



**I.P.R. F.T.T.** Member State *de jure*  
of the United Nations

# International Provisional Representative of the FREE TERRITORY OF TRIESTE

Rappresentanza Internazionale Provvisoria del Territorio Libero di Trieste  
Začasno Mednarodno Predstavnistvo Svobodnega Tržaškega Ozemlja  
Provisorische Internationale Vertretung des Freien Territoriums Triest

## **4.12.2018 statement of the I.P.R. F.T.T. regarding the illegal application of the Italian VAT to the present-day Free Territory of Trieste**

The International Provisional Representative of the Free Territory of Trieste – I.P.R. F.T.T. has summoned before Court the Italian Government, its Ministry of economy and finances, the Tax Revenue Office and the Agency of Customs and Monopolies because they are illegally collecting the Italian State's Value Added Tax on the supply of goods or services, or the importation of goods in the present-day Free Territory of Trieste.

This taxation is illegitimate, because it is a simultaneous breach of the legal order of the Italian Republic, that of the European Union, and of the legal status of the present-day Free Territory of Trieste, the temporary civil administration of which is sub-entrusted to the Italian Government by the Governments of the United States of America and of the United Kingdom of Great Britain and Northern Ireland as primary administering Governments on behalf of the U.N. Security Council.

The illegitimate collection of the Italian VAT, which has increased up to 22% and in 2019 is expected to increase up to 25%, causes serious damages to all citizens, professionals, enterprises, and public bodies of the present-day Free Territory of Trieste, and they have the right and legitimate interest to be exempted from it.

The writ of summon, registered by the Court of Trieste under No. 4277/2018 on November 29th, does therefore request to the Court the determination and declaration of the legal force of the instruments of Italian and of European law that recognize the status of Trieste and of its international Free Port as established under international law, thus preventing the enforcement of the law that applies the VAT «*within the territory of the Italian State*».

Furthermore, the Italian Government cannot deny the existence of procedures to suspend and cancel the collection of the VAT in Trieste, because Italy does already provide a VAT exemption to its fiscal exclaves of Campione and of Livigno, on the border with Switzerland.

The main legal framework of this legal action consists of the 1947 Treaty of Peace with Italy, ratified and enforced in the Italian legal order with a rank superior to that of domestic law under Legislative Decree of the Provisional Head of State No. 1430/1947 ratified under Law No. 3054/1952, the Constitution of the Italian Republic that came into force on January 1st, 1948 within the national borders established by that Treaty, and the 1954 Memorandum of Understanding signed at London and implemented in the Italian legal order under the Decree of the President of the Italian Republic on October 27th, 1954 and with art. 70 of Italian Constitutional Law No. 1/1963.

On the same legal bases, and with the support of about 600 citizens and enterprises, the I.P.R. F.T.T. has already opened, before the Court of Trieste, civil lawsuit No. 1575.2017 vs. the Italian Government, for the determination of the whole system of taxation applicable to the Free Territory and to its international Free Port.

The legal action is now pending before the Court of second instance, because the judge of first instance rejected the request claiming that the damage caused by the application of the Italian system of taxation would not be demonstrated.

At the same time, the I.P.R. F.T.T. has opened before the Court of Trieste civil lawsuits No. 941/18 and No. 2370/18 regarding State ownership of the international Free Port and of other public assets within the Free Territory.

The four legal actions have an economic value of several billion Euro, and a relevant strategic importance for the development of international trades through Trieste, especially to and from the Countries of South-Eastern Europe that are part of the *Three Seas Initiative*.

All legal actions initiated by the International Provisional Representative of the Free Territory of Trieste request compliance with laws in force, which the Italian Government and its bodies are bound to respect even without an order of the Court.

The International Provisional Representative of the Free Territory of Trieste does therefore invite the Italian Government to establish at the earliest possible time a negotiation to settle this dispute for the advantage of all parties involved.