

Italy and Switzerland Agree on Permanent Tax Treatment for Teleworking

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Report from IBFD Tax Treaties Unit

On 10 November 2023, Italy and Switzerland signed a declaration of intent regulating the taxation of cross-border workers, in Rome and Bern respectively.

From 1 January 2024, all frontier workers, as defined in the [Italy - Switzerland Tax Agreement \(Frontier Workers\) \(2020\)](#), will be allowed to work for up to 25% of their working hours from home, without consequence for the status of cross-border commuters or the country eligible to collect tax on income from work resulting therefrom. To achieve this, the two countries have agreed to conclude a protocol amending the 2020 agreement, as indicated in the declaration. Both sides intend to provisionally agree on the draft text of the protocol by 30 November 2023, and to sign it by the end of May 2024.

In addition, both sides confirmed the will expressed in the [declaration](#), signed on 20 April 2023, to conclude an interim amicable agreement applicable from 1 February 2023 until 30 June 2023 to income from teleworking of cross-border workers (see [Italy and Switzerland Reach Preliminary Agreement on Draft MoU on Income from Teleworking \(21 April 2023\)](#)). The interim amicable agreement will be, however, extended to ensure the necessary continuity of the interim solution for the period between 1 July 2023 and 31 December 2023. This agreement will be signed by the competent authorities of Italy and Switzerland by the end of November 2023.

The declaration of intent is available [here](#) (in Italian only).