



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
US ARMY INSTALLATION MANAGEMENT COMMAND
HEADQUARTERS, UNITED STATES ARMY GARRISON, VICENZA
UNIT 31401, BOX 19
APO AE 09630

IMEU-VIC- FM

14 DEC 2009

MEMORANDUM FOR RECORD

SUBJECT: Standard Operating Procedures (SOP) for IVA Exemption Program for the Family, Morale, Welfare and Recreation Fund (FMWRF)

1. References.

- a. The North Atlantic Treaty, signed in Washington D.C. on 4 April 1949 and ratified in Italy as Law No. 465 of 1 August 1949.
- b. Agreement regarding the Status of Forces of Parties to the North Atlantic Treaty Regarding the Status of their Forces (NATO SOFA), signed in London on 19 June 1951 and ratified in Italy as Law No. 1335 of 30 November 1955.
- c. Bilateral Infrastructure Agreement (BIA) Between the United States of America and the Republic of Italy (C), signed in Rome on 20 October 1954.
- d. Memorandum of Understanding Between Italy and the United States of America on Customs and Fiscal procedures Relative to the Application in Italy with regard to United States Armed Forces of Article XI of the NATO Status of Forces Agreement (C), signed in Rome on 20 October 1954.
- e. Memorandum of Understanding Between the Ministry of Defense of the Republic of Italy and the Department of Defense of the United States of America Concerning Use of Installations/Infrastructure by U.S. Forces in Italy (Shell Agreement), signed in Rome on 2 February 1995.
- f. Agreement to Supplement the Agreement Between the Parties to the North Atlantic Treaty Regarding the Status of their Forces with respect to Foreign Forces Stationed in the Federal Republic of Germany of 3 August 1959 (Supplementary Agreement).
- g. Presidential Decree (D.P.R.) No. 633 of 26 October 1972, as amended, establishing **Imposta sul Valore Aggiunto (IVA)** (value-added tax), hereinafter cited as "IVA law".
- h. Law by Decree (D.L.) No. 331 of 30 August 1993, converted, with modification, as Italian Law No. 437 of 29 October 1993.

2. Purpose. To establish standardized procedures for the implementation and control of tax free purchases by the Family, Morale, Welfare and Recreation Fund for all military personnel, Command Sponsored Civilians and family members assigned to or work for USASETAF, United States Army Garrison Vicenza and logistically supported units. Tax Free purchases are authorized to be performed for the geographically logistically supported Regions (Lazio, north to the Switzerland, France and Austrian borders) of the United States Army Garrison Vicenza with the exception of the restrictions noted in paragraph 6.

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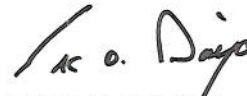
3. Scope. The SOP is applicable to Tax Relief Office Program operations in the Vicenza and Livorno communities.
4. Responsibilities.
 1. The Director, Family, Morale, Welfare and Recreation, serves as the Fund Manager and is charged with the overall administration and accountability of the United States Army Garrison Vicenza Family, Morale, Welfare and Recreation Fund.
 2. The Financial Management Officer serves as immediate supervisor of program activities.
 3. The Tax Relief Office Program Manager is responsible for implementation and management of overall program activities and procedures.
5. Procedures.
 - a. Customers wishing to make tax free purchases of items on the Italian economy need to obtain an estimate (Preventivo) from the vendor (on official store stationary with local address) for the total amount of the purchase or purchases with and without the IVA tax.
 - b. The customer will then obtain an Italian Bank Draft (Assegno Circolare) made out to the vendor for the exact amount of the purchase without the IVA tax. The receipt stub attached to the Italian Bank Draft (Assegno Circolare) should be left blank (it will be retained by the Tax Relief Office to be filed with the application). Customers can place a deposit with the vendor for an amount that does not exceed 20% of the total cost of the merchandise without tax. Deposits are tax free and will be configured into the total cost of the merchandise without the IVA tax.
 - c. When the customer provides the Tax Relief Office with the estimate and Italian Bank Draft the exemption documentation will be prepared.
 - d. The documentation for obtaining tax relief consists of the following:
 - i. The pre-numbered application form (Enclosure 1) completely filled out with original signatures and official stamp.
 - ii. The corresponding numbered cover-letter with the original signature of the Tax Relief Office Program Manager or officially designated representative (Enclosure 2&3).
 - iii. The Italian Bank Draft (Assegno Circolare).
 - iv. Estimate (Preventivo).
 - e. The customer must pay the \$10.00 service charge for the documentation by cash, check, credit card or money order. The customer will be provided the Yellow copy of the numbered application form, photocopy of the estimate and Italian Bank Draft (Assegno Circolare) and RETRAC receipt of payment.
 - f. The Pink copy of the numbered application form, the Italian Bank Draft (Assegno Circolare) and the pre-numbered originally signed cover letter will be placed in an envelope and sealed. The Official Stamp will be placed on the seal. The customer will then take the sealed envelope directly to the vendor without opening it. Vendor will open

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the envelope and the transaction will be completed and the customer will receive their merchandise.

- g. The White copy of the pre-numbered form, original estimate, photocopy of the Italian Bank Draft (Assegno Circolare) and the receipt stub attached to the Italian Bank Draft (Assegno Circolare) will then be recorded and maintained on file for a minimum of 10 years.
6. Restrictions. Tax Free Purchases are not allowed in the Venezia Friuli Region which is comprised of the Provinces of Pordenone, Gorizia, Trieste and Udine. The following items are not eligible for tax exemption:
 - a. Houses, apartments, plots of land.
 - b. Live animals, live plants or organic soils, seeds, fertilizers, etc.
 - c. Personal services which include but are not limited to Hotels, Car Rentals, Medical Expenses, Medical Prescriptions, Lawyers, Legal Fees, etc..
 - d. Items in question will be evaluated by the Staff Judge Advocate (JAG) Office to determine their tax exemption eligibility.
 7. Authentication. All Tax Relief Office Program operations in the Vicenza and Livorno communities will comply with the directives outlined in this SOP. Any questions concerning interpretation, intent, and/or suggestions for change will be addressed to the Staff Judge Advocate (JAG) Office.



ERIK O. DAIGA
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