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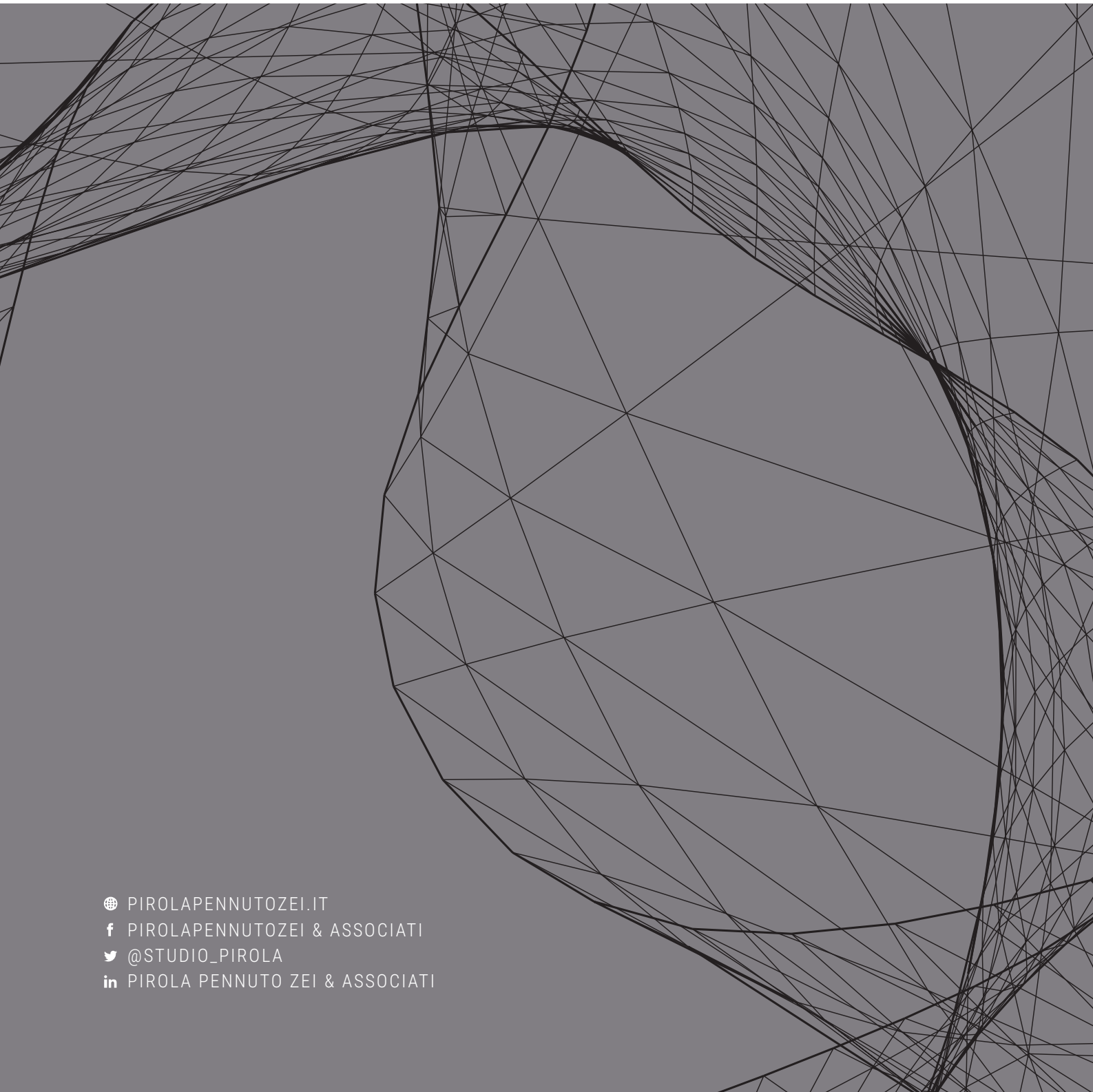
CUSTOMS AND EXCISE DUTIES

NEWSLETTER/JULY-SEPTEMBER 2019



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Customs

LEGISLATION

1.1

Law no. 58 of 28 June 2019 - Conversion into law, with amendments, of Decree-Law no. 34 of 30 April 2019 which provides urgent measures for economic growth and the resolution of specific crisis situations

Law no. 58 of 28 June 2019 converting the "*Growth Decree*" (Decree Law 34/2019) was published in the Official Gazette no. 151 of 29 June 2019. The Law governs, *inter alia*, the methods of payment or making security deposits for customs duties, amending art. 77 Presidential Decree 43/73 (TULD).

The new methods of payment concern actual customs duties (duties, import levies, monopoly duties, consumption taxes, etc.) and, more generally, "*any other duty which customs are required to levy by law*", including excise duties. The payment methods also apply to security deposits guaranteeing such duties and, pursuant to the new provisions, also expressly include the payment of related penalties.

The approved payment methods are:

- debit, credit or prepaid cards and any other electronic payment instrument available pursuant to Legislative Decree 82/2005;
- bank transfer;
- credits to the postal current account in the name of the Customs Office;
- cash for an amount not exceeding Euro 300, as opposed to the previous amount of Euro 516.46 (although the Customs Office Director has the right, when justified by particular circumstances, to allow the payment in cash of higher amounts, up to a maximum of Euro 3,000);
- non-transferable bank drafts, if justified by particular need or urgency, to be determined by an order of the Director of the Agency.

In relation to excise duties, the "*Growth Decree*" also reintroduces the obligation of filing a tax declaration for the sale of alcoholic products upon the following entities:

- the public sector;
- public entertainment establishments;

- accommodation facilities;
- mountain huts.

Such obligation had been abolished pursuant to art. 1(178) Law 124/2017.

Pursuant to the amendment, the above listed entities will be required to pay an annual license fee of Euro 33.57 between 1 and 16 December in the year preceding the year of reference. Newly established entities or those changing ownership, will be required to make payment before the licence is issued. Should a company change its legal representative, a new licence in the name of the new representative must be requested. Finally, if the entity fails to make such payment within the required period, a fine of one to three times the amount of the licence fee will be applied.

GUIDANCE

2.1

Note No. 73328 of 12 July 2019 - Electronic invoicing - Clarification regarding self-bills - Removal of goods from VAT warehouses

The provisions of art. 1(3) Legislative Decree 127/2015, as replaced by art. 1(909)(a)(3) Law 205/2017 and amended by arts. 10 and 15 Decree Law 119/2018, converted with amendments by Law 136/2018, took effect as of 1 January 2019.
Art. 1(3) provides that "*for the supply of goods and services between persons resident or established in Italy, and for related variations, only electronic invoices are issued using the Interchange System*".

Upon the introduction of this obligation, a number of trade associations requested clarification regarding the treatment of self-bills issued for the removal of goods from a VAT warehouse. In Reply no. 104 issued on 9 April 2019, the Revenue Agency provided the requested explanations, which are summarised below.

In principle, the general rules on electronic invoicing apply to the storage and removal of goods from VAT tax warehouses, exception being made for relations with persons not resident or established in Italy who can proceed on a voluntary basis. It should be borne in mind that goods put into free circulation in a VAT tax warehouse are not subject to tax, while their removal, even if carried out by the same person who placed them there, involves recording the removal in the register as per art. 25 Presidential Decree 633/72, and payment of an invoice issued pursuant to art. 17(2) of the same Decree ("*self-billed invoice*"). In most cases, a self-billed invoice is a mere supplementary document that the Italian based taxpayer must issue in order to pay the tax debt when the VAT relevant transaction is carried out by a non-resident person. In such cases, therefore, "*this document and, in particular, the VAT identification number of the operator who is listed in both the transferor/lender field and the transferee/customer field, can be sent to the Interchange System*". However, in some cases, there is no correspondence between the value of the asset placed in the warehouse and the asset removed, given that the value of the removed asset also includes expenses. Therefore, the self-billed invoice issued at the time of removal is no longer a mere addition to another document, but a document capable of identifying both the value of the asset removed and the correct taxable amount. In this case, the self-billed invoice is to follow the general rules and must be issued electronically through the Interchange System.

For the sake of completeness, it should be noted that reference to the identified persons (direct identification or tax representative) has been removed from art. (1)(3) Legislative Decree 127/20156. Therefore these persons are not required to issue electronic invoices. Invoices issued by or to such persons may be issued electronically, through the Interchange System, on a voluntary basis.

2.2

Note no. 69283/RU of 12/07/2019 - Law no. 58 of 28 June 2019, converting Decree Law no. 34 of 30 April 2019, entitled "*Urgent measures for economic growth and for the resolution of specific crisis situations*"

In this Note the Agency communicated the publication of Law No. 58/2019 in the Official Gazette, converting Decree Law 34/2019 entitled "*Urgent measures for economic growth and for the resolution of specific crisis situations*". The Agency also commented on specific provisions of the new Law.

Art. 12 *septies* amends art. 1(c) of Decree Law 746/1983, which governs the simplification of the declaration of intent relating to the application of value added tax and the penalties referred to in art. 7(4-*bis*) Legislative Decree 471/1997. In essence, there is no longer an obligation to deliver the declaration of intent together with the receipt of the electronic declaration, whether to the supplier, the service provider, or the customs authorities. The law now provides that the electronic receipt issued by the Revenue Agency is to indicate the receipt registration details and that those details must be indicated by the transferor in the invoices issued on the basis of the declaration of intent, or be indicated by the importer in the customs declaration. There is already a requirement that the registration number assigned to the declaration of intent by the Revenue Agency electronic service be indicated in the customs declaration. In order to verify the correct application of these rules at the moment of importation, the Revenue Agency makes the database of declarations of intent available to the Customs Agency, thus relieving the operator from having to deliver a paper copy of the declaration of intent and the declaration receipts. In addition, art. 7(4 *bis*) Legislative Decree 471/1997 has been amended by the reintroduction of a fine, ranging from 100 to 200 per cent of the tax, upon a seller or service provider should such supply or service be made without the application of VAT in the absence of prior verification of the electronic transmission, which remains the responsibility of the purchaser.

The Director of the Revenue Agency is to set out the operative arrangements for the implementation of

these rules, which take effect in the tax year following the period in which the law comes into force, i.e. from 1 January 2020.

Art. 13b, entitled "*Provisions on payment or making security deposits for customs duties*", has replaced art. 77 TULD, setting out new arrangements for the payment of or making security deposits on customs duties. The methods of payment are now the following: a) debit, credit or prepaid cards and any other electronic payment instrument available; b) bank transfer; c) credits to the postal current account in the name of the Customs Office; d) cash for an amount not exceeding Euro 300, as opposed to the previous amount of Euro 516.46. The Customs Office Director has the right, when justified by particular circumstances, to allow the payment in cash of higher amounts, up to the maximum amount permitted by the applicable legislation on the use of cash; e) non-transferable bank drafts, if justified by particular need or urgency, to be determined by an order of the Director of the Agency.

The rationale behind this amendment was to bring the methods of payment used by customs offices into line with the new legal/operational framework, with the technical innovations in this field, as well the more general system of rationalization and simplification introduced by the Code of Digital Administration. The new wording of art. 77 TULD ensures that not just "*customs duties*", but also all other types of duties collected by customs offices under specific legislation, are to be collected under the new payment arrangements. Operators can now also use various methods for the payment of fines. The use of electronic payment instruments now offered by new technologies, such as debit cards, credit or prepaid cards, as well as other electronic instruments is therefore envisaged in order to facilitate relations between citizens/businesses and the administration. The amended art. 77 has also brought customs legislation into line with Ministerial Decree of 29/5/2007, thus removing the possibility of paying customs duties by way of non-transferable bank drafts made out to the State Treasury. The maximum limit allowed for payments by cash has also been significantly reduced, with a consequent reduction in the obligations to be borne by the Customs Offices.

Art. 16a, "*Reopening of time limits for facilitated processes of assignments given to collection agents*", provides for the reopening of time limits provided for in art. 3 Decree Law 119/2018 for access to facilitated settlements of assignments given to collection agents for the period from 1 January 2000 to 31 December 2017. The Agency notes that the facilitated settlement of assignments given to collection agents as own resources of the European Union has been expressly excluded.

2.3

Note No 91956 of 26/07/2019 - Procedures for issuing Movement Certificates EUR 1, EUR MED, ATR

Following requests for clarification received regarding the validity and scope of the procedure for pre-endorsement of Movement Certificates EUR 1, EUR MED, ATR, the Customs has set out the rules on the certification of preferential origin, declaration of origin, approved exporter qualification, system of REX registered exporters under the Generalised System of Preferences (GSP) as well as preferential agreements and domiciliation procedures and the institution of the approved place.

For the purposes of preferential certification of origin, the Agency reminded readers that art. 64 of EU Regulation 952/2013 (UCC) lays down the primary rules for tariff concessions contained in preferential agreements between the EU and third countries. In addition, the rules on preferential origin contained in the implementing rules adopted by Commission Delegated Regulation (EU) 2015/2446 and Commission Implementing Regulation (EU) 2015/2447 on the issue and completion of proof of origin must be taken into account. These regulations provide, for the purpose of granting preferential treatment, that the following documentation as to proof of origin must be presented: Movement Certificates EUR 1, provided for in preferential free trade agreements and issued by the customs authorities of the exporting countries; Movement Certificates EUR-MED, for products benefiting from preferential treatment on the basis of the rules applicable to countries in the area of pan-Euro-Mediterranean cumulation; Form A certificates, for products originating in the beneficiary countries to which unilateral preferential treatment applies under the GSP, issued by the customs authorities of the beneficiary countries; ATR certificates for products in free circulation under the EU/Turkey customs union.

As regards **customs declarations for exports** under bi-lateral and multi-lateral agreements, the origin protocols annexed to the agreements provide that certificates of origin are to be issued by the appropriate local offices upon request of the exporting party. Requests are to be made on the forms set out in the corresponding annexes to the origin protocols. The Agency stressed the importance of carrying out appropriate investigations, based on the knowledge of the economic operators and their customs representatives, as well as the specific characteristics of export flows. In this way, the time required for the application for the issue of certificates will be reduced to a minimum in cases where the requirements and knowledge related to the actual local realities are verified. The indications in note No 6305 of 30 May 2003 relative to EUR1 and ATR certificates were helpful in overcoming the inconvenience caused by the distance between the premises of the operators and that of the customs offices, factors hindering

goodwill and speed of transport and causing potential distortions of traffic and negative economic and employment repercussions. The Agency noted that, from the time Note 6305/2003 was issued through to the present time, there have been numerous changes in the regulations relating to procedures of origin, which assist in the speed of transactions, essential for the trading economy. The EU law makers have therefore tended towards a proof of origin system based on self-declarations made by the exporter. Since the EU-South Korea agreement, the Movement Certificate EUR 1 has been definitively replaced by the declaration of origin.

The Agency noted that both the current EU provisions (art. 75 et seq. UCC Implementing Act) and the preferential agreements provide that, as an alternative to movement certificates, the exporter can issue an invoice declaration or other commercial document, drawn up in accordance with the form attached to the specific agreement, to be used as proof of origin. Depending on the provisions of the agreement, the **declaration of origin** may be prepared by: the approved exporter; the exporter registered in the REX system (currently only provided under the EU-Canada and EU-Japan agreements); by any exporter, even if not approved/registered, for any consignment the total value of which does not exceed Euro 6,000.

The Union provisions (in particular arts. 67, 119 and 120 UCC Implementing Act) have amended and extended the assistance available to operators in the area of certifying origin, and have regulated the figure of the **approved exporter**. The status of approved exporter simplifies the export process and allows direct certification of origin by means of a self-declaration on the invoice or other commercial document identifying the exported products, as the declaration of origin has the same legal value as the movement certificates described above, with the additional advantage of being subject to control only at the time of the issuing of the authorisation. Approved exporter status may be applied for within the framework of preferential agreements which provide for such a figure. Each preferential agreement must set out the conditions and requirements for the granting of the authorisation. The granting of the status of approved exporter is subject to verification by the customs authorities that the conditions and requirements have been met. Where an operator already holds an approved exporter status under a specific agreement, the Office may, in response to a request under a further agreement, use the findings already made during the pre-authorisation verification. The Office will therefore be able to limit itself to acquiring only specific supplementary elements of which it is not already in possession.

In the past, the Customs Agency had excluded the possibility that customs agents, forwarding agents

and logistics service providers in general could apply for the status of approved exporter. However, given the current growing requirements for trade, as well as new and broader provisions in both EU rules and the origin protocols of the most recently concluded agreements, the Agency is now abandoning this choice. The Agency notes, in this regard, that the European Commission's document "*Guidelines for Authorised Exporters*", currently being finalised, does not expressly prohibit such commercial operators being issued with an authorisation. The opinion of the Commission relating to the possibility that an entity providing logistics services apply for and obtain the status of approved exporter, since there is no a priori exclusion of such entities, is also noted.

With regard to proofs of origin, the EU rules (art. 78 et seq. UCC Implementing Act) require, for the compilation of a statement on the origin of products being exported, that the exporters be registered in the REX system. Application for registration is to be made with the appropriate authorities and is included in a digital database made available and managed by the European Commission. The trader then assumes the status of "***registered exporter***". The registration number obtained must then be provided by the exporter when completing the declaration of origin. At the moment of registration, the competent customs offices are to carry out a purely formal control as to the correctness of the information provided in the application form. Thus the correctness and truthfulness of the statements on origin and the originating status of the products are checked at a later stage. Under the GSP, the REX system began on 1 January 2017 (art. 80 et seq. UCC Implementing Act), with gradual application for beneficiary countries during the transitional period until 30 June 2020. The certificates of origin issued by registered exporters will gradually replace the Form A certificates. The use of the proof of origin of exporters registered with REX is also provided (art. 68 UCC Implementing Act) within the framework of bilateral trade agreements between the EU and partner countries. To date the REX system is in use in the EU/Canada Agreement (CETA) and in the EU-Japan Agreement. These agreements do not provide for proof of origin of the Movement Certificate EUR 1.

The **local clearance procedure**, provided for by the 'old' Customs Code (Council Regulation (EEC) No 2913/92), allowed operators with certain requirements to place goods under customs procedure on the premises of the person concerned, using a simplified procedure. With the entry into force of the UCC, authorisations for local clearance procedure are no longer provided. Instead the UCC sets out three alternative methods by which each Member State could transform them depending on how they were used. These methods, indicated in Annex 90, point 6, of Commission Delegated Regulation (EU) 2015/2446,

are: authorisations for 'entry in the declarant's records'; authorisation for 'simplified declaration'; and designated or approved places.

In Italy, the formalities of use of the local clearance procedure meant that the method best suited was that of "*approved place*" pursuant to art. 139 UCC and and art. 115 Commission Delegated Regulation (EU) 2015/2446. Therefore, after discussions with the operators, the Customs Agency opted for the conversion of the authorisations for the local clearance procedure into authorisations to introduce goods at places other than customs. In this regard, the Agency clarifies that as this customs procedure is an ordinary method of introducing goods, it is not considered to be a simplification and is therefore not included amongst the simplified procedures of Title V of the UCC. The issuing of the relative authorisation is not subject to stringent subjective requirements which, to the contrary, are required for the issuing of authorisations for simplifications of the UCC and which were also applicable for the granting of authorisations for former local clearance procedures. The existence of the such requirements for the issuing of authorisations for former local clearance procedures, guaranteeing the reliability of the holder, was a prerequisite pre-endorsement of Movement Certificates EUR 1, EUR-MED, ATR. These subjective requirements are not provided for the issuing of authorisations to introduce goods in a place other than customs (approved place).

2.4

Note No. 93087/RU of 30/07/2019 - EU-Japan Economic Partnership Agreement. Conclusions of the Committee on Rules of Origin and Customs-Related Matters of the EU-Japan EPA

The Customs Agency reported on the outcome of the first meeting of the EU-Japan Joint Committee on Rules of Origin held in Brussels on 26 June 2019, which addressed issues relating to the practical application of the Agreement. The Parties also decided upon actions aimed at ensuring the broad and optimal use of the provisions of the Agreement by economic operators of both Parties, also given the criticalities that arose during the first period of application of the Agreement. In this respect, the Agency considers it appropriate to provide certain information and useful insights into the conclusions reached by the Joint Committee.

At the 26 June meeting, both Contracting Parties identified the need to implement the following actions.

Actions by Japan

Since 1 August 2019, a simplified provisional procedure has been applied, under which the statement on origin must be considered sufficient to obtain preferential treatment. Therefore, the Japanese customs authorities may not request any additional information from the importer beyond that provided for in the abovementioned certificate, nor need mention be made of the fact that no further information is provided. Consequently, EU exporters are not obliged to provide additional information to the declaration of origin and the absence of such explanations cannot lead to the non-recognition of preference. From 1 December 2019, however, the simplified procedure will enter into force, the technical specifications of which have not yet been defined but which must provide for the inclusion of a predetermined code in the customs import declaration, with a link to a document in which additional information on the statement of origin may be added.

Actions by the EU

The Commission services will continue their efforts to ensure the proper functioning and application of the Agreement by disseminating information and clarification on the following points:

- an origin declaration may cover several consignments, as provided in art. 3.17.5(b) of the Agreement;
- the statement on the exporter's origin must be regarded as sufficient; it is therefore not necessary to provide any certificate of origin in support of it;
- the statement on origin is valid even if it does not bear the exporter's signature or the company's stamp;
- the REX number (registered exporter) is only relevant for EU exporters while Japanese exporters will include the Japan Corporate Number in their origin declaration in accordance with Annex 3-D of the Agreement;
- the request for preferential tariff treatment may also be issued on the basis of 'importer's knowledge' in accordance with art. 3.18 of the Agreement.

Actions by the EU and Japan

The parties have agreed that the statement on origin may be printed out on a separate document provided that the invoice or any other commercial document refers to that document, which will therefore be considered an integral part of the invoice.

The Commission services has set up the following mailbox through which economic operators in the Member States can send queries concerning the application of the Agreement.

TAXUD-E5_EU_JAPAN_EPA@ec.europa.eu

2.5

Note No 99025 of 7 August 2019 - New transit procedure in Turkmenistan

The Customs Agency has reproduced the text translated into Italian of Note 06/195110 issued on 10/07/2019 prepared by the National Customs Service of Turkmenistan, the English version of which was received through the Ministry of Foreign Affairs and International Cooperation. The note illustrates the procedure to be followed for placing goods and vehicles transported across the Turkmenistan customs border into the customs transit procedure.

2.6

Note No 125796 of 12 September 2019 - Six-monthly interest rate for deferred payment of customs duties (from 13-07-2019 to 12-01-2020)

The Agency advises that that the Ministry of Economy and Finance decree of 30 August 2019, published in the Official Gazette no. 213 of 11 September 2019, has fixed and confirmed the interest rate for payment of customs duties deferred beyond thirty days at 0.213 percent per annum for the period from 13 July 2019 to 12 January 2020.
This interest rate is applied exclusively to payment concessions for domestic taxation and, in application of art. 86 Presidential Decree 43/1973 - increased by 4 percentage points - only for delayed payments under domestic taxation.

2.7

Note No. 126091/RU of 24 September 2019

In view of the climate of uncertainty regarding the United Kingdom's exit from the European Union without a withdrawal agreement (no-deal), the Agency reminded readers that, in its Note no. 29089 of 12 March 2019, it had already provided information as to a series of guidance documents dealing with BREXIT related customs and tax issues that the European Commission had published on its website. The

Agency also pointed out that the Guidance Note "*Withdrawal of the United Kingdom and Customs Related Matters in case of No Deal*" of 11 March 2019 is now also available in the Italian language version on the European Commission's website. It should also be noted that two documents (prepared by the European Commission, Directorate-General Taxation and Customs Union) are attached to the note in question, providing interesting practical examples for the correct application of EU transit and export provisions to EU/UK trade that may occur on dates "*straddling*" the United Kingdom's withdrawal date.

For further details, please refer to the following EU sites:

https://ec.europa.eu/taxation_customs/uk-withdrawal-it
https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notices_en#tradetaxude

2.8

Note No 139382 of 27 September 2019 - Binding Tariff Information (BTI) and Authorised Economic Operator (AEO): Launch of the new EU application and decision management system. In operation as from 1 October 2019

In this Note, the Customs Agency advises that the Commission services have developed new online applications to be used from 1 October 2019 for the submission of applications and for the management of decisions on Binding Tariff Information (BTI) and Authorised Economic Operator (AEO).

The applications available are:

- TP - EU Customs Trader Portal, an electronic single point-of-access to a number of EU customs systems to be used for applications for Binding Tariff Information (BTI) and applications for Authorised Economic Operator status (AEO);
- EOS - Economic Operator Systems, through which the Agency's central and local offices manage applications and decisions in their entirety.

The TP can be accessed at the following URL: https://customs.ec.europa.eu/gtp/

To be able to access the Portal, the economic operator must be in possession of a valid EORI code, access credentials to digital services available on the PUDM (Portale Unico Dogane e Monopoli – Customs and Monopolies Single Portal) and authorization to access EU services, which must be requested in advance through the MAU (*Modello Autorizzativo Unico* - Single Authorisation Form).

The Agency clarified that persons already in possession of an BTI or AEO decision must also register with the TP for any subsequent communication or amendment of their decisions. Instructions were also provided to customs staff as to how to access the EOS system, and to economic operators and the competent offices relative to the submission and management of applications/requests for BTI and AEO.

Excise duties and consumption

GUIDANCE

1.1

Circular no. 4 of 26 June 2019 - Legislative Decree 504/95, art. 35(3-*bis*). Breweries with an annual production not exceeding 10,000 hectolitres. Taxation regime. Decree of 4 June 2019

The Decree of the Ministry of Economy and Finance of 4 June 2019, concerning the simplification of microbreweries as per art. 35 Legislative Decree 504/95, was published in the Official Gazette on 14 June 2019. The new regulation allows "*microbreweries*", i.e. independent breweries with an annual production of no more than 10,000 hectolitres, to benefit from a 40% reduction in the rate of excise duty on their beer production.

The Circular lists the characteristics of the microbrewery: they must not receive conditioned or bulk beer exempted from excise duty from other brewers; and they must produce the beer through a complete process, beginning with the production of the wort.

The application of the reduced rate of excise duty is subject to the condition that the beer released for consumption directly from the plant is obtained from a production cycle, carried out entirely in the microbrewery, covering operations ranging from the production of the wort to the packaging of the product.

In this Circular, the Customs Agency states that the Decree of 4 June 2019 extensively redefines tax exempt warehouses for microbreweries to include all those places in which the manufacturing is carried out, including conditioning, which was previously excluded.

Finally, unlike the previous rules, the transfer of conditioned beer under the exemption is now permitted if it is destined for other Member States of the European Union or for export to third countries. If this new option is used, the operator must provide a "*one time*" notification to the local customs office responsible for the microbrewery. This makes it possible for operators to have an alternative method of circulating conditioned beer in the European Community, given the reported criticality in the movement of products subject to excise duty through the use of the DAS.

1.2

Note No. 30647/RU of 2 July 2019 - Integration of digital services for the management of renewal communications by persons authorized under art. 4 Ministerial Decree 12/04/2018 and for the management of corrections made to consent and communications documents - Traders - Operating instructions

Further to the instructions issued with No. 73179/RU of 2 July 2018, regarding the use of digital services provided to comply with the obligations introduced by the Decree of the Minister of Economy and Finance of 12 April 2018, the Customs and Monopolies Agency issued this Note No. 30647/RU on 2 July 2019. Pursuant to art. 4(4) of the Decree, traders authorized under art. 4 who intend to continue the activity of storage in auxiliary warehouses after the annual term has expired, must make a new communication at least thirty days before this deadline.

In Note 30647/RU, the Agency sets out the operating instructions for the use of the digital services provided to comply with this obligation and which has been available from 2 July 2019 on the PUDM (*Portale Unico Dogane e Monopoli* – Customs and Monopolies Single Portal). The new functions for use by the customs offices, which had already been available in a trial environment from 31 May 2019, have been operational as from 2 July 2019.

1.3

Note no. 84845 of 24 July 2019 - Microbreweries - Integration of Note no. 121555 of 4 November 2014 - Digitisation of excise duties: obligation to transmit the data of the accounts of authorised "*Microbrewery*" operators following the entry into force of Decree of the Minister of the Economy and Finance of 4 June 2019

With reference to the provisions of Note No. 121555 of 4 November 2014 - "*Digitization of Excise: obligation of digital transmission of accounting data of authorised warehouse-keepers operating 'Microbreweries*'", in its Note No. 84845 of 24 July 2019, the Customs Agency provided the following instructions for the Customs and Monopolies Offices and operators to cover the transitional period.

- operators who choose the licence of Microbrewery (art. 1(b) Ministerial Decree 04/06/2019) or Small National Brewery (art. 1(e) Ministerial Decree 04/06/2019) must continue to use the ALCOMB format just for record types A - Control data, E - Excise summary, and R - Corrections. Record type C shall no

longer be used. The message "*42 - Amount not consistent with daily data/credits and re-credits*", until the elimination of the relevant control, will not be taken into account.

- operators who do not intend to take advantage of the facilitation provided by Ministerial Decree of 04/06/2019, after updating their license data, are required to use the ALCODA format provided for authorised warehouse-keepers in the alcoholic products sector.

1.4

Directive no. 131411 of 20/09/2019 - Legislative Decree no. 504/95, art. 29(2). Sale of alcoholic products. Reintroduction of the tax reporting obligation. Application

With Note no. 131411/RU of 20 September 2019, the Customs Agency has provided clarification with respect to the reintroduction of the tax declaration for the sale of alcoholic products.

The requirement that all the operators coming under the scope of the application of art. 29(2) Legislative Decree 504/95 are to be regrouped, together with the need to ensure the continuity of the tax system, means that those operators who started their activities between 29 August 2017 and 29 June 2019 without being required to file a tax declaration, are now also subject to the reporting obligation. Such operators are to regularise their positions by presenting a declaration that they have begun the activity of selling goods subject to excise duty to the local customs office, by 31 December 2019. This also takes into account the conclusion of the administrative procedure established through the Dedicated Office (Sportello unico (SUAP)) for the initiation of retail sale or administration of alcohol businesses.

A specific form upon which to report such activation can be found on the Agency's website.

The same procedure is also to be followed by those operators who gave the required notification via the SUAP prior to 29 August 2017, but did not complete the tax procedure linked to the issuing of the license, due to the abolition of the obligation to report.
Operators active prior to the entry into force of art. 1(178) Law 124/2017 and in possession of the tax licence referred to in art. 63(2)(e) Legislative Decree 504/95 are not required to fulfil any further obligations, as the licence previously issued is valid. If, however, during the hiatus period any changes were made to the ownership of the business, the current operator is to promptly notify the appropriate customs office so that the operating license can be updated.

Any request for a duplicate of the tax licence in the event of the loss or destruction of the document shall be submitted to that same customs office. In relation to sales activities started after 30/06/2019, it is useful to remember that table A attached to Legislative Decree 222/2016 provides in Subsection 1.10, that the communication submitted to the Dedicated Office upon the commencement of the retail sale or administration of alcohol activities is also valid as the declaration to the Customs Agency pursuant to Legislative Decree 504/95. Reference is made to Subsection 1.10 with relation to various activities in Section I: 1. Private commerce and 3. Exercise of the administration of food and beverages.

This regulation has the effect of concentrating the initial phases of the different procedures involved (administrative and tax), so that the obligation to file a declaration of activation pursuant to art. 29(2) Legislative Decree 504/95 is met by the communication to the Dedicated Office. The SUAP is then required to transmit the information to the Customs Office.

Therefore, if an operator uses the form under the procedure set up by the municipal authority, there is no need to lodge a declaration with the Agency, provided that the communication has been sent to the competent local customs office. Finally, a direct consequence of the change in the regulation is that, given the reinstatement of the obligation, it is no longer necessary to list the cases excluded from the operating licence pursuant to Directive RU 113015/2017 of the Central Directorate for Legislation and Excise and Other Indirect Taxation Procedures. As an exception, the sale of alcoholic products during festivals, fairs, exhibitions and similar events of a temporary nature and of short duration, given the limited period of time during which these events are held, are still not subject to the obligation of tax reporting.

1.5

3rd quarter 2019 - Diesel fuel benefits for use by road transport - software availability - Note no. 137903 of 26 September 2019

In Note 137903, dated 26 September 2019, the Customs Agency provided updates in relation to requests for refunds of excise duty on diesel fuel used in road haulage, for the second quarter of 2019. Those entitled to this benefit are indicated in the new art. 24-*ter* Legislative Decree 504/1995 (TUA), and the Offices responsible for processing such requests were identified in Circular of 20 June 2000, no. 125/D. Pursuant to art. 24-*ter* TUA, this tax benefit is equivalent to Euro 214.18 per thousand litres of product, in relation to consumption between 1 July and 30 September 2019.

If the refund is requested by way of compensation, it may be used from the 61st day following the filing of the declaration by including it in the payment form F24 with a tax code 6740. The refund application may be filed on paper or electronically and be made as a substitute declaration of affidavit no later than 31 October 2019.

Claims arising from consumption in the second quarter of 2019 may be used in compensation by 31 December 2020, date on which the deadline for the submission of the refund applications of surpluses not used in compensation, to be submitted by 30 June 2021.

CASE LAW

2.1

Court of Cassation decision nos. 24259 to 24263 issued on 30 September 2019

In a set of five decisions (nos. 25259 to 24263 all issued on 30 September 2019), the Court of Cassation passed a ruling relative to the time available for requesting refunds of excise duties. On the one hand, the Court established that the two-year period for payment of excise duty refunds begins to run from the moment in which the precondition for the benefit has been fulfilled. On the other hand, it expressly stated that a refund due to exemption or facilitation is a completely different case from a refund due to undue payment of excise duties. Only in the latter case does the term of the application become more restrictive and begin to run from the date of payment.

In other words, the Court of Cassation has expressed the principle of law relative to excise duties, under which, pursuant to art. 21(2) Decree 546/1992, the two-year period for submitting an application for refund of the credit for the benefits begins from the moment in which the precondition for the benefit has been fulfilled. In the case examined by the Court of Cassation, this moment was upon the issuing of a certificate by the armed forces relating to the actual destination of the fuel sold for institutional purposes.

In conclusion, the Court of Cassation, by its judgements 24259/2019 et seq., distinguished the legal timeframes applicable for the refund of excise duties (i) in case of entitlement to the refund and (ii) in case of undue payment of the tax. In the first case, the time limit for a refund should not be calculated from the date of payment of the undue amount, but from the existence of all the conditions for access to the benefit. In the second case, the two-year period laid down in art. 14 TUA applies, i.e. the date of payment.

The rulings of the Court of Cassation are in line with those of the Court of Justice of the EU, which has confirmed on several occasions that "*national rules which exclude the right to a refund on the grounds that the time had already elapsed before the taxpayer had the opportunity to make the relevant application are contrary to the principle of effectiveness*".

Regulatory Authority for Energy, Networks and Environment (ARERA)

RESOLUTIONS

1.1

Technical controls of gas quality for the period 1 October 2019 - 30 September 2020

Resolution of 9 July 2019 - 296/2019/E/gas

With this Resolution, ARERA has decided to:

1. perform, in the period 1 October 2019 – 30 September 2020, 50 (fifty) technical inspections related to gas quality (concentration of odorant, effective higher calorific value and relative pressure) *vis-à-vis* distribution companies;
2. to publish its decision to carry out technical inspections of gas quality on the Authority's website, communicating it to the main trade associations of gas distributors, in order that it becomes known;
3. to employ the company Innovhub Stazioni Sperimentali per l'Industria to carry out these inspections, and in particular the company's Combustibles Department (as per art. 63(2)(b)(3) of the Code). As it is an economic operator, it is independent from the nationally regulated entities, and thus respects and guarantees the third party nature of these controls;
4. to avail itself of the collaboration of the Guardia di Finanza during the inspections, within the framework of the Memorandum of Understanding;
5. to communicate this Resolution to the Special Goods and Services Unit of the Guardia di Finanza;
6. to communicate this Resolution to the company Innovhub Stazioni Sperimentali per l'Industria, Combustibles Department;
7. to provide for financial coverage of the total expenditure, with subsequent payment commitment, for the services of the company Innovhub Stazioni Sperimentali per l'Industria, Combustibles Department, relating to the aforementioned technical inspections, with account code U.1.03.02.11.000 - Professional and specialist services of the budget of the Authority for the financial year 1 January - 31 December 2019;
8. to provide for financial coverage of the total expenditure, with subsequent payment commitment, for the services of the Guardia di Finanza relating to the aforementioned technical inspections, with account code U.1.03.02.11.000 - Professional and specialist services of the budget of the Authority for the financial year 1 January - 31 December 2019;

9. to provide for the subsequent actions, including the commitment of expenditure and the execution of the contract with the company Innovhub Stazioni Sperimentali per l'Industria, Combustibles Department.

1.2

Final approval of company revenues for 2019 storage services

Resolution of 9 July 2019 - 297/2019/R/gas

With this Resolution, ARERA approved the 2019 company revenues for storage service as per art. 15 RTSG (Regulation of tariffs for natural gas storage services) and specifically to approve:

1. storage services of Stogit S.p.a., Edison Stoccaggio S.p.a. and Ital Gas Storage S.p.a, as set out in Table 1 attached to the Resolution;
2. the adjustment of Euro 13,850,408 to the amount to be paid to Edison Stoccaggio S.p.a. which had been approved in previous years , determined on the basis of the re-proportioning coefficient of 71.6% presented by the Company;
3. for the purposes of a possible adjustment of the amount referred to in point 3 of Resolution 66/2016/R/GAS, a provision stating that, if authorised to overpressure the San Potito and Cotignola gas field by 31 December 2019, Edison Stoccaggio S.p.a. may submit a specific request for revision of the re-proportioning coefficient in order to best use the increase in space capacity of the site, if permanent.

1.3

Public procedures to identifying suppliers of last resort and default suppliers, as from 1 October 2019

Resolution of 9 July 2019 - 301/2019/R/gas

By way of Resolution no. 301/2019/R/gas, ARERA regulated the competition procedure to identify of suppliers of last resort (SoLR) and natural gas default suppliers (DS) as from 1 October 2019.

The Resolution implements the provisions of the Decree of the Minister of Economic Development of 28 May 2019, confirming the provisions of the similar Resolution 407/2018/R/gas on the identification of providers of service of last resort (SLR) for the thermal year 2018/2019.

Of note, the following matters are confirmed:

- the duration of the allocation: which is the same as the thermal year (1 October 2019 - 30 September 2020);

- the economic conditions: customers of the SoLR/DS are to be guaranteed a price related to the economic conditions of supply under the consumer protection legislation. At the same time (in line with that defined in Resolution 407/2018/R/gas) in the period from 1 July 2020 to 30 September 2020 (in which the consumer protection legislation will no longer apply pursuant to Law 124/2017) the economic conditions for the remuneration of the SLR will be continuous to those currently applied to the final customers as part of such protected services. The gradual increase of the price applied to the end customer within the SLR is also confirmed. This is to encourage such customers to search for a free market supplier.

For the supply service provided by the SoLR to domestic customers and residential condominiums, the rules continue to provide for the application of the same economic conditions as those of the gas consumer protection service for the first three months of supply, increased, from the fourth month by the price formulated by each SoLR with reference to the area of assignment of the service at the time of the tender.

This price structure is consistent with the provisions of the Ministerial Decree of 28 May 2019, to protect the end customer in the first months of supply. This protection involves the application to residential customers and condominiums of a price:

a) for the raw materials which is the same in all geographical areas and which is equal to that provided for under consumer protection service for an initial period;
b) which subsequently differs geographically according to that offered by the suppliers in the relevant areas.

For other types of customers who have access to the supply of last resort or to the default distribution service, the price of the energy portion instead is immediately determined as follows:

a) by a component to cover the costs of supply and delivery of natural gas to the final customer, set by the Authority in line with the conditions of the consumer protection service; and
b) by a component related to the economic value of the offer formulated by each SoLR/DS at the time of the tender and which increases in value over time.

- the nine geographical areas: 1st Valle d'Aosta, Piedmont and Liguria; 2nd Lombardy; 3rd Trentino-Alto Adige and Veneto; 4th Friuli-Venezia Giulia and Emilia-Romagna; 5th Tuscany, Umbria and Marche; 6th Abruzzo, Molise, Basilicata and Puglia; 7th Lazio; 8th Campania; 9th Sicily and Calabria.

- the pre-tender information: the pre-tender information to be made available to participants in selective procedures, in order to reduce information imbalance between potential new participants and the outgoing SoLR, thus facilitating the formulation of offers by operators. However, it is envisaged that information already available to Acquirente unico, including that obtained through the Integrated Information System, will not be requested again from the outgoing SoLR/DS, but extracted directly from the databases of *Acquirente unico.*

- the mechanism for the reintegration of non-recoverable charges: the mechanisms for the reintegration of non-recoverable charges, connected with the arrears of end customers who cannot be disconnected.

More details on the decisions made by the Authority can be consulted by reading the full text of the Resolution published on the ARERA website.

1.4

Advance payment of bonuses for safety recovery of the natural gas distribution service for the year 2016

Resolution of 16 July 2019 - 305/2019/R/gas

This Resolution provides for an advance of the total net amount of the bonuses due for 2016 (algebraic balance of the bonuses and penalties for the natural gas distribution service) equal to 80%.

ARERA has decided to:

- provide for an advance of the total net amount of the bonuses due for 2016 (algebraic balance of the bonuses and penalties) equal to 80%;
- make such payment to all distribution companies or their successors in title who provide through the online system, by 4 October 2019, a positive response as to the anticipated bonuses and penalties for 2016, unless expressly waived by way of communication by Certified email to CSEA (*Cassa per i servizi energetico e ambientale* - Energy and environmental services fund) by 15 October 2019;

- instruct CSEA to pay the advance referred to in the first point to all the companies referred to in the second point, by 30 October 2019, from the account for the quality of gas services.

1.5

Allocation of transport capacity at the entry point of Mazara del Vallo

Resolution of 16 July 2019 - 308/2019/R/gas

With this Resolution, ARERA instructs the largest transportation company (Snam Rete Gas) to introduce - only for 2019 - a second annual capacity booking session in September at the entry point of Mazara del Vallo. ARERA has established that such procedure be carried out, as required by current legislation, by way of transparent and non-discriminatory online auctions, organized through the platform described in the network code of the largest transport company and allowing the widest participation of users, and that no additional costs be charged to the system for such procedure.

1.6

Winding-up of the fact-finding investigation, launched with Authority Resolution 642/2018/E/gas, on the natural gas distribution networks of the company CO.M.E.S.T. S.r.l.

Resolution of 16 July 2019 - 314/2019/R/gas

ARERA approves the closing report ("*Final report on the in-depth analyses carried out pursuant to Resolution of 11 December 2018, 642/2018/E/gas on the natural gas distribution networks of the company CO.M.E.S.T. S.r.l.*", Attached A to the Resolution) of the fact-finding investigation concerning the verification of the correctness of the data and information communicated to the Authority - for tariff purposes - by CO.M.E.S.T. S.r.l., with regard to the latter's natural gas distribution networks.

In addition, ARERA has resolved that CO.M.E.S.T. S.r.l. is to provide a report to the Authority on a half-yearly basis, starting from the date of publication of this Resolution, on the technical and economic progress of the network upgrading works referred to in the closing report. This is without prejudice either to the company's obligations towards the grantor, or to the grantor's responsibility in assessing compliance by the company of its obligations under the Agreement. The grantor must also send this Resolution to the Special Goods and Services Unit of the Guardia di Finanza pursuant to the current Memorandum of Understanding, CSEA, the National Agency for the Administration and Destination of Assets Seized and Confiscated from Organised Crime, the municipalities concerned, and the Court of Palermo.

1.7

Update, for the month of August 2019, of the economic conditions for the supply of gas other than natural gas, as a result of the variation of the raw material supply costs
Resolution of 23 July 2019 - 319/2019/R/gas

This Resolution provides an update for the month of August 2019, as part of the strategic objective relating to the "*Efficient functioning of retail markets and new forms of protection for small customers in a liberalised environment*", of the economic conditions for the supply of gases other than natural gas, as a result of the variation in the costs of raw materials.
The Authority has fixed, for the month of August 2019, the value of the QEPROPMC element, referred to in art. 23 TIVG to 6.107405 euro/GJ, which corresponds to 0.611168 euro/m3 for LPG supplies with a reference calorific value of 0.100070 GJ/m3 (0.050240 GJ/kg).

1.8

Evaluation of the 10-year plans for the development of the natural gas transmission networks for 2017 and 2018 and revision of the deadline for submission of the plans for 2019
Resolution of 30 July 2019 - 335/2019/R/gas

As part of the strategic objective of "*Regulation by expenditure and service objectives*", with this Resolution ARERA assessed the ten-year plans for the development of natural gas transmission networks for the years 2017 and 2018, pursuant to art. 16 Legislative Decree 93/2011.

The Authority decided to:

- assess, pursuant to art. 16(6-*bis*) Legislative Decree 93/11, the 10-year plans for the development of gas transmission networks for the years 2017 and 2018;
- express a negative evaluation on the development projects in the Plans presented by Energie Rete Gas S.p.a.;
- continue the examination of the projects while evaluating the 2019 and 2020 Plans prepared in accordance with the minimum requirements set out in Resolution 468/2018/R/GAS in relation to:

a) the project "*Expansion for new imports from the south", "Derivation for Rezzato 2nd section", "Cazzano S. Andrea - Clusone natural gas pipeline*", "*Pot. Der. Pinerolo - Villarperosa*", "*Natural gas pipeline Vernole - S. Donato di Lecce*" and "*Pot. Derivation for Udine Est*" included in the Snam Rete Gas S.p.a. Plan;

b) "*Larino - Biccari*" project included in the Plan of Società Gasdotti Italia S.p.a.;
"*Piombino - Island of Elba*" project included in the Plan of Gas Transport Infrastructure S.p.a.; and
c) "*Dorsal network AP Alta Valle Giudicarie (Tn) Tione - Trento Riva del Garda*" and "*Dorsal network AP*
d) *Alta Valle Giudicarie (Tn) Tione -Cles*" projects included in the Retragas S.r.l. Plan;

- request Snam Rete Gas S.p.a. to clarify, in the context of the 2019 and 2020 Plans, whether the "*Galsi*" project should be definitively excluded from the investments envisaged in the Plan, or whether it should be included, together with the development of the necessary interconnections and works necessary to its operation, so that it can be evaluated;
- postpone the assessment of the "*Methanisation of Sardinia*" project, proposed in the Plans of Snam Rete Gas S.p.a. and Società Gasdotti Italia S.p.a., given the strategic importance and size of the investment, until after the preparation and publication by the proposers of a cost-benefit analysis consistent with the minimum requirements set out in Resolution 468/2018/R/GAS and to include the application criteria and drawn up according to coordinated scenarios between the electricity and gas sectors, which take due account of the prospects for the overall energy development of the island;
- request Snam Rete Gas S.p.a. and Società Gasdotti Italia S.p.a., and the newly formed company that owns the "*Methanisation of Sardinia*" project to submit, together with the cost-benefit analysis referred to above, a specific publishable document that, with reference to this project, describes in detail the reference energy scenarios, the assumptions considered for the calculation of benefits and costs and the related results;
- launch an independent study aimed at a wider evaluation, using a cost-benefit logic, of the options available in relation to the infrastructural adaptation of the energy system of the region of Sardinia, taking into account the different infrastructure projects (whether initiated or still in the planning stage) of the island and their possible interdependencies;
- instruct the Director of the Energy Infrastructure and Unbundling Directorate to begin, with the support of the General Affairs and Resources Directorate, a collaboration with the company RSE - Ricerca sul Sistema Energetico S.p.a. within the scope of the provisions of art. 27(1) Law 99/2009;
- change the deadline for the submission of the Ten-year Plans for the development of the gas transmission networks for 2019, referred to in art. 8(5) Resolution 468/2018/R/GAS, to 31 December 2019;
- forward this Resolution to the Minister of Economic Development, as well as to the transmission system operators: Consorzio della Media Valtellina per il Trasporto del Gas, Energie Rete Gas S.p.a., GP Infrastrutture Trasporto S.r.l.; Infrastrutture Trasporto Gas S.p.a., Metanodotto Alpino S.r.l., Netenergy Service S.r.l.; Retragas S.r.l., Società Gasdotti Italia S.p.a., and Snam Rete Gas S.p.a.

1.9

Update, for the month of September 2019, of the economic conditions for the supply of gas other than natural gas, as a result of the variation of the raw material supply costs

Resolution of 27 August 2019 - 362/2019/R/gas

This Resolution provides an update for the month of September 2019, of the economic conditions for the supply of gases other than natural gas, as a result of the variation in the costs of raw materials.
The Authority has fixed, for the month of September 2019, the value of the QEPROPMC element, referred to in art. 23 TIVG to 5.553357 euro/GJ, which corresponds to 0.555724 euro/m3 for LPG supplies with a reference calorific value of 0.100070 GJ/m3 (0.050240 GJ/kg).

1.10

Updates to the economic conditions for the supply of natural gas for consumer protection - changes to the TIVG as from 1 January 2020

Resolution of 3 September 2019 - 366/2019/R/gas

This Resolution updates, as from 1 January 2020 the economic conditions for the supply of natural gas under the consumer protection legislation.
ARERA decided, *inter alia,* to:

1. repeal art. 6(2)(c) TIVG;
2. replace Table 8 of the TIVG with the following "*Table 8 - QTMCV Element*"

Periods	**euro/GJ**
From 1 October 2013 to 31 December 2013	0.040784
From 1 January 2014 to 30 June2014	0.065447
From 1 July 2014 to 30 September 2014	0.076584
From 1 October 2014 to 31 December 2014	0.285566
From 1 January 2015 to 31 March 2015	0.301506
From 1 April 2015 to 30 September 2015	0.097326
From 1 October 2015 to 31 March 2016	0.045906
From 1 April 2016 to 31 December 2017	0.051969
From 1 January 2018 to 31 December 2019	0.044042

3. replace Table 12 of the TIVG with the following "*Table 12 –QTPSV Element*":

From 1 October 2013 al 31 December 2013	**From 1 January 2014 to 31 December 2014**	**From 1 January 2015 to 31 December 2015**	**From 1 January 2016 to 31 December 2016**
euro/GJ	**euro/GJ**	**euro/GJ**	**euro/GJ**
0.127751	0.142812	0.150291	0.150274
euro/GJ	**euro/GJ**	**euro/GJ**	**euro/GJ**
From 1 January 2017 to 31 December 2017	**From 1 January 2018 to 31 December 2018**	**From 1 January 2019 to 31 December 2019**	**From 1 January 2020**
euro/GJ	**euro/GJ**	**euro/GJ**	**euro/GJ**
0.153201	0.141525	0.147144	0.112516

Further details of the other amendments to TIVG made by this Resolution are published on the website of the Authority.

1.11

Challenge to the extraordinary appeal against Resolutions of 9 April 2019, 98/2019/R/gas and 128/2019/R/gas, brought by Italgas Reti S.p.A. before the President of the Republic
Resolution of 10 September 2019 - 369/2019/R/gas

On 18 July 2019 the Authority was served with notification that Italgas Reti S.p.A. had brought an extraordinary appeal before the President of the Republic (Authority Reg. No. 0019195 of 18 July 2019) for the annulment of Resolutions 98/2019/R/gas and 128/2019/R/gas. As per art. 10 Presidential Decree 1199/1971, the Authority considers it appropriate that the appeal be transferred and decided in court. ARERA has therefore resolved to file a challenge to the extraordinary appeal and to instruct the Director of the Legal Department and Acts of the Board to take the required actions.

1.12

Updates to the economic conditions for the supply of natural gas under consumer protection legislation relative to the fourth quarter 2019. Changes to the TIVG
Resolution of 24 September 2019 - 384/2019/R/gas

This Resolution provides updates, for the quarter from 1 October 2019 to 31 December 2019, of the economic conditions for the supply of natural gas under consumer protection legislation and makes amendments to the TIVG.
ARERA decided:

- for the fourth quarter 2019 the values of the PFOR,t and the CMEM,t, component referred to in Article 6 of TIVG are those set out in Table 1 attached to the Resolution;
- for the fourth quarter 2019 the value of the QTVt, element referred to in Article 8 of TIVG is equal to 0.010116 euro/GJ; and that
- as from 1 October 2019, Table no. 5 of TIVG is to be substituted by the following:

Table no. 5 – Elemento QTFi

Fee area	**euro/GJ**
North-west	1.294924
North-east	1.132135
Central	1.287791
Central-south east	1.228735
Central-south west	1.169931
South	1.087846

- for the purposes of quantifying the estimate of the annual expenditure of the consumer protection service and of the offers tied to the consumer protection conditions set out in the comparison sheets referred to in the Code of Business Conduct and in the Offers Portal, the criteria set out in Resolution 51/2018/R/com are to be applied until the date of removal of the consumer protection services.

1.13

Update, for the month of October 2019, of the economic conditions for the supply of gas other than natural gas, as a result of the variation of the raw material supply costs

Resolution of 24 September 2019 - 385/2019/R/gas

This Resolution provides an update for the month of October 2019, of the economic conditions for the supply of gases other than natural gas, as a result of the variation in the costs of raw materials.

The Authority has fixed, for the month of October 2019, the value of the QEPROPMC element, referred to in art. 23 TIVG to 5.501818 euro/GJ, which corresponds to 0.550567 euro/m3 for LPG supplies with a reference calorific value of 0.100070 GJ/m3 (0.050240 GJ/kg).

1.14

Monitoring of the wholesale market for natural gas - approval of the agreement between Gestore dei mercati energetici S.p.a. and Snam Rete Gas S.p.a.

Resolution of 26 September 2019 - 392/2019/R/gas

As part of the Strategic Objective OS16 concerning the development of increasingly efficient and integrated European electricity and gas markets, with this Resolution ARERA approved a proposal to update the Agreement between Gestore dei mercati energetici S.p.a and Snam Rete Gas. That Agreement regulates procedures for access to the fundamental information database, organised and managed by Snam Rete Gas, as well as the procedures for consulting and extracting the data and reports contained therein by GME.

In line with the provisions of Resolution 631/2018/R/gas and the TIMMIG (*Testo integrato del monitoraggio del mercato all'ingrosso del gas naturale* - Consolidated text governing the monitoring of the wholesale natural gas market), ARERA has decided to approve, pursuant to art. 8(4) TIMMIG, the draft Agreement between Snam Rete Gas and GME sent on 9 August 2019.

1.15

Provisions relating to the regulation of the default transmission service, as from 1 October 2019, with regard to regional transmission networks

Resolution of 26 September 2019 - 395/2019/R/gas

As part of the Strategic Objective OS17 concerning the efficient functioning of retail markets and new forms of protection for small customers in the liberalized market, with this Resolution ARERA set out

provisions regulating the default transport service on regional transport networks from 1 October 2019, following the failure to carry out the procedures to identify Transitional Providers.

The Authority decided with reference to the balancing service related to gas withdrawals on regional transmission networks for the thermal year 2019-2020, that:

a) Snam Rete Gas is to publish on its website its willingness to act as balancing manager, for the thermal year 2019-2020, in relation to gas withdrawals on regional transmission networks, if the users of the balancing service responsible for these withdrawals on the basis of the conditions set out in paragraph c. below, have not been identified;
b) each regional transmission company may express to Snam Rete Gas, within the timeframe defined by the latter, but no less than 2 (two) working days from the publication referred to in paragraph a. above, its willingness to utilise, with reference to the redelivery points connected to its transmission network, Snam Rete Gas's willingness to perform the balancing service in relation to gas withdrawals on the regional transmission networks;
c) the rules governing Transitional Providers, referred to in Section 5 of Resolution 249/2012/R/gas apply to the service provided by Snam Rete Gas pursuant to paragraph a. above, with the exception of:
    i. the economic conditions applicable to customers;
    ii. the mechanism to cover the risk of non-payment, in relation to which the default transport service rules set out in Sections 2, 3 and 4 of Framework 249/2012/R/gas apply.

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CUSTOMS NEWSLETTER | JULY - SEPTEMBER 2019

LEGISLATION, MINISTERIAL GUIDANCE AND CASE LAW AT 30 SEPTEMBER 2019.
THIS NEWSLETTER IS INTENDED AS A SUMMARY OF KEY TAX DEVELOPMENTS AND HIGHLIGHTS MATTERS OF GENERAL INTEREST, AND THEREFORE SHOULD NOT BE USED AS A BASIS FOR DECISION-MAKING.
FOR FURTHER DETAILS AND INFORMATION, PLEASE CONTACT YOUR RELATED PARTNER OR SEND AN EMAIL TO UFFICIOSTUDI@STUDIOPIROLA.COM