



## Italy and Switzerland reach an agreement on the taxation of frontier and cross-border workers during the COVID-19 emergency

On 19 June 2020, the Italian and Swiss Competent Authorities signed a mutual agreement (hereinafter the "**Agreement**") on the taxation of frontier workers during the COVID-19 emergency, pursuant to Article 26(3) of the Italy-Switzerland Income and Capital Tax Treaty of 9 March 1976 (hereinafter the "**Italy-Switzerland DTC**").

In accordance with the suggestions put forward by the OECD in its guidance released at the beginning of the emergency (the "*OECD Secretariat Analysis of Tax Treaties and the Impact of the COVID-19 Crisis*" of 3 April 2020), the Competent Authorities agreed that, during a limited time period, Article 15 of the Italy-Switzerland DTC and Article 1 of Italy-Switzerland Agreement on the Taxation of Frontier Workers and Financial Compensation for Italian Frontier Municipalities of 3 October 1974 (hereinafter the "**Italy-Switzerland Agreement on Frontier Workers**") will be applied as follows:

- i. working days performed at home by cross-border and frontier workers during the COVID-19 emergency, due to the measures taken to counteract the spread of the virus, shall be considered as performed in the State where those workers should have carried out their employment activity in the absence of such measures;
- ii. employees who were not allowed to return on a daily basis to their State of residence due to the measures taken to counteract the spread of the virus (in particular, the Italian Ministerial Decree no. 120/2020 of 17 March 2020) will continue to be regarded as frontier workers for the purpose of the Italy-Switzerland Agreement on Frontier Workers.

The Agreement is effective from 24 February to 30 June 2020 and, thereafter, will be tacitly renewed monthly. It will cease to have effect when Italy and Switzerland will terminate the health measures restricting the movement of persons or – if earlier – by joint agreement.

---

For further information: **Maisto e Associati**

### Milan

Piazza F. Meda 5  
20121  
T: +39.02.776931

### Rome

Piazza d'Aracoeli 1  
00186  
T: +39.06.45441410

### London

2, Throgmorton Avenue  
EC2N 2DG  
T: +44.207.3740299

---

This newsletter is intended to provide a first point of reference for current developments in Italian law. It should not be relied on as a substitute for professional advice. If further information or advice is required please refer to your Maisto e Associati contact or [info@maisto.it](mailto:info@maisto.it).

Copyright © 2020 Maisto e Associati

