

Council of Ministers Preliminarily Approves Decree Implementing Tax Reform on International Taxation, Including Pillar Two Legislation

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The Italian Council of Ministers preliminarily approved a legislative decree implementing the tax reform in international taxation (see [Italy Gazettes Guidelines for Tax Reform \(15 August 2023\)](#)).

The key measures of the reform are as follows:

- amendments to the definition of residence for both individuals and legal entities;
- introducing a new favourable 5-year tax regime for qualifying inward expatriates;
- creating a new tax incentive for transferring business activities in Italy from a non-EU/EEA jurisdiction (so-called "reshoring"); and
- transposing the [Minimum Taxation Directive \(2022/2523\)](#) into national law (see also [Italy Launches Consultation on Legislative Decree Implementing Global Minimum Taxation Directive \(12 September 2023\)](#)).

The text of the decree is not yet available. The press release announcing the preliminary approval can be found (in Italian only) [here](#). Further details will be reported in due course.