

Photo by [Dan Novac](#) on Unsplash

10.05.2025



Tips for foreigners settling down in Italy

Studio BianchiSchierholz&P

Structure

1. Non dom
2. Impatriati regulation
3. Situation for pensioners
4. Inheritance
5. Legal Framework for acquisition of property in Italy
6. Acquisition of real estate
 - 5.1 Course of the property purchase in Italy
 - 5.2 Preliminary contract
 - 5.3 Conclusion of the purchase agreement
 - 5.4 Taxes
 - 5.5 Support
7. agricultural companies



Photo by [Michele Bifetto](#) on Unsplash

1. non dom

- Art. 24- bis of Presidential Decree No. 917 of 22 December 1986 (TUIR)
- Condition: not having been fiscal subject for 10 years
- Duration: 15 years
- Flat-rate tax of 100,000 or 200,000 euros for foreign income (for resident in Italy from 10.8.2024 on)
- Flat-rate tax of 25,000 euros for foreign income of family members
- Note: the option for “non dom” tax regime must be made in the year the person transfers his/her domicile in Italy or in the next year. The option is tacitly renewed every year unless a different declaration by the person or decadence.

2. impatriati regulation

(art 5 Dlgs. 209/2023)

- For people who move to Italy from abroad (from 3 to 7 years not domiciled in Italy) and carry out their work mainly in Italy
- You must be resident in Italy (entry in the population register) and spend at least 183 days/year in Italy
- In addition, it is necessary to remain resident in Italy for at least 4 years
- Taxed income is reduced by 50% (60% with children)
- Benefit only applies to income generated predominantly in Italy (not e.g. flats rented in Germany) and must come from work (e.g. RE rentals in Italy are excluded too)
- The income can come from the following sources:
 - Independent work (only Arts and Intellectual Professions)
 - Wage income/employment (highly qualified workers)
 - Not: for individual enterprises and companies



2. impatriati regulation



- Income limit of 600.000 €
- Duration: 5 years
- Extension only for those who bought a household in 2023 or took up residence at the registry office in 2023
- It is possible to enjoy this regime also in the event that the worker moves to Italy to work in the territory of the State in favour of the same entity (resident or non-resident in Italy) for which he was employed abroad before the aforesaid transfer, or in favour of an entity 'belonging to the same group'.
- In the hypothesis in which the worker performs in Italy the work activity in favor of the same subject (employer/group) for which he worked abroad, Italian Law provides for the lengthening of the minimum period of previous residence abroad, which, from three, increases to six or seven years, depending on whether or not it is the same subject (employer/group) for whom the work was performed in Italy before the transfer abroad.

2. Impatriati regulation

High qualification condition



- 1) Bachelor's degree (at least 3 years) or master's degree
- 2) Regulated Professions (Lawyers, Architects, Ingeniers Doctors etc..)
- 3) a post-secondary professional qualification of at least three years duration or corresponding to at least level 6 of EQF;
- 4) A higher professional qualification attested by at least five years of professional experience of a level comparable to tertiary level higher education qualifications, relevant to the profession or sector specified in the work contract or binding offer.
- 5) A higher professional qualification attested by at least three years of relevant professional experience acquired during the seven years preceding the application for the EU Blue Card, in the case of managers specialising in information and communication technology '.

Note: in these cases people are entitled to a residence permit if not EU citizens

3. situation for pensioners

- Pensioners who come to Italy from Germany to spend their retirement here
- Special regulation in: Sicily, Calabria, Sardinia, Campania, Basilicata, Abruzzo, Molise, Puglia and in other legally defined municipalities
- BUT: the place of residence must not have more than 20,000 inhabitants
- Duration: 10 years
- Payment of a tax of 7 % per year on all income from foreign sources (not just the pension)

Photo by [Gabriella Clare Marino](#) on Unsplash



4. inheritance

- Art. 21 I EU Succession Regulation: the law of succession of the country where the deceased had his habitual residence applies → However, choice of law is possible in the will (Art. 22 I; II EU Succession Regulation)
- →in Italy applies: Spouse and 1 child: 50 <-> 50
- Spouse and 2 or more children 1/3 to them and the remaining 2/3 to the children
- **For children, parents and spouses, inheritances of up to 1 million euros are tax-free** (in Germany: 400,000 euros for children, 100,000 euros for parents and 500,000 euros for spouses). Above that amount, inheritance tax rate is 4% for the above mentioned subjects;
- **For brothers and sister inheritances of up to 100.000 are tax free.** Above that amount , inheritance tax rate is 6%;
- For other relatives within the 4th degree, inheritance tax rate is 6%
- For all other people inheritance, inheritance tax is rate is 8%.



4. inheritance

- Two major cases about inheritance tax law:
 - 1) deceased resident in Italy → inheritance tax must be paid to the Italian tax authorities on all of the deceased's assets, regardless of whether they are in Italy or not;
 - 2) deceased not resident in Italy → inheritance tax must be paid to the Italian tax authorities only on assets existing in Italy (e.g. houses, current accounts with Italian banks, etc.).
- Issue: **possible double taxation** → application of these criteria can lead to double taxation issues;
- for instance whenever the deceased was resident in Germany and an asset is located in Italy; also note that for German Law (but not for Italian Law) the domicile of the heir is relevant for inheritance taxation;
- No agreement between Italy and Germany (and many other countries) with regard to double impositions concerning inheritance tax,
- Tax credit mechanism





Legal framework for
buying a property in
Italy: expert tips.

Fabrizio Bianchi Schierholz

The current situation in Italy



3.5 million vacant holiday homes

An increase of 16% of the market was recorded, 23.5% in the mountain villages, of which 80% were foreigners

Possible reasons to invest in the Italian property market

- To differentiate investments
- Security and political stability in Italy
- good price range
- Double taxation agreements apply (if any)
- Many advantages if you establish your main residence and centre of life in Italy (as also seen before)

Legal framework for the purchase of a property in Italy



- Nevertheless, there are always special features to consider when buying a property in Italy
- The entire procedure must be carried out extremely carefully, as civil proceedings in Italy take a long time (on average four years only for the first instance.....)



Photo by [Melina Kiefer](#) on [Unsplash](#)

6. acquisition of real estate

- EU citizens have no restrictions on the purchase of property in Italy;
- non – UE citizens have the right to purchase RE, under the condition of reciprocity (i.e. in the same way Italian citizens have this right in that country: sometimes more complex as for Switzerland)



PHOTO BY [BIANCA ACKERMANN](#) ON [UNSPLASH](#)

6.1 Course of a property purchase in Italy

- Assignment of a law firm
- Preliminary contract
- Notarised purchase agreement
- Entry in the property register

6.2 Assignment of a Law Firm

- It is very important to appoint a Law Firm from the very start of negotiations, from which significant obligations may already arise for the purchaser
- Deposit approx. 20% of the purchase price with the notary (do not pay directly to the seller)
- Do not pay the Broker before the final purchase contract (brokers normally offer buyers pre-printed forms that provide for the payment of the commission even upon acceptance of the proposal)



6.3 Preliminary contract

- = mutual obligation to finalise the purchase agreement
- Already includes all legally binding elements → Sanctions if a party does not comply with a contractual obligation
- Upon conclusion of the preliminary contract, a down payment of approx. 10-30% of the purchase price is due → a down payment to the notary's escrow account makes sense
- Notarized preliminary contract comparable to a priority notice in the land register (in the German legal framework), which prevents third parties from acquiring in good faith → Therefore, the preliminary agreement should be notarised and entered in the property registers
- Preliminary contract allows the purchaser to make a proper real estate due diligence in the necessary time while having «blocked» the property / affair.
- It is also possible to sign a “pre- preliminary” contract - not executable in specific form → but binding for both parties



Preliminary contract

...concluded subject to a reservation / due diligence concerning (among other things):

- That all building authorisations are available
- That the building is compliant with its graphic representation in the cadastral registry
- That there is no bank liability (e.g. mortgage) or that it will be cancelled with the final purchase contract
- That all structures are in order and in compliance with the law.....
- In case of agricultural soil pay attention to the «agricultural pre-emption»!
- These conditions should be inserted also in the purchase proposal



The importance of due diligence on the building

- Due diligence on completion of the building permits and authorisations
- Otherwise the purchase contract could be void
- Or the building could be totally or partially demolished
-or juridically uninhabitable

Broker's commission

- Brokers usually receive their commission upon conclusion of the preliminary contract
- However, it is advisable not to pay the broker until the final contract is signed

Due to the fact that, among other things, the preliminary contract could be later affected by

- structural problems,
- Irregularities,
- Mortgages,
- which may render the final contract unfavourable or even void



Broker's commission

- It is better to sign a dedicated contract with the estate agent because:
- In Italy, the regulations for brokers are stricter on the one hand, but also more liquid on the other:
- The due date of the commission does not require a written agreement with the estate agent; it is sufficient to be able to prove that it was involved in the transaction
- Broker has the right to commission from both sides
- The amount of the commission is determined by local law on average at 2% to 4% per party

Broker's commission

- Arrangements can be negotiated between the parties and the broker (both concerning the amount of the commission and the date on which it is due)
- The best timing for paying Broker's commission is at the final purchase contract



6.4 Conclusion of the purchase agreement

- Written form sufficient
- Entry in the property register requires notarisation → Protection against bona fide third-party acquisition
- Notary checks the register for any mortgages or other rights in rem
- You become the owner when you sign the purchase contract (in Germany: upon entry in the land register)
- Please note: in the event of inheritance, the heirs of a property are not automatically entered in the register. This requires an application, which is often avoided due to the costs involved. A preliminary contract is therefore advisable, before the final purchase agreement, in order to have sufficient time to check these conditions and compliance with building regulations

6.5 Taxes



- When buying a property in Italy, the following taxes apply
- Amount of tax varies from case to case
 - Register tax:
 - In the case of a second home, 9% of the cadastral value of the property (usually less than the market value) if not enterprise or company
 - For main residence (so called first house) in Italy 2% (minimum 1000 Euro)
 - If agricultural land is sold: 15% tax, but only 1% if it is sold to an agricultural person
 - Mortgage tax
 - 50 euros for purchases from private individuals
 - 200 Euro for the purchase of companies
 - Cadastral tax
 - 50 euros for purchases from private individuals
 - 200 Euro for the purchase of companies
 - Inheritance tax
 - Depending on the degree of relationship and the value of the property: 0-8%
 - Mortgage tax for inheritance : 2 % of the cadastral value of the property
 - Cadastral tax for inheritance : 1 % of the cadastral value of the property



PHOTO BY [AMINA ATAR ON UNSPLASH](#)

6.6 Support

- The lawyer acts as a constant guide, organises and assists the client in the search for the property until full ownership is acquired
- Due to the cross-border purchase, it is advisable to consult a lawyer

Why does it make sense to consult both
a notary and a lawyer?

It is difficult to find foreign language-speaking notaries in Italy

Numerus Clausus for notaries:

There are only a few

the main task of notaries is certification:

for instance that A and B have decided something specific
on a certain date-

Why does it make sense to consult both
a notary and a lawyer?

there is little time left for counselling

It therefore makes sense to consult a lawyer whose main task
is to advise you and organize the entire procedure correctly,
step by step (like an orchestra conductor)

Only the lawyer can assist you in protecting your rights
from the very first negotiations

Why is it not enough to hire an estate agent?

The lawyer is paid to accompany the client on the path of property acquisition

- If the path you have chosen is too risky or not the right one, the lawyer will be there to advise you

The estate agent only earns his money if the transaction is concluded, preferably during the preliminary contract.

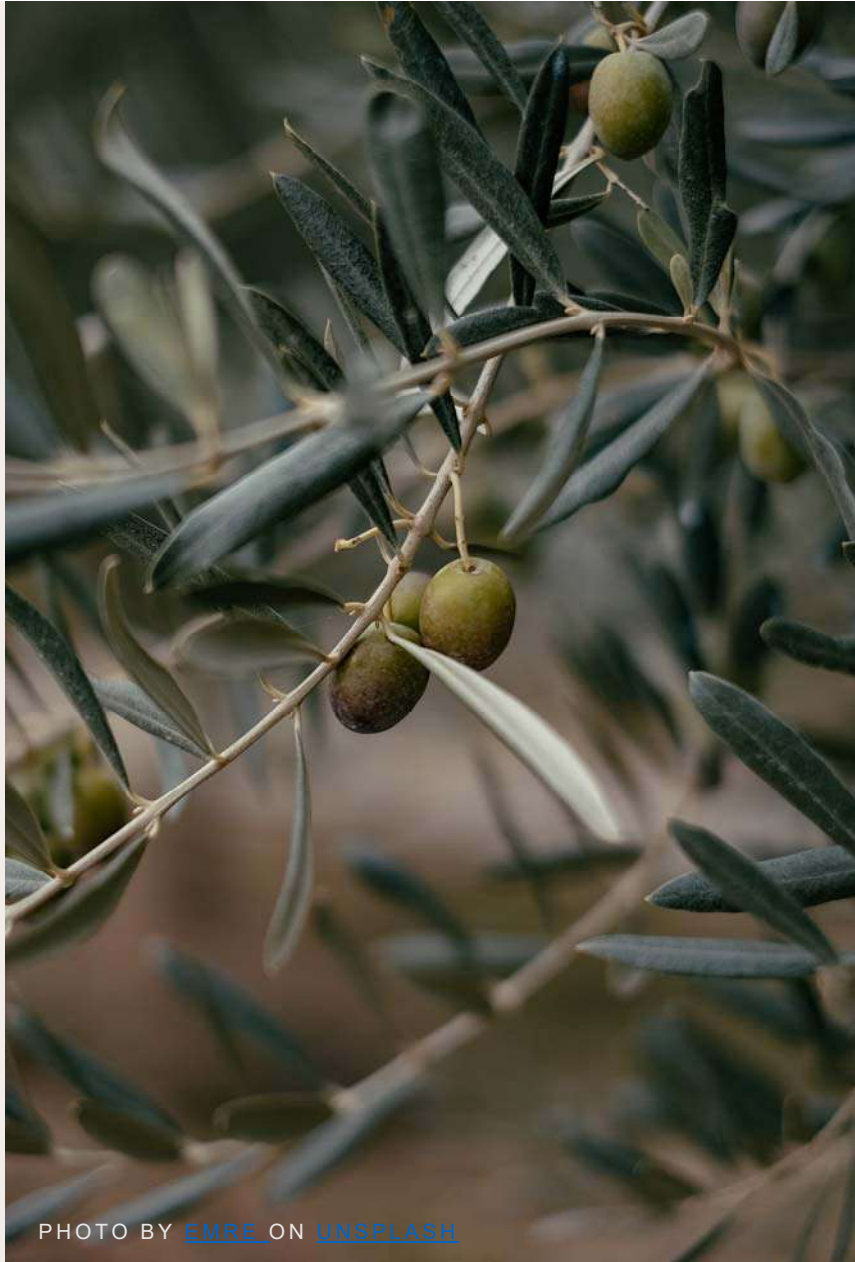


PHOTO BY [EMRE_ON](#) [UNSPLASH](#)

7. Agricultural enterprises and companies

- Imprenditore agricolo professionale (IAP)
- You have to pass an exam on agricultural knowledge (some knowledge of Italian required)
- Must devote at least 50% of the total working time to agricultural activities
- Must derive at least 50% of income from agricultural activity
- For farmers in less-favoured areas, 25 % (mountain regions; unsuitable areas with low populations)



5.8.20XX

Thank you for your attention!