

Technical Rule no. 04 Rev1 MGAS

(under article 4 of the Natural-Gas Market Rules, approved by the Ministry of Economic Development with its Decree of 6 March 2013, as subsequently amended and supplemented)

Title	VAT Taxation in the Gas Market
Reference Legislation	Article 18, para. 18.4, Natural-Gas Market Rules

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1. Foreword

Article 18, para. 18.4 of the Natural-Gas Market Rules (hereafter "Rules") provides that the Market Participant shall - under the modalities and within the time limits established in the Technical Rules - enclose a statement indicating his/her/its taxation scheme to his/her/its request for entry of the data and information referred to in Article 17, para. 17.2 g) thereof.

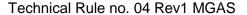
2. Application of VAT

The following statements, where applicable, must be enclosed to the request for entry of the data and information mentioned above:

- a) if the Market Participant established in Italy intends to submit gas demand bids for which the reverse charge mechanism is applicable a statement issued in accordance with Decree of the President of the Republic no. 445 of 28 December 2000, in the format available on GME's website (www.mercatoelettrico.org). In the statement, the Market Participant must declare that he/she/it qualifies as taxable dealer under both article 7bis and article 17 of Decree of the President of the Republic no. 633 of 26 October 1972 (hereafter "DPR 633/72") for each bid submitted and, anyway, until revocation; or
- b) if the Market Participant established in Italy intends to exercise the option available to persons having established their business in Italy and having made supplies for export or like transactions of purchasing goods and services without the application of VAT, as per article 8, para. 1 c) of DPR 633/72 a statement of intent issued in accordance with article 1 c) of Law-Decree no. 746 of 29 December 1983, converted into Law no. 17 of 27 February 1984, and the documents to be enclosed thereto, where applicable under the legislation from time to time in force.

To continue to exercise the option of making purchases without the application of VAT, the Market Participant is required to resubmit the statement and the enclosed documents, where applicable, upon expiration of the related period of validity. If the statement and the documents, where applicable, are not resubmitted within the time limits established in the applicable legislation, GME will apply the standard VAT rate to the Market Participant concerned; or

c) if the Market Participant established in Italy intends to submit gas demand bids for which he/she/it requests the application of the reduced VAT rate, as per Table A, Part III, no. 103 annexed to DPR 633/72 - a statement issued under Decree of the President of the Republic no. 445 of 28 December 2000, where the Market Participant must declare that:







- the gas to be purchased is to be directly injected into the pipelines of the distribution networks in order to be subsequently delivered, in the format available on GME's website (www.mercatoelettrico.org); or
- 2. the gas to be purchased is to be used to generate electricity; or
- 3. the gas to be purchased is to be used by mining & quarrying, farming and manufacturing companies, including printing & publishing and like companies; or
- d) if the (EU or non-EU) Market Participant intends to submit gas demand bids into the gas market
 a statement of the applicable VAT scheme under Directive 2006/112/EC, in the format available on GME's website (www.mercatoelettrico.org);
- e) if the entity (parent company or fixed establishment) that will materially carry out the purchase and/or sale transactions on the natural-gas market is different from the entity (parent company or fixed establishment) admitted as participant to the market a statement, in the format available on GME's website (www.mercatoelettrico.org), where the Market Participant (as parent company or fixed establishment) notifies GME of the entity (parent company or fixed establishment) that will materially carry out the purchase and/or sale transactions on the natural-gas market.

Where the Market Participant requests or has already requested also the application of the VAT scheme referred to in subpara. a) of this para. 1, in addition to the statement and the documents, where applicable, referred to in subpara. b) of the same paragraph, the latter statement and the related documents, where applicable, will take full effect only in respect of the fees referred to in Article 7, para. 7.1 of the Rules and to be invoiced by GME.

3. Effect of the statements

The entry of the data and information contained in the statements referred to in para. 2 above will take effect within the second working day of receipt of the request by GME, in compliance with Article 18, para. 18.5 of the Rules, provided that the documents are correct and complete and that the requirements, if any, for updating the data and information supplied by the Market Participant are satisfied.

If the Market Participant requests the application of the VAT schemes mentioned in subparas. a), b), c) and d) of para. 2 above at a subsequent time after submitting the market participation application and the market participation agreement, the statement will take full effect, in respect of the transactions to be invoiced by GME, after the second working day following receipt of the same, in accordance with both Article 1, para. 50 of Law no. 239 of 2004 and Article 18, para. 18.5 of the Rules.