



## **GUIDE TO DECLARATION OF INTEREST RECEIVED AND TAX MONITORING IN LENDING CROWDFUNDING PROJECTS**

### **1. DECLARATION OF INTEREST RECEIVED**

As with all investment instruments, profits, defined as interest received from investments made during the fiscal year through the Walliance platform, are income that must be declared.

Revenues from Lending Crowdfunding activities are considered "*redditi da capitale*" (capital gains), which will then go into the definition of the taxpayer's income and be taxed according to IRPEF brackets for natural persons or IRES brackets for companies.

#### **1.1 WHEN AND HOW SHOULD INTEREST RECEIVED BE DECLARED?**

At the time of the Income Tax Declaration, interest received in the fiscal year for Lending Crowdfunding projects from investments made on Walliance should be reported as follows:

1. In the case of natural persons – MODELLO 730:  
The total amount of interest received, from one or more investments, should be reported on line D2.

The screenshot shows the 'Sezione I Redditi di capitale, lavoro autonomo e redditi diversi' section of the Italian tax declaration software. It contains five sub-sections: D1 Utili ed altri proventi equiparati, D2 Altri redditi di capitale (highlighted with a red border), D3 Redditi derivanti da attività assimilate al lavoro autonomo, D4 Redditi diversi, and D5 Redditi derivanti da attività occasionale o da obblighi di fare, non fare e permettere. Each sub-section has input fields for 'Tipo di reddito', 'Redditi', and 'Ritenute'.

Specifically:

- a. In box 1 the type of income with Code 1 "*interessi e altri proventi derivanti da capitali dati a mutuo e da altri contratti*" (interest and other income from capital given on loan and other contracts) should be reported.



- b. In box 2 other capital income received, gross of any withholding taxes, should be reported.
  - c. In box 4 any withholding taxes applied should be reported.
2. In the case of legal persons – MODELLO REDDITI PERSONE FISICHE (PF):  
The total amount of interest received, from one or more investments, should be reported on line RL2.

Specifically:

**Quadro RL - Altri redditi**

Modulo n° **1** +

➔ Sezione I-A Redditi di capitale

<b>RL1</b>	Utili ed altri proventi equiparati	Tipo reddito: 1 <input type="text"/>	Redditi: 2 <input type="text"/> ,00	Ritenute: 3 <input type="text"/> ,00
<b>RL2</b>	Altri redditi di capitale	Tipo reddito: 1 <input type="text"/>	Redditi: 2 <input type="text"/> ,00	Ritenute: 3 <input type="text"/> ,00
<b>RL3</b>	Totale		Totale Redditi: 2 <input type="text"/> ,00	Totale Ritenute: 3 <input type="text"/> ,00

- a. In box 1 the type of income with Code 1 “*interessi e altri proventi derivanti da capitali dati a mutuo e da altri contratti*” (interest and other income from capital given on loan and other contracts) should be reported.
  - b. In box 2 other capital income received, gross of any withholding taxes, should be reported.
  - c. In box 3 any withholding taxes applied should be reported.
3. In the case of Limited Companies (Legal Persons):  
Since they are capital income they go together with the other types of income, therefore subject to IRES.

Within your personal area, by March 31 of the year of the income tax declaration (related to the previous fiscal year), a Summary Document will be uploaded, in which you will find all the information needed to fill out the RL2 or D2 sections, namely:

- gross interest received;
- withholding taxes.



## 2. COMPLETION OF QUADRO RW – TAX MONITORING AND IVAFE

Completion of the QUADRO RW of the Modello PF must be done ONLY under certain conditions. First of all, persons resident in Italy are required to fill out the Quadro RW, namely:

- natural persons
- non-commercial entities, including Trusts
- simple partnerships (therefore, partnerships and limited companies, snc, srl, spa... are EXCLUDED).

If you fall under one of these individuals residing in Italy, you must fill out Quadro RW:

- if the amounts in the account exceed the € 15,000 threshold even once during the year, for the purpose of "Tax Monitoring" only.
- or if the average annual deposit exceeds € 5,000, (this condition applies only for the purpose of paying IVAFE, a tax on financial assets abroad, mentioned in Section 2.2).

The calculation of the average annual deposit is determined by dividing the sum of daily stocks by 365, regardless of the number of days the deposit/account is active. That is:  
deposit day 1 + deposit day 2 + ... + deposit day 365 / 365

### 2.1 FISCAL MONITORING FOR DEPOSIT ON FOREIGN ACCOUNTS

As specified in Circular No. 38/E/2013 of the Income Revenue Authority, not only individuals who have "foreign assets of a financial nature" are obligated to Tax Monitoring, but also individuals who simply have the availability or possibility of money transfer, thus all those who hold a foreign account.

Each user investor at the time of registration in Walliance, signs a contract with Mangopay to open a Payment Account (Wallet), where funds are transferred which are then invested or lent to the Issuer Companies.

Since Mangopay is a Luxembourg Payment Institution, enabled to operate in Italy with a European passport, the subscribed payment account is considered to all intents and purposes a foreign account, and for this reason the user will have to fulfill (only) the so-called "tax monitoring" by filling out the QUADRO RW.

In the Summary Document, in addition to the indication of the interest and withholding taxes to be declared, information is provided on how to complete the QUADRO RW.

Specifically, it is indicated whether the user should fill it out (YES/NO) and, if so, they will receive directly from Walliance the necessary information for filling it out.

