

Technical Rule n. 05 MCIC

(pursuant to Article 4 of the Market Rules for Certificates of Release to Consumption of Biofuels, approved by decree of the Director General of the Directorate General for Supply, Efficiency and Competitiveness of Energy (DGAECE) of the Ministry of Economic Development of 2 April 2020, as subsequently amended and supplemented)

Title	VAT Taxation on the Market for Certificates of Release to Consumption of Biofuels
Reference legislation	Article 19, para. 19.4 of the Market Rules for Certificates of Release to Consumption of Biofuels

Published on 1 February 2024

1. **Foreword**
2. **VAT Application**
3. **Effect of declarations and communications**

1. Foreword

Article 19, paragraph 19.2 of the Market Rules for certificates of release to consumption of biofuels (hereinafter: Rules) provides that each Market Participant shall request GME to enter data and information on the List of market participants admitted to the MCIC referred to in Article 18, para. 18.2, subpara. f), according to the modalities indicated in the Technical Rules.

Article 19, para. 19.4 of the Rules provides that, the market Participant shall attach, to the request for the entry of the above data and information, a declaration certifying his/her VAT Scheme, in accordance with the provisions of the Technical Rules.

Article 19, para. 19.6 of the Rules provides that, following the receipt of the requests referred to in paragraph 19.2 of the Rules, the List of Participants admitted to the market shall be updated by GME and this change takes effect within the second working day following the receipt of the request by GME.

2. VAT Application

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

- a) if the market Participant established in Italy for VAT purposes intends to exercise the option to purchase goods and services without the application of VAT, as per Article 8, para. 1, subpara. c) of Decree of the President of the Republic no. 633 of 26 October 1972, a statement of intent issued in accordance with Article 1, subpara. 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 documents, where applicable, upon expiration of their period of validity. If the statement and the enclosed documents, where applicable, are not renewed within the time limits established in the applicable legislation, GME will apply the standard VAT rate to the market Participant concerned;

- b) if the entity (parent company or fixed establishment) that will materially carry out the purchase and/or sale transactions on the MCIC is different from the entity (parent company or fixed establishment) admitted as market Participant to the MCIC, a statement - according to the form available on the GME website (www.mercatoelettrico.org) - where the market

Participant (as parent company or fixed establishment), notifies GME the entity (parent company or fixed establishment) that will materially carry out the purchase and/or sale transactions on the MCIC.

If the market Participant requests or has already requested the application of the VAT scheme referred to in subpara. a) above, the statement and the attached documents, where applicable, shall take effect exclusively with reference to:

- the transactions of CICs issued in relation to biofuels other than biomethane, whose list is available on GME's website (www.mercatoelettrico.org);
- the fees, under Article 6 of the Rules, which will be invoiced by GME.

3. Effect of declarations and communications

The entry of the data and information contained in the statements referred to in para. 2 above, in accordance with the provisions of Article 19, para. 19.6 of the Rules, will take effect within the second working day following the receipt of the request by GME, provided that the documents are correct and complete and that the requirements, if any, for updating the data and information provided by the market Participant are satisfied.