Purchase of treasury shares not tax-equivalent to shareholder’s withdrawal

The purchase of treasury shares is not tax-equivalent to shareholder withdrawal.

By analysing a buy back transaction involving the shareholder of a Holding Company, the competent Italian Tax Authority (so called “Direzione Regionale del Veneto”) stated that the purchase of treasury shares by the Holding Company entails the realisation of capital gain, and not of capital, for the shareholder who sells the shares.

Paolo Giovannini and Dario Augello wrote about it in the article “Purchase of treasury shares not tax-equivalent to the withdrawal of the shareholder” on Eutekne.

Read the article

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