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2020/0048 (NLE)

Proposal for a

COUNCIL IMPLEMENTING DECISION

authorising Italy to apply a special measure derogating from Article 285 of Directive 2006/112/EC on the common system of value added tax

EXPLANATORY MEMORANDUM

Pursuant to Article 395(1) of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax[1] ('the VAT Directive'), the Council, acting unanimously on a proposal from the Commission, may authorise any Member State to apply special measures for derogation from the provisions of that Directive in order to simplify the procedure for collecting VAT or to prevent certain forms of tax evasion or avoidance.

By letter registered with the Commission on 26 July 2019, Italy requested an authorisation to continue, until 31 December 2022, to exempt from VAT taxable persons whose annual turnover is below a certain threshold, as provided for in Article 285 of the VAT Directive, to increase this threshold from EUR 65 000 to EUR 100 000 and, in parallel, apply a mandatory electronic invoicing scheme to the taxable persons concerned, and to raise the threshold for voluntary organisations and associations for social advancement up to EUR 130 000.

In accordance with Article 395(2) of the VAT Directive, the Commission informed the other Member States by letter dated 20 September 2019 of the request made by Italy. By letter dated 23 September 2019, the Commission notified Italy that it had all the information it considered necessary for the appraisal of the request.

Subsequently, following informal discussions with the competent Commission services and further political assessments at national level, Italy decided to modify its original request by letter sent on 26 November 2019 and registered with the Commission on 5 December 2019.

By means of that letter, Italy asked to withdraw its request to increase the exemption threshold from EUR 65 000 to EUR 100 000, explaining that this request was based on a national rule which was in the course of being repealed. Instead, Italy expressed its wish to keep the current threshold of EUR 65 000, which is in line with the flat-rate scheme for taxpayers in the field of direct taxes. Moreover, Italy asked to withdraw the request concerning the EUR 130 000 threshold for voluntary organisations and associations for social advancement, given that it is linked to direct taxation measures not yet in force; Italy reserved the right to resubmit such request once the overall measures at issue enter into force. Furthermore, following the Member States' agreement during the Economic and Financial Affairs Council (ECOFIN) of 8 November 2019 on the Commission proposal on new simplification rules in respect of VAT for small businesses[2], which was adopted on 18 February 2020[3] and will enter into force on 1 January 2025, Italy requested that the extension of the derogating measure expire on 31 December 2024.

In accordance with Article 395(2) of the VAT Directive, the Commission informed the other Member States by letter dated 10 December 2019 of the corrigendum to the original request that Italy had sent. By letter dated 11 December 2019, the Commission notified Italy that it had all the information it considered necessary for the appraisal of the revised request.

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1 OJ L 347, 11.12.2006, p. 1.

2 Proposal for a Council Directive amending Directive 2006/112/EC on the common system of value added tax as regards the special scheme for small enterprises, COM(2018) 21 final.

3 Council Directive (EU) 2020/285 of 18 February 2020 amending Directive 2006/112/EC on the common system of value added tax as regards the special scheme for small enterprises and Regulation (EU) No 904/2010 as regards the administrative cooperation and exchange of information for the purpose of monitoring the correct application of the special scheme for small enterprises (OJ L 62, 2.3.2020, p. 13).

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

Chapter 1 of Title XII of the VAT Directive allows for the possibility for Member States to apply a special scheme for small enterprises, which includes the possibility to exempt from VAT taxable persons below a certain annual turnover. Taxable persons falling under this exemption do not have to charge VAT on their supplies and, consequently, cannot deduct VAT on their inputs.

The possibility of applying special VAT rules including exemptions or graduated tax relief to small undertakings was first introduced by Article 14 of Council Directive 67/228/EEC[4]. Member States which did not make use of the option provided for under that provision were allowed subsequently, according to Article 24(2)(b) of Directive 77/388/EEC[5], now recast as the first paragraph of Article 285 of the VAT Directive, to only exempt from VAT taxable persons whose annual turnover is no higher than EUR 5 000 or the equivalent in national currency.

Italy never made use of the option provided for by Article 14 of Council Directive 67/228/EEC. In 2007, it requested authorisation to derogate from the first paragraph of Article 285, by exempting from VAT taxable persons whose annual turnover was no higher than EUR 30 000. That request was prompted by the Italian economic structure, largely comprised of micro enterprises with a very small number of employees, and Italy's desire to simplify VAT obligations for small businesses and to ease VAT collection for the national tax administration. The derogating measure was authorised until 31 December 2010, by virtue of Council Decision 2008/737/EC[6]. The measure had an optional character, allowing small businesses to opt for the normal VAT arrangements.

Italy was subsequently authorised to extend the expiry date of the derogating measure until 31 December 2013, by Council Implementing Decision 2010/688/EU[7], then until 31 December 2016, by Council Implementing Decision 2013/678/EU[8], which also increased the maximum exemption threshold from EUR 30 000 to EUR 65 000, and finally until 31 December 2019, by Council Implementing Decision (EU) 2016/1988[9].

The present (revised) request from Italy to prolong further the expiry date of the derogating measure until 31 December 2024, without increasing the current threshold of EUR 65 000 (or

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4 Second Council Directive 67/228/EEC of 11 April 1967 on the harmonisation of legislation of Member States concerning turnover taxes – Structure and procedures for application of the common system of value added tax (OJ 71, 14.4.1967, p. 1303).

5 Sixth Council Directive 77/388/EEC of 17 May 1977 on the harmonization of the laws of the Member States relating to turnover taxes - Common system of value added tax: uniform basis of assessment (OJ L 145, 13.6.1977, p. 1).

6 Council Decision 2008/737/EC of 15 September 2008 authorising the Italian Republic to apply a measure derogating from Article 285 of Directive 2006/112/EC on the common system of value added tax (OJ L 249, 18.09.2008, p. 13).

7 Council Implementing Decision 2010/688/EU of 15 October 2010 authorising the Italian Republic to continue to apply a special measure derogating from Article 285 of Directive 2006/112/EC on the common system of value added tax (OJ L 294, 12.11.2010, p. 12).

8 Council Implementing Decision 2013/678/EU of 15 November 2013 authorising the Italian Republic to continue to apply a special measure derogating from Article 285 of Directive 2006/112/EC on the common system of value added tax (OJ L 316, 27.11.2013, p. 35).

9 Council Implementing Decision (EU) 2016/1988 of 8 November 2016 amending Implementing Decision 2013/678/EU authorising the Italian Republic to continue to apply a special measure derogating from Article 285 of Directive 2006/112/EC on the common system of value added tax (OJ L 306, 15.11.2016, p. 11).

any higher value which is equivalent to that threshold in real terms), is based on the same grounds as those presented in the previous requests.

Italy maintains that small and medium-sized enterprises, and in particular micro-enterprises, play a preponderant role in the non-financial business economic sector of the country, in terms of both added value and employment. Given the disproportionate VAT compliance costs such businesses bear in comparison with large enterprises, and the fact that they are still affected by the economic crisis, Italy states that the derogating measure constitutes a significant incentive for the start-up and consolidation of their economic activity.

In this regard, it is stressed that the impact of the derogating measure on tax revenue collected at the final consumption stage will be negligible, whereas its impact will be significant in terms of simplifying both the tax obligations of the taxable persons concerned as well as the procedure for collecting VAT for the tax administration. It is noted that the measure affects 1 332 000 taxable persons, that constitute 25% of the potentially eligible taxable persons. Italy estimates the total amount of revenue reduction at EUR 385.7 million.

Based on the information provided by Italy, it is clear that the aim of the request to extend the derogating measure is to release small businesses from many of the VAT obligations under the normal VAT arrangements as well as to reduce the burden of the tax administration in terms of tax collection and the auditing of small businesses. This could allow the tax administration to focus its control activities towards larger taxable persons. The derogating measure is thus in line with the objectives of the first subparagraph of Article 395(1) of the VAT Directive, which allows Member States to introduce special measures derogating from its provisions in order to simplify the procedure for collecting VAT. In this context, it is reiterated that the measure is and will remain optional for taxable persons, which are allowed to opt for the normal VAT arrangements.

As demonstrated by Italy, the derogating measure is not expected to either affect significantly the overall amount of its tax revenue collected at the stage of the final consumption or adversely affect the Union's own resources accruing from VAT. Therefore, the derogating measure appears to be in accordance with the second subparagraph of Article 395(1) of the VAT Directive.

In the light of the above, and given that the EU legal framework and the factual situation remain unchanged, the requested extension of the expiry date of the derogating measure appears to be justified. Hence, it is proposed that Italy's request be granted.

Derogations are normally granted for a limited period to allow an assessment of whether the derogating measure remains appropriate and effective. Moreover, as mentioned earlier, the provisions of Articles 281 to 294 of the VAT Directive on the special scheme for small enterprises have recently been reviewed. The new directive on simpler VAT rules for small enterprises[10] requires that Member States adopt and publish the laws, regulations and administrative provisions, which are necessary to comply with the new rules, by 31 December 2024 at the latest. Member States will have to apply those national provisions from 1 January 2025.

It is therefore appropriate to authorise Italy to apply the derogating measure until 31 December 2024. Nevertheless, as the adoption by the Commission of the decision authorising

[10] See footnote 3.

the derogating measure will take place after the expiry of Council Implementing Decision (EU) 2016/1988 (i.e. after 31 December 2019), this proposal cannot prolong the expiry date of the derogating measure authorised by that decision.

- **Consistency with existing policy provisions in the policy area**

The derogating measure is in line with the philosophy of the new directive amending Articles 281 to 294 of the VAT Directive on a special scheme for small enterprises, adopted on 18 February 2020, which resulted from the VAT action plan[11], and aims to create a modern, simplified scheme for those businesses. In particular, it seeks to reduce VAT compliance costs and distortions of competition both domestically and at EU level, reduce the negative impact of the threshold effect, and facilitate business compliance as well as monitoring by tax administrations.

Moreover, the threshold of EUR 65 000 is consistent with the new directive, insofar as it allows Member States to set the annual turnover threshold required for an exemption from VAT at a level no higher than EUR 85 000 (or the equivalent in national currency).

Similar derogations, exempting from VAT taxable persons whose annual turnover is below a certain threshold, as provided for in Article 285 of the VAT Directive, have been granted to other Member States. Malta[12] has been granted a threshold of EUR 20 000; the Netherlands[13] a threshold of EUR 25 000; Luxembourg a threshold of EUR 35 000[14]; Poland[15], Estonia[16] and Latvia[17] have been granted a threshold of EUR 40 000; Croatia[18] and Lithuania[19] a threshold of EUR 45 000; Hungary a threshold of EUR 48 000[20]; Slovenia[21] a threshold of EUR 50 000; and Romania[22] a threshold of EUR 88 500.

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11 Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee on an action plan on VAT – Towards a single EU VAT area – Time to decide COM(2016)148 final.

12 Council Implementing Decision (EU) 2018/279 of 20 February 2018 authorising Malta to apply a special measure derogating from Article 287 of Directive 2006/112/EC on the common system of value added tax (OJ L 54, 24.2.2018, p. 14).

13 Council Implementing Decision (EU) 2018/1904 of 4 December 2018 authorising the Netherlands to introduce a special measure derogating from Article 285 of Directive 2006/112/EC on the common system of value added tax (OJ L 310, 6.12.2018, p. 25).

14 Council Implementing Decision (EU) 2019/2210 of 19 December 2019 amending Implementing Decision 2013/677/EU authorising Luxembourg to introduce a special measure derogating from Article 285 of Directive 2006/112/EC on the common system of value added tax (OJ L 332, 23.12.2019, p. 155).

15 Council Implementing Decision (EU) 2018/1919 of 4 December 2018 amending Decision 2009/790/EC authorising the Republic of Poland to apply a measure derogating from Article 287 of Directive 2006/112/EC on the common system of value added tax (OJ L 311, 7.12.2018, p. 32).

16 Council Implementing Decision (EU) 2017/563 of 21 March 2017 authorising the Republic of Estonia to apply a special measure derogating from Article 287 of Directive 2006/112/EC on the common system of value added tax (OJ L 80, 25.3.2017, p. 33).

17 Council Implementing Decision (EU) 2017/2408 of 18 December 2017 authorising the Republic of Latvia to apply a special measure derogating from Article 287 of Directive 2006/112/EC on the common system of value added tax (OJ L 342, 21.12.2017, p. 8).

18 Council Implementing Decision (EU) 2017/1768 of 25 September 2017 authorising the Republic of Croatia to introduce a special measure derogating from Article 287 of Directive 2006/112/EC on the common system of value added tax (OJ L 250, 28.9.2017, p. 71).

19 Council Implementing Decision (EU) 2017/1853 of 10 October 2017 amending Implementing Decision 2011/335/EU authorising the Republic of Lithuania to apply a measure derogating from Article 287 of Directive 2006/112/EC on the common system of value added tax (OJ L 265, 14.10.2017, p. 15).

20 Council Implementing Decision (EU) 2018/1490 of 2 October 2018 authorising Hungary to introduce a special measure derogating from Article 287 of Directive 2006/112/EC on the common system of value added tax (OJ L 252, 8.10.2018, p. 38).

As already mentioned, derogations from the VAT Directive should always be limited in time so that their effects can be assessed. The extension of the expiry date of the derogating measure until 31 December 2024, as requested by Italy, is aligned with the requirements of the new directive on simpler VAT rules for small and medium-sized enterprises. That directive provides for 1 January 2025 as the date on which Member States will have to apply the national provisions, which they are required to adopt to comply with it.

The proposed measure is therefore consistent with the provisions of the VAT Directive.

Consistency with other Union policies

The Commission has been consistently stressing the need for simpler rules for small enterprises in its annual work programmes. In this regard, the 2020 Commission Work Programme[23] refers to "*a dedicated SME Strategy that will make it easier for small and medium-sized businesses to operate, scale up and expand*". The derogating measure is in line with such objectives, as far as fiscal rules are concerned. It is notably consistent with the 2017 Commission Work Programme[24], which referred specifically to VAT, pointing out that the administrative burden of VAT compliance for small businesses is high and that technical innovations pose new challenges for effective tax collection, and stressed the need to simplify VAT for smaller companies.

Likewise, the measure is consistent with the 2015 single market strategy[25], where the Commission set out to help small and medium-sized businesses grow, *inter alia* by reducing the administrative burdens that prevent them from taking full advantage of the single market. It also follows the philosophy of the 2013 Commission Communication 'Entrepreneurship 2020 Action Plan: Reigniting the entrepreneurial spirit in Europe'[26], which underlined the need to simplify tax legislation for small businesses.

Finally, the measure is in line with EU policies on small and medium-sized enterprises, as set out in the 2016 Start-Up Communication[27], and the 2008 Communication '"Think small first"

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21 Council Implementing Decision (EU) 2018/1700 of 6 November 2018 amending Implementing Decision 2013/54/EU authorising the Republic of Slovenia to introduce a special measure derogating from Article 287 of Directive 2006/112/EC on the common system of value added tax (OJ L 285, 13.11.2018, p. 78).

22 Council Implementing Decision (EU) 2017/1855 of 10 October 2017 authorising Romania to apply a special measure derogating from Article 287 of Directive 2006/112/EC on the common system of value added tax (OJ L 265, 14.10.2017, p. 19).

23 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Commission Work Programme 2020 - A Union that strives for more (COM(2020) 37 final).

24 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Commission Work Programme 2017 (COM(2016) 710 final).

25 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions upgrading the Single Market: more opportunities for people and business (COM(2015) 550 final).

26 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Entrepreneurship 2020 Action Plan: Reigniting the entrepreneurial spirit in Europe (COM(2012) 795 final).

27 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Europe's Next Leaders: The Start-Up and Scale-Up Initiative **(**COM(2016) 733 final**)**.

– a "Small Business Act" for Europe'[28] which called on the Member States to take account of the special features of SMEs when designing legislation and simplify the existing regulatory environment.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

• Legal basis

Article 395 of the VAT Directive is the only possible legal basis.

• Subsidiarity (for non-exclusive competence)

Considering the provision of the VAT Directive on which it is based, the proposal falls under the exclusive competence of the European Union. Hence, the subsidiarity principle does not apply.

• Proportionality

The Decision concerns an authorisation granted to a Member State upon its own request and does not constitute any obligation.

Given the limited scope of the derogation, the special measure is proportionate to the aim pursued, i.e. to simplify tax collection for small taxable persons and for the tax administration.

• Choice of the instrument

The instrument proposed is a Council Implementing Decision.

Under Article 395 of the VAT Directive, a derogation from the common VAT rules is only possible upon authorisation by the Council, which is acting unanimously on a proposal from the Commission. A Council Implementing Decision is the most suitable instrument since it can be addressed to an individual Member State.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

• Stakeholder consultations

No stakeholder consultation has been conducted. The present proposal is based on a request made by Italy and concerns only this particular Member State.

• Collection and use of expertise

There was no need for external expertise.

• Impact assessment

The proposal for a Council Implementing Decision aims at extending a simplification measure which removes many of the VAT obligations for businesses operating with an annual turnover no higher than EUR 65 000. This could have a potential positive impact on the reduction of administrative burden for roughly 1 332 000 small businesses (amounting to 25% of the potentially eligible taxable persons) in 2017 as well as for the tax administration. The

[28] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 'Think Small First' A 'Small Business Act' for Europe (COM(2008) 394 final).

derogating measure is and will remain optional for taxable persons. Taxable persons will still be able to opt for the regular VAT arrangements in accordance with Article 290 of Directive 2006/112/EC. The budgetary impact in terms of VAT revenue for 2019 is estimated by Italy at EUR 385.7 million, which is considered as negligible.

- **Fundamental rights**

The proposal does not have any consequences for the protection of fundamental rights.

4. BUDGETARY IMPLICATIONS

The proposal will not have a negative impact on the EU budget because Italy will carry out a compensation calculation in accordance with Article 6 of Council Regulation (EEC EURATOM) 1553/89.

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Proposal for a

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authorising Italy to apply a special measure derogating from Article 285 of Directive 2006/112/EC on the common system of value added tax

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax[29], and in particular the first subparagraph of Article 395(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) Pursuant to the first paragraph of Article 285 of Directive 2006/112/EC, Member States which have not exercised the option under Article 14 of Council Directive 67/228/EEC[30] may exempt from value added tax ('VAT') taxable persons whose annual turnover is no higher than EUR 5 000 or the equivalent in national currency.

(2) By Council Decision 2008/737/EC[31], Italy was authorised to apply a special measure derogating from Article 285 of Directive 2006/112/EC ('the derogating measure') to exempt from VAT taxable persons whose annual turnover was no higher than EUR 30 000. The derogating measure was authorised until 31 December 2010.

(3) By Council Implementing Decision 2010/688/EU[32], Italy was authorised to continue to apply the derogating measure until 31 December 2013.

(4) By Council Implementing Decision 2013/678/EU[33], Italy was authorised to continue to apply the derogating measure until 31 December 2016. The annual turnover threshold was increased to EUR 65 000.

(5) By Council Implementing Decision (EU) 2016/1988[34], the validity of the authorisation to apply derogating measure was extended until 31 December 2019, or until the entry

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29 OJ L 347, 11.12.2006, p. 1.

30 Second Council Directive 67/228/EEC of 11 April 1967 on the harmonisation of legislation of Member States concerning turnover taxes – Structure and procedures for application of the common system of value added tax (OJ 71, 14.4.1967, p. 1303/67).

31 Council Decision 2008/737/EC of 15 September 2008 authorising the Italian Republic to apply a measure derogating from Article 285 of Directive 2006/112/EC on the common system of value added tax (OJ L 249, 18.9.2008, p. 13).

32 Council Implementing Decision 2010/688/EU of 15 October 2010 authorising the Italian Republic to continue to apply a special measure derogating from Article 285 of Directive 2006/112/EC on the common system of value added tax (OJ L 294, 12.11.2010, p. 12).

33 Council Implementing Decision 2013/678/EU of 15 November 2013 authorising the Italian Republic to continue to apply a special measure derogating from Article 285 of Directive 2006/112/EC on the common system of value added tax (OJ L 316, 27.11.2013, p. 35).

34 Council Implementing Decision (EU) 2016/1988 of 8 November 2016 amending Implementing Decision 2013/678/EU authorising the Italian Republic to continue to apply a special measure

into force of a directive amending Articles 281 to 294 of Directive 2006/112/EC on a special scheme for small enterprises, whichever would be the earlier. On 18 February 2020, the Council adopted Directive (EU) 2020/285[35] amending Articles 281 to 294 of Directive 2006/112/EC as regards the special scheme for small enterprises.

(6) By letter registered with the Commission on 26 July 2019, Italy requested authorisation to continue to apply the derogating measure after 31 December 2019 as well as to increase the threshold and the scope of the exemption.

(7) By letter dated 20 September 2019, the Commission informed the other Member States, pursuant to the second subparagraph of Article 395(2) of Directive 2006/112/EC, of the request made by Italy. By letter dated 23 September 2019, the Commission notified Italy that it had all the information necessary to consider the request.

(8) Italy modified its request by letter registered with the Commission on 5 December 2019, whereby it only requested authorisation to continue to apply the derogating measure until 31 December 2024.

(9) By letter dated 10 December 2019, the Commission informed the other Member States, pursuant to the second subparagraph of Article 395(2) of Directive 2006/112/EC, of the revised request of Italy. By letter dated 11 December 2019, the Commission notified Italy that it had all the information necessary to consider the revised request.

(10) From the information provided by Italy, it appears that the reasons for the derogating measure remain largely unchanged. The derogating measure reduces the administrative burden and compliance costs both for small enterprises and for tax authorities and it therefore helps to simplify the procedure for collecting VAT.

(11) The derogating measure is and will remain optional for taxable persons. Taxable persons will still be able to opt for the regular VAT arrangements in accordance with Article 290 of Directive 2006/112/EC.

(12) According to information provided by Italy, the derogating measure will only have a negligible effect on the overall amount of the tax revenue of Italy collected at the stage of final consumption.

(13) The derogating measure will not adversely affect the Union's own resources accruing from VAT because Italy will carry out a compensation calculation in accordance with Article 6 of Council Regulation (EEC, Euratom) No 1553/89[36].

(14) Given the potential positive impact of the derogating measure in reducing the administrative burden and compliance costs for small businesses and for the tax authorities, and the lack of any major impact on the total VAT revenue generated, Italy should be authorised to apply the derogating measure for a further period.

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derogating from Article 285 of Directive 2006/112/EC on the common system of value added tax (OJ L 306, 15.11.2016, p. 11).

35 Council Directive (EU) 2020/285 of 18 February 2020 amending Directive 2006/112/EC on the common system of value added tax as regards the special scheme for small enterprises and Regulation (EU) No 904/2010 as regards the administrative cooperation and exchange of information for the purpose of monitoring the correct application of the special scheme for small enterprises (OJ L 62, 2.3.2020, p. 13).

36 Council Regulation (EEC, Euratom) No 1553/89 of 29 May 1989 on the definitive uniform arrangements for the collection of own resources accruing from value added tax (OJ L 155, 7.6.1989, p. 9).

(15) The authorisation to apply the derogating measure should be limited in time. The time limit should be sufficient to allow the effectiveness and appropriateness of the threshold to be evaluated. Moreover, according to Directive (EU) 2020/285, Member States are to adopt and publish, by 31 December 2024, the laws, regulations and administrative provisions necessary to comply with Article 1 of that Directive, and apply those provisions from 1 January 2025. It is therefore appropriate to authorise Italy to apply the derogating measure until 31 December 2024,

HAS ADOPTED THIS DECISION:

Article 1

By way of derogation from Article 285 of Directive 2006/112/EC, Italy is authorised to exempt from VAT taxable persons whose annual turnover is no higher than EUR 65 000.

Italy may increase that threshold in order to maintain the value of the exemption in real terms.

Article 2

This Decision shall apply until 31 December 2024.

Article 3

This Decision is addressed to the Italian Republic.

Done at Brussels,

For the Council
The President