

## Italian Tax Authorities Ruling No. 7 of 12 February 2026

- ✓ With the Resolution No. 7 of 12 February 2026, Italian tax Authorities (“ITA”) clarified that, in the context of merger leveraged buy-out (“MLBO”) transactions, is deductible the VAT on transaction costs incurred by special purpose vehicles (“SPV”).
- ✓ In particular, ITA, on the base of clarifications provided by the EU Court of Justice (among others, judgment of 12 November 2020, case C-42/19) and the Italian Supreme Court (judgments No. 22608/2024 and No. 22609/2024 ), have highlighted the preparatory and preliminary role of the SPVs in the economic activity that will be carried out after the acquisition of the target companies. In this context, ITA have (finally) recognized that SPVs qualify as VAT taxable persons, considering the identifiable link between transaction costs and taxable active transactions that will be carried out by the company resulting from the merger.
- ✓ Therefore, SPVs can deduct the VAT on transaction costs incurred in MLBO transactions.
- ✓ For the past, refund claims are possible for all those who, adhering to the previous restrictive interpretation of ITA, did not deduct the VAT on transaction costs.