

For Residents of Italy 2023

# Tax treatment of a Life Assurance Policy

## General

SEB Life International policies qualify as a unit-linked life assurance contract under Italian Law and they are taxed as an insurance product in Italy.

## Premiums

There is no tax on insurance premiums for life assurance contracts.

## Fund Switching

Changes in the investment funds underlying the policy will not constitute taxable events provided they do not involve payments being made out of the policy.

## Premiums

SEB Life International has elected to act as withholding agent and to apply stamp duty and thus will withhold taxes from partial and full encashments and death benefit. Substitutive tax and stamp duty will be deducted from the encashment value and the net amount paid.

All capital income arising from the policy will be subject to individual income taxation. The capital income is calculated as the difference between the encashment amount and the gross amount of premiums paid by the policyholder.

The capital income is subject to a substitutive tax levied, when a full encashment, partial encashment or death claim takes place, at a rate of:

- i. 12.5% on capital income accrued up and until 31st December 2011 and of
- ii. 20% on capital income accrued from 1st January 2012 up and until 30th June 2014 and of
- iii. 26% on capital income accrued thereafter.

For capital income accrued after 1st January 2012 the difference between the encashment amount and the gross amount of premiums paid by the policyholder shall be calculated net of:

- i. 37.50% (1st January 2012 up and until 30th June 2014) and
- ii. 51.92% (from 1st July 2014)

of the proceeds, if any, arising from Italian government bonds and assimilated securities and from government bonds and assimilated securities issued by the so-called white list countries.

Since SEB Life International opted to act as withholding agent, it will deduct the amount corresponding to the substitutive tax from the capital income paid to the policyholder or beneficiary, whilst the policyholder or beneficiary will be relieved from any tax obligation related to the capital income received.

The capital paid to the beneficiaries in case of death of the relevant life assured is not subject to inheritance tax, however substitutive tax and stamp duty will be deducted from the death benefit. The capital income subject to the substitutive tax will be calculated as the difference between the encashment value and the gross amount of Premiums paid by the Policyholder. The additional death benefit will not be subject to substitutive tax.

For corporate policies the relevant amounts will be subject to the ordinary tax rules set out for business income and not the mentioned substitutive tax.

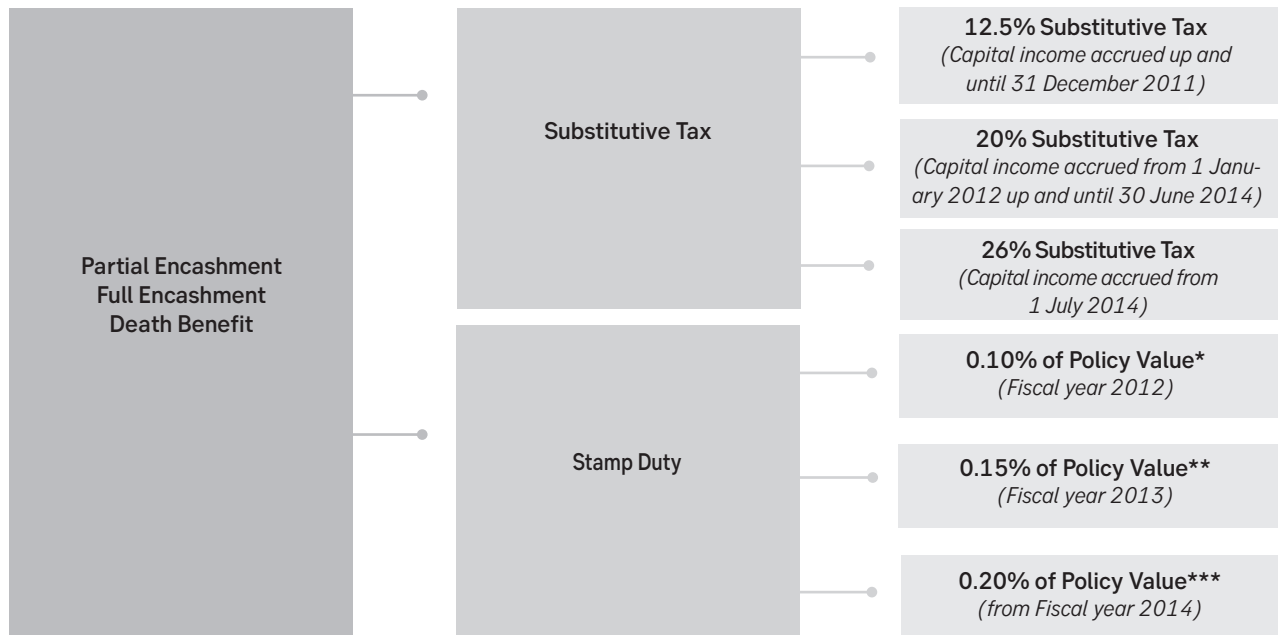
## Stamp Duty

SEB Life International has opted to act as tax withholding agent for stamp duty which the life assurance policies are also subject to. The stamp duty is due annually and its calculation is based on the policy value at 31st December. The stamp duty will be deducted by SEB Life International only upon partial encashments, full encashments or death claims at a rate of:

- i. 0.10% in relation to fiscal 2012 (with a minimum amount of 34.20 Euro and a maximum amount of 1,200 Euro) and at
- ii. 0.15% from fiscal year 2013 (with a minimum amount of 34.20 Euro and a maximum amount of 4,500 Euro for corporate policyholders only) and at
- iii. 0.20% from fiscal year 2014 (with a maximum amount of 14,000 Euro for corporate policyholders only).

Due to the application of the stamp duty by SEB Life International, the policies are exempt from the tax on foreign securities.

## Italian Tax Overview



The capital paid to the beneficiaries in case of death of the relevant life assured is not subject to inheritance tax.

\* with a minimum amount of €34.20 and a maximum amount of €1,200

\*\* with a minimum amount of €34.20 and a maximum amount of €4,500 for corporate policyholders only

\*\*\* with a maximum amount of €14,000 for corporate policyholders only

## Irish Taxation

Policy will grow free of Irish taxes for the duration of the policy (with the exception of some dividend withholding taxes).

The information set out above is based on SEB Life International's understanding of current tax legislation and practice in Italy. It is important to note that SEB Life International does not intend the above information

to substitute for professional tax advice. Whilst every care has been taken, SEB Life International does not accept responsibility for its interpretation of Italian tax law or practice or any subsequent changes to same. We recommend that individuals seek professional tax and/or legal advice specific to their own circumstances before investing. SEB Life International does not provide tax advice.

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