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**SINGAPORE LIFTED FROM THE BLACK LIST  
DONATO: WE ARE TRULY SATISFIED**

Thanks to the Italian law of stability, “Singapore will be lifted from the black list” of countries categorized as tax havens. This was announced by Prime Minister, Matteo Renzi, to the top members of the Democratic Party.

Singapore had already been eliminated from penalties for certain types of economical operations: such as those carried out with the Central Bank and organizations that manage official reserves. However, this was the long awaited news that many Italian companies invested in this Asian country and facing complex and expensive Italian bureaucracy so as to justify their lawful establishment in a country that provides a strategic access to Asian markets.

The ‘Black List’ is defined at the national level by individual countries, and internationally by the OECD (Organization for Economic Cooperation and Development). The list consists of countries with tax benefit fiscal regimes, also known as "tax haven". In Italy, by decree of the Ministry of Economy and Finance, such a fiscal policy is considered an unfair advantage for countries or territories outside the European Union. This can be identified through two criteria: a tax rate that is significantly lower than that applied in Italy; and the lack of transparency. The list of countries blacklisted is divided into 3 separate categories: individuals, CFC (controlled foreign companies), and non-deductible negative components of income. For countries in the ‘black list’, which is annually updated by the Ministry of Economy and Inland Revenue, there is an obligation of monitoring by Italian tax authorities of all economic activities that occurred within Italian companies. This is for addressing and preventing the problems of fiscal fraud faced internationally and nationally.

OECD is in the front line for the battle against harmful fiscal competition since 2000 when it first generated the ‘Black List’, which included, among others, Singapore. The OECD ‘Black List’ has changed over time, and an additional gray and white list has been implemented. The switch of a state from one list to another depends on the level of cooperation and adaptation to international fiscal standards. In particular, the Black List includes uncooperative countries, while the other two lists are reserved to the States which have complied with international standards. However, there is a major difference the white and gray list. Those whom signed at least 12 complied agreements are in the ‘White List’. On 13<sup>th</sup> November 2009, Singapore had already signed 12 agreements to this effect. In the course of 2013, especially Singapore, as well as much of the "Far East" countries, there has been further developments. As of 2012, Singapore has signed a treaty with the Italian government against double taxation, agreeing for greater transparency. Most of the European countries took a less oppressive approach with Singapore, whose commitment for greater cooperation, has not been fully legitimized by Italy, given that Singapore is still on Italy’s ‘Black List’.

"We are very pleased with the announcement made by the Italian Prime Minister and the release of a difficult situation, as it was difficult to comprehend the fact that Singapore, being the third highest GDP per capita in the world ahead of Norway and the United States, the fourth financial center, as well as a global logistics center and harbor of South East Asia, was added to a list which includes countries such as the Bahamas, Cayman and Virgin Islands" says Federico Donato, President of Italian Chamber of Commerce in Singapore (ICCS). ICCS brings together over 250 members, both local and leading Italian companies, creating business opportunities and providing specialized services. Mr Federico Donato adds that "Singapore is a springboard for South East Asia, as it is a strategic hub that combines the ability to operate in a macro-area characterized by a dynamic economic, and at the same time maintaining the highest international standards of efficiency, safety and legitimacy.

Today, Singapore has a GDP of \$276 billion with an average growth of 5% per year. Within the ASEAN (Association of Southeast Asian Nations), Singapore is the main destination for Italian exports, with a value recorded in 2013 amounting to more than 1.91 billion Euros, with an average growth forecast of 8 % for the next three years. Imports amounted to €220 million in comparison. The Italian presence in Singapore is increasing dramatically and now exceeds 3,000 / 4,000 compatriots. There are over 200 Italian Companies in Singapore, many of which such as Saipem, Pirelli, Piaggio, Mapei, Ferrero, Menarini, have chosen Singapore as a regional base to gain access to the entire Asian Pacific. Additionally, given the strategic location of Singapore as a harbor, some of the most important Italian shipping companies are established here, such as Costa Crociere, Silversea, D'Amico, Siba Ships and Fratelli Cosulich. "The announcement of President Renzi steers Italian companies in Singapore towards the right direction - adds Donato - to overcome the present difficulties associated with Singapore being in the 'Black List'. This is true for large companies with a strong presence abroad, but even more for the companies for which internationalization is hard to attain because they are too small".

The breakthrough announced by the prime minister, said the president of the ICCS, "can also act as a catalyst for Singaporean investments in Italy, particularly sovereign wealth funds that have already turned the spotlight on our tourism market, infrastructure and logistics." The benefits, therefore, are reciprocal.

[http://economia.ilmessaggero.it/economia\\_e\\_finanza/stabilit-amp-agrave-via-singapore-dalla-black-list.-donato-molto-soddisfatti/966431.shtml](http://economia.ilmessaggero.it/economia_e_finanza/stabilit-amp-agrave-via-singapore-dalla-black-list.-donato-molto-soddisfatti/966431.shtml)