monaco law, respectively, banks, financial institutions as well as consultants and their employees are responsible for their own tax infringements and not for the tax infringements of their clients. In principle, they are not liable to penalties for tax infringements of their clients. Their cooperative attitude in the regularization of the past will be positively taken into consideration in the evaluation of their behavior, whenever it will be necessary. Their behavior will be considered cooperative if, for example, they have contacted their clients to encourage them to use the regularization mechanism available or if they spontaneously ask their clients whether the assets deposited are duly taxed;
- since the Agreement and the Protocol provide for exchange of information equivalent to that provided for by Article 26 of the OECD Model Tax Convention and the Commentary thereof, upon entry into force of the Agreement and the Protocol, Italy shall, for the purposes of the Voluntary Disclosure, treat Monaco as a White List Country according to the relevant legislation (Article 5-quinquies of Law 04.08.1990, No 227, as amended by Article 1 of Law 15.12.2014, No 186) and treat all relevant assets held at Monaco financial institution as eligible for the most favorable conditions;
- moreover, since the Agreement and the Protocol provide for adequate exchange of information, upon entry into force of the Agreement, Italy will immediately delete Monaco from the black list relating to the non-deductibility of costs and expenses incurred in transactions with enterprises located in countries which do not allow exchange of information (Ministerial Decree 23 January 2002). The exit from this black list will foster the economic relations between Italy and Monaco by eliminating a significant tax obstacle currently faced by Italian enterprises carrying on business activities with Monaco. Furthermore, upon entry into force of the Agreement, Monaco will be immediately included in the white list of countries with agreements allowing information exchange, issued under Legislative Decree No 239 of 1 April 1996 (Ministerial Decree 4 September 1996). As a consequence, interest on Government bonds and private and public debentures, as referred to in the above Legislative Decree, paid to residents of Monaco, will be exempted from Italian withholding tax.

Done at ..... this ..... of ..... 2015.

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