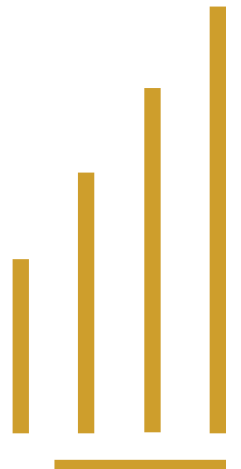


STUDIO DE GIORGI e ASSOCIATI

Dottori Commercialisti – Revisori Legali
via Motta 10, Milano, Italy

INVOICING OF OPERATIONS





ARTICLE 21 DPR 633/72



Paragraph 1

For each taxable transaction, the supplier of goods or services issues an invoice, as a note, bill, receipt and the like, or, without prejudice to its responsibilities, ensures that it is issued, on its behalf, by the transferee or by the purchaser or by a third party.

“Electronic invoice” means that the invoice is issued and received in any electronic format; the use of electronic invoice is subject to acceptance by the recipient.

Paragraph 1

The issue of an invoice whether in paper or electronic by the customer or third party resident in a country with which there is no legal instrument relating to mutual assistance is allowed provided that it is notified in advance to the tax authorities and as long as the national taxpayer has begun the activity at least five years and no tax charges or dispute of substantial violations in the field of value added tax have been notified against him for five years. The modalities, the contents and electronic communication procedures are defined by decision of the director of the tax authority.

The paper or electronic invoice is considered to have been issued at the time of its forwarding, delivery, transmission or when made available to the recipient of the supply.

Paragraph 2

The invoice must contain the following information:

- a) the date of issue;
- b) a sequential number that uniquely identifies it;
- c) firm, company name, name, residence or domicile of the transferor (supplier), as well as that of the tax representative and address of the permanent establishment for non-residents;
- d) VAT identification number of the supplier;
- e) firm, company name, name, residence or domicile of the transferee or the buyer, as well as that of the tax representative and address of the permanent establishment for non-residents;

Paragraph 2

- f) VAT registration number of the transferee or the purchaser or, in the case of taxable entities established in another EU member state, VAT identification number attributed by the Member State of establishment; in case the transferee or purchaser resident or domiciled in the State is not acting in the exercise of business, art or profession: their fiscal code;
- g) nature, quality and quantity of goods and services forming the subject of the transaction;
- g-bis) date of the sale of goods or services, or date in which the payment has been in full or partially made, if that date is different than the invoice date;
- h) fees and other data necessary for determining the tax base, including that

Paragraph 2

relating to goods supplied by way of discount, prize or rebate provided for in Article 15, first paragraph, no. 2;

i) fees relating to other goods provided as discount or rebate;

l) rate, amount of tax and tax base rounded to euro cent;

m) date of first registration or enrollment in public registers and the number of kilometers driven, hours navigated or flight hours in the case of intra-Community supply of new means of transport, as per Article 38, paragraph 4, of the Decree-Law August 30, 1993, n. 331, converted with amendments by Law 29 October 1993, n. 427;

n) a note stating that the invoice is issued on behalf of the supplier, by the purchaser or transferee or by a third party.

Paragraph 2

| | | |
|--|--|------------------------|
|  Gestione Fatture DEMO | AZIENDA DIMOSTRATIVA c | Fattura n. 5 |
| | VIA DELLE AZIENDE, 31 d 97015 MODICA RG Cod.Fisc. -- P.IVA 012345678909 | Data 24/03/2005 |

FATTURA

| | |
|---|----------------------|
| Cliente Nome CLIENTE DIMOSTRATIVO e | Destinazione Nome |
| Indirizzo VIA DEI CLIENTI, 200 CAP 97015 Città MODICA | Indirizzo |
| Num.Tel. 0932 0202020 Prov. RG | CAP |
| Cf/P.Iva 012345678901 f | Num.Tel. Prov. |
| | Città Prov. |

| Codice | Descrizione | UM | Qtà | Prezzo unitario | Imponibile | Iva (%) |
|--------------|---------------------------------|-----------|------------|-----------------|--------------|-------------|
| | Trasporto fino al porto | | | | | |
| DEM03 | ARTICOLO DEMO 1 | kg | 1 | 10,45 | 10,45 | 20,0 |
| | ARTICOLO DEMO 3 g | LT | 475 | 0,03 | 15,20 | 4,0 |
| | ARTICOLO DEMO 1 | kg | 1 | 10,45 | 10,45 | 14,0 |

| | |
|---|-------------------------------------|
| Riferimento DDT n. 10 del 21/03/2005 | |
| Modalità di pagamento RIMESSA DIRETTA | Imponibile € 36,10 |
| | Spese di spedizione € 0,00 |
| | IVA 20 € 2,09 |
| | IVA 4 € 0,61 |
| | IVA 14 € 1,46 |
| | Arrotondamento € 0,00 |
| Totale (S.E.&O.) € 40,26 | |
| Firma per quietanza | Contributo CONAI assolto ove dovuto |

Paragraph 3

In case the operation or operations referred to include goods or services subject to tax at different rates, the elements and the information referred to in paragraph 2, letters g), h) and l), must be shown separately for each rate applicable.

For transactions carried out on the same day with the same subject a single invoice can be issued.

In case several electronic invoices are sent in one batch to the same recipient by the same originator or lender, the common items related to the individual invoices can be entered only once, as long for each invoice the totality of information is available.

Paragraph 3

The taxable entity shall ensure the authenticity of origin, the integrity of the content and readability of the invoice from the time of issue until the end of its conservation term; authenticity of the origin and integrity of the content can be guaranteed by systems of control that ensure a reliable connection between the invoice and the supply of goods or the provision of services attributable to it, or by applying the qualified electronic signature or digital signature of issuer by “EDI” systems of electronic data transmission and other technologies that ensure the authenticity of the origin and the integrity of data. Invoices prepared in foreign languages are translated into the national language, for purposes of control, at the tax authorities’ request.

Paragraph 4

The invoice is issued within twelve days from the time of the transaction, determined in accordance with Article 6. The paper invoice is prepared in two originals, one of which is delivered or sent to the other party. Notwithstanding the above:

Paragraph 4

a) in respect of supplies of goods the delivery or shipment of which appears on the transport document or other appropriate document that identifies parties between which the operation is carried out and having the characteristics determined by decree of the President of the Republic August 14, 1996, n. 472, (Abolition of delivery Note) as well as for the supply of services identified through appropriate documentation, made in the same calendar month in respect of the same subject, a single invoice can be issued, bearing the details of the transactions, by the 15th day of the month following that of execution of the same;

Paragraph 4

- b) for supplies of goods carried out by the transferee to a third party by means of his assignor, the invoice is issued during the month following the delivery or shipment of goods;
- c) for services rendered to taxable persons established in the territory of another EU Member State, not subject to VAT pursuant to Article 7-ter, the invoice is issued within the 15th day of the month following that of the transaction;
- d) for the supply of services referred to in Article 6 sixth paragraph, first sentence, made to or received by a person established outside the European Union, the invoice is issued within the 15th day of the month following that of the transaction (i.e. the day when the service is completed).

Paragraph 5

In the cases referred to in Article 17 second paragraph first sentence, (The obligations relating to supplies of goods and services provided by non-residents in the territory to taxable persons established in the State, are fulfilled by the purchaser or buyer). the transferee or the customer issues the invoice in single copy, or, without prejudice to its responsibilities, makes sure that the same is issued, on his behalf, by a third party.

Paragraph 6

An invoice also has to be issued according to the different types of operations listed below and contains, in the place of the amount of tax, the following records with indication of the relevant national or EU law:

- a) transfers relating to goods in transit or deposited in places subject to customs supervision, not subject to VAT as per Article 7-bis, paragraph 1, with the note "operation not subject to VAT";
- b) non-taxable transactions referred to in Articles 8, 8-bis, 9 and 38-quater, with the note "non-taxable transaction";

Paragraph 6

- c) exempt transactions referred to in Article 10 except those of n. 6), with the "exempt transaction" record;
- d) transactions subject to the margin scheme provided for in law 23 February 1995, with the note, as appropriate, "Margin scheme – Used goods", "margin scheme - Works of art "or" Margin scheme - antiques or collectibles";
- e) transactions carried out by travel and tourism agencies subject to the margin scheme provided for in Article 74-ter, with the notation "Margin scheme - Travel agents".

Paragraph 6-bis

Taxable entities established in the State issue an invoice for the types of operations listed below when they are not subject to tax in accordance with Articles 7 to 7-septies and indicate, instead of the amount, the following notes (with the possible reference to the relevant national or EU law):

- a) supply of goods and services other than those referred to in Article 10, Nos. from 1) to 4) and 9), carried out in respect of a taxable person that is liable to pay tax in another EU Member State, with the "reverse charge" note;
- b) supply of goods and services which are regarded as being outside the European Union, with the note "operation not subject to VAT".

Paragraph 6-ter

Invoices issued by the receiver of goods or by the customer of a service in virtue of its obligation, bear the note “auto fatturazione”.

Paragraph 7

If the supplier issues an invoice for non-existent transactions, or if they indicate in the invoice fees for the operations or the related taxes at a greater amount than the real one, the tax is due for the full amount indicated or corresponding to the information of the invoice.

Paragraph 8

The fees related to the issuing of the invoice and to the consequent obligations and formalities can not be charged for any reason.

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