ELYSIUM WEALTH ADVISORS

GROUP OF COMPANIES

RESIDENCE • BUSINESS • TAX

MOVING TO ITALY

Residence, Italian Company Formation and Taxation

CLIENT GUIDE

A practical overview for non-EU nationals considering residence in Italy while establishing, owning or operating an Italian private limited company.

Updated 25 August 2026

Executive overview

A non-EU national may generally own an Italian company, but company ownership does not by itself provide a right to live or work in Italy. Immigration permission, corporate structure and personal tax planning should be coordinated before the move.

KEY PRINCIPLE Italian company ownership and Italian immigration permission are separate. A person may be a shareholder without acquiring a residence or work right.

At a glance

Question	General position
Can a non-EU national own an Italian S.r.l.?	Generally yes, subject to applicable reciprocity rules and the individual facts.
Does incorporation grant residence?	No. A visa / residence permit or other qualifying right is required.
Can the owner work in Italy?	Only where the immigration permission authorises the intended employment or self-employment activity.
Can an elective-residence holder manage the company?	Normally no active work. Elective residence is intended for financially self-sufficient applicants and does not permit work.
Can an entrepreneur use a startup route?	Potentially. Italia Startup Visa is aimed at non-EU founders of qualifying innovative startups and requires at least EUR 50,000 of financial resources.
Main company tax rates?	IRES 24%; IRAP generally 3.9% on a different regional tax base.

Who this guide is for

- Non-EU founders planning to relocate to Italy and build an Italian business.
- International entrepreneurs who want an Italian company but may remain resident elsewhere.
- Financially independent individuals considering elective residence alongside passive investments.
- Remote professionals assessing Italy's digital nomad / remote worker visa.
- Families comparing employment, study, family, investor or entrepreneur routes.

Important terminology

Italy distinguishes between EU/EEA/Swiss free-movement rights and the immigration rules applying to third-country nationals. The exact visa and permit process depends on nationality, current residence, intended activity and the competent Italian consulate.

Choosing an Italian residence route

Company ownership and immigration permission must be assessed separately.

WHAT WILL THE APPLICANT DO IN ITALY?

Take qualifying employment	Build an innovative startup	Work remotely / independently	Retire, invest or join family
EU Blue Card / work permit	Italia Startup Visa	Digital nomad / remote worker	Elective residence / Investor Visa / family / study

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BEFORE COMMITTING TO A ROUTE Confirm nationality, consular jurisdiction, intended activity, qualification / funding requirements, family position, tax residence and whether work is permitted. Many long-stay visa holders must apply for a residence permit after arrival.

Figure 1. Indicative residence-route decision map.

1. Main routes to Italian residence

The correct route depends on nationality, qualifications, intended activity, employer or business model, funding, family relationships and whether the individual will work in Italy.

Employment and highly qualified work

Non-EU nationals generally require a qualifying work route before starting work. Ordinary subordinate and self-employment routes can be affected by annual quota rules, while specific categories - including highly qualified employment - may follow separate procedures.

Route	Typical features	Residence implications
EU Blue Card / highly qualified work	Highly qualified employment, qualifying contract and salary conditions; employer-led immigration process.	Residence linked to qualifying employment, with possible longer-term progression.
Ordinary subordinate work	Employer sponsorship; annual quota rules may apply depending on category.	Permission is linked to the approved work and permit conditions.
Intra-company transfer	Transfer of qualifying managers, specialists or trainees within a corporate group.	Temporary permission tied to the group assignment and role.

OWNER-MANAGED COMPANY Forming an S.r.l. does not automatically create a work or self-employment right for its shareholder-director. The visa / permit must authorise the actual activity.

Digital nomad and remote worker visa

Italy’s national long-stay route covers highly qualified digital nomads (self-employed) and remote workers (employees or collaborators). Official consular guidance requires highly qualified status, sufficient lawful income, health insurance, suitable accommodation and at least six months of prior relevant experience. The income threshold is linked to the statutory healthcare-exemption benchmark and should be reconfirmed with the competent consulate.

Family and study

Family-reunification and family-member routes depend on the sponsor’s status and relationship. Students normally require admission to an eligible course, financial means, accommodation and medical cover; study permission is temporary and work rights are limited by the applicable rules.

2. Retirement and independent means: elective residence

The elective-residence visa is designed for individuals who intend to live stably in Italy and can support themselves from substantial, stable private resources. It is not a work visa.

Indicative financial and supporting requirements

- Stable and substantial private income, such as pensions, annuities, investment income, property income or other resources independent of day-to-day work.
- Suitable long-term accommodation in Italy, normally evidenced by a registered lease or ownership.
- Detailed bank, investment, property and tax documentation supporting the source and continuity of income.
- Health insurance / medical cover where required by the competent consulate and residence process.
- A credible intention to reside in Italy on a stable basis.

FINANCIAL THRESHOLD Consular practice is not perfectly uniform. Several Italian consulates cite approximately EUR 31,000-EUR 32,000 per year for a single applicant, but the competent consulate should be checked immediately before application.

WORK RESTRICTION Elective residence does not allow employment or self-employment in Italy. Active day-to-day management of an Italian company can therefore conflict with the permission.

Passive ownership versus active management

Activity	Likely position under ordinary elective residence
Holding shares as an investment	Potentially possible, subject to immigration wording, company law and tax advice.
Receiving dividends / investment returns	Potentially possible, with Italian and cross-border tax consequences.
Managing daily operations	Normally inconsistent with a no-work residence route.
Providing services to the company	Normally not permitted without an appropriate work / self-employment route.
Drawing salary or director fees for work	Requires specific immigration and tax analysis; do not assume it is permitted.

Long-term residence caution

Immigration residence, EU long-term resident status, citizenship residence and tax residence are separate tests. Time spent under a particular permit should be checked against the rules for the long-term objective being pursued.

3. Entrepreneur and investor routes

Italia Startup Visa

Italia Startup Visa is a simplified self-employment route for non-EU founders who intend to establish a qualifying innovative startup in Italy. The business proposal itself must meet the innovative-startup framework; an ordinary local business is not enough.

Core startup requirements

- At least EUR 50,000 of financial resources dedicated to the innovative startup.
- A credible business model, founder profile and plan consistent with the innovative-startup criteria.
- Application to the dedicated technical committee for the required nulla osta before the consular visa stage.
- After arrival, completion of the residence-permit process within the applicable time limit.

More likely to fit the startup route	Generally less likely to fit
Technology, IP, scientific or R&D-led venture	Ordinary local consultancy with no qualifying innovation
Scalable product with international or high-growth potential	Conventional retail, local personal services or standard hospitality
Documented funding and founder capability	Passive investment-holding or property vehicle

Investor Visa for Italy

Italy also offers a two-year Investor Visa for qualifying non-EU investors. Current programme thresholds are:

- EUR 2 million in Italian government bonds;
- EUR 500,000 in an Italian limited company;
- EUR 250,000 in an Italian innovative startup; or
- EUR 1 million philanthropic donation in qualifying public-interest fields.

CONDITION OF PERMISSION The investor programme requires the qualifying investment / donation to be made within the programme deadlines and maintained as required. It is distinct from merely incorporating a company.

4. Establishing an Italian private limited company

The usual owner-managed vehicle is a società a responsabilità limitata (S.r.l.), which has separate legal personality and limited liability subject to compliance with corporate-law requirements.

Coordinated Italy planning sequence

1	IMMIGRATION	Choose a permission that authorises the intended activity.
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2	COMPANY	Design the S.r.l., ownership, governance, capital and notarial incorporation.
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3	REGISTRATION	Register with the Business Register; obtain tax / VAT positions and other registrations.
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4	REMUNERATION	Model salary, director compensation, dividends, pension and social-security exposure.
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5	COMPLIANCE	Maintain books, accounts, annual filings, tax returns, payroll and sector licences.
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Figure 2. Coordinated implementation sequence.

> SEQUENCE MATTERS Tax residence, company management and immigration status can become connected in practice even though they are legally separate. Plan the operating model before incorporation.

Core formation requirements

Requirement	Practical point
Company name	Must be available and compliant with Italian naming rules.
Constitution	An S.r.l. is normally incorporated by notarial deed; the articles / bylaws set governance and ownership rules.
Shareholder	A single-member S.r.l. is possible. Non-EU shareholders may be subject to reciprocity analysis unless an exemption applies.
Director / administrator	One or more administrators may be appointed; management powers are defined in the constitutional documents and resolutions.
Registered office	An Italian registered office is required.
Share capital	Ordinary and simplified S.r.l. variants have different capital and formation rules; the chosen capital should fit the operating plan.
Beneficial ownership	Beneficial-ownership reporting requirements must be checked under the rules in force at the filing date.
Business activity	The activity must be registered and sector-specific authorisations obtained where required.

Registration and ongoing obligations

1. Execute the notarial incorporation deed and file the company with the Registro delle Imprese.
2. Obtain the company tax code and, where relevant, VAT registration / Partita IVA.
3. Register payroll, social-security and insurance positions where employees or covered directors are engaged.
4. Maintain statutory accounting records and prepare / file annual financial statements in the required format.
5. File IRES, IRAP, VAT and withholding returns and make electronic tax payments as required.
6. Keep corporate, beneficial-owner and sector-specific registrations current.

FOREIGN OWNERSHIP A non-EU person can often own an Italian S.r.l., but reciprocity, immigration and regulated-sector restrictions should be checked before the notarial appointment.

5. Company taxation

An Italian resident company is generally subject to Italian corporate taxation on its worldwide income. Cross-border management, permanent establishments, transfer pricing and treaty residence require specialist analysis.

Principal company tax rates

Tax / item	Indicative 2026 treatment
IRES - corporate income tax	24% standard rate on taxable corporate income.
IRAP - regional production tax	3.9% basic rate in many cases; regional / sector variations apply and the tax base differs from IRES.
Dividends to resident individual shareholders	Generally 26% final withholding / substitute tax, subject to special cases.
Standard VAT (IVA)	22%, with reduced rates for specified goods and services.
Specific sectors / incentives	Banks, financial entities and qualifying incentives can have different rules.

Trading-profit illustration

Calculation	Amount
Taxable profit for IRES purposes	EUR 100,000
IRES at 24%	EUR 24,000
Profit after IRES	EUR 76,000

IRAP is intentionally excluded from this simple illustration because it is computed on a different production-value base and may vary by region and sector. The actual company cash tax can therefore differ materially.

PLANNING POINT The 24% IRES rate should not be presented as the owner’s final tax rate. Personal tax can arise when value is extracted, and IRAP, payroll taxes / social contributions or withholding taxes may also apply.

Company residence and management

Where an Italian company is effectively managed from another country, or a foreign company is effectively managed from Italy, dual-residence and permanent-establishment issues can arise. Board process, decision-making, personnel and operating substance should match the intended structure.

6. Personal Income Tax and special regimes

The following rates illustrate the national IRPEF position for 2026. Regional and municipal surcharges can apply in addition, and the final liability depends on residence, income category, deductions, family position, social security and treaty relief.

National IRPEF bands - 2026

Taxable income	National rate
Up to EUR 28,000	23%
EUR 28,001 to EUR 50,000	33%
Over EUR 50,000	43%

Regional income tax generally varies by region, and municipal income tax varies by municipality. These local charges should be included in any personal cash-flow model.

New-resident lump-sum regime

A qualifying individual who transfers tax residence to Italy may elect a substitute tax on foreign-source income. For new entrants transferring residence from 1 January 2026, the annual amount is EUR 300,000 for the principal taxpayer and EUR 50,000 for each qualifying family member included in the election. The regime is subject to prior non-residence conditions, can run for a maximum period under the statute, and does not replace ordinary Italian tax on Italian-source income.

HNWI REGIME The flat amount is not a general cap on all Italian tax. Italian-source income remains within ordinary rules, and source, treaty, capital-gain, estate / succession and timing issues require a specific pre-arrival review.

Foreign pensioner regime

A separate 7% substitute-tax regime may be available to qualifying recipients of foreign pensions who transfer residence to specified municipalities in southern Italy and meet the statutory conditions. It is a specialist route and should not be assumed to apply merely because the person is retired.

Tax residence is separate from immigration

A visa or residence permit does not by itself decide tax residence. Italy's domestic tax-residence tests and any applicable double-tax treaty must be assessed separately.

7. Salary, director compensation and dividends

Owner-directors commonly extract value through employment salary, administrator / director compensation, dividends, pension contributions or a combination. Each route has different company, personal-tax, social-security, cash-flow and immigration consequences.

Salary / employment remuneration

- Generally deductible for the company where the expense is properly incurred, documented and connected with the business.
- Subject to payroll withholding, IRPEF and the relevant social-security rules.
- Employer social contributions can be a material additional company cost.
- Requires an immigration permission that authorises the actual employment activity for a non-EU owner.

Administrator / director compensation

Italian corporate administrators may be remunerated under a properly approved arrangement. The tax and INPS classification can differ from ordinary employment and depends on the person’s role, other activities and corporate facts. It should be modelled separately rather than treated automatically as “salary”.

Dividends

- Paid from distributable profits after corporate tax and subject to corporate-law approval.
- Not deductible in computing company taxable profit.
- Dividends paid to an Italian-resident individual outside a business activity are generally subject to 26% final withholding / substitute tax.
- Non-resident shareholders may benefit from treaty, EU or domestic reductions where the conditions are met.
- Dividends are not remuneration for work and do not by themselves create a work right.

IMMIGRATION CHECK Changing the extraction method does not fix an immigration mismatch. A person who is not permitted to work in Italy should not assume that relabelling compensation as director fees, consultancy fees or dividends makes active management lawful.

8. Combined company and shareholder illustration

This simplified example shows the potential combined tax where all profit remaining after IRES is distributed to a single Italian-resident individual shareholder and the 26% dividend tax applies. It excludes IRAP, local taxes, social security, credits, deductions and special regimes.

Stage	Approximate amount
Company taxable profit	EUR 100,000
IRES at 24%	(EUR 24,000)
Gross dividend available	EUR 76,000
Dividend tax at 26%	(EUR 19,760)
Approximate net amount retained personally	EUR 56,240

EFFECTIVE RESULT On these assumptions, IRES plus dividend tax is approximately EUR 43,760, or 43.76% of the original EUR 100,000 profit. Actual results can be higher or lower once IRAP, contributions and other rules are included.

Salary versus dividend comparison

Salary / remuneration	Dividend
Potentially deductible for the company, subject to the applicable rules.	Not deductible for the company.
IRPEF, payroll withholding and social-security treatment may apply.	Generally 26% tax for resident individuals in the standard case.
Employer social contributions may apply.	No employer payroll contribution merely because a dividend is paid.
Requires authorised work activity for a non-EU owner.	Does not itself authorise work or management activity.
Can support pension / contribution history depending on classification.	Investment return rather than earned remuneration.

This comparison is deliberately high-level. The optimal mix depends on company profitability, the owner’s tax residence, social-security position, treaty relief, pension objectives, immigration permission and whether profits are retained or distributed.

9. Recommended planning sequence

The sequence matters. Incorporating first and addressing immigration or tax residence later can create a company that the founder is not legally permitted to operate, or can create unintended cross-border tax exposure.

1. Confirm nationality, current residence and the competent Italian consulate.
2. Identify the immigration route before committing to relocation, employment or active business management.
3. Test whether digital nomad, highly qualified work, Italia Startup Visa, Investor Visa, elective residence, family or study is the best fit.
4. Define ownership, administrator powers, registered office, capital, accounting and notarial arrangements.
5. Prepare the business plan, funding evidence, source-of-funds file and operating forecast.
6. Incorporate and complete Business Register, tax, VAT, payroll and required beneficial-owner / sector registrations.
7. Agree a compliant remuneration, dividend, pension and social-security strategy with Italian advisers.
8. Review personal and company tax residence, treaty exposure, foreign companies, permanent establishments and continuing obligations elsewhere.
9. Complete the post-arrival residence-permit process and comply with the conditions of the chosen permission.

Documents commonly required

Immigration and personal	Company and commercial
Passport, civil-status and residence documents	Notarial incorporation documents and bylaws
Police / background evidence where required	Business plan and financial forecasts
Health insurance / medical cover where required	Funding and source-of-funds evidence
Proof of income, assets and accommodation	Administrator, registered-office and ownership details
Employment, startup, investor, family or study evidence	Business Register, tax, VAT, payroll and sector registrations

DO NOT RELY ON INCORPORATION A Business Register certificate proves that the company exists. It does not prove that a non-EU founder has permission to enter Italy, reside there, work for the company or manage it.

10. Cross-border and advisory considerations

Tax residence is separate from immigration residence

An Italian visa or residence permit does not determine tax residence. Conversely, a person can become Italian tax resident before obtaining any long-term immigration status. Domestic residence tests, treaty tie-breakers and the timing of a move should be reviewed before the relocation date.

Operating from another country

An Italian S.r.l. managed from abroad can create foreign permanent-establishment, payroll, social-security, VAT and company-residence issues. The owner's home country may also tax salary, administrator fees, dividends or capital gains. Treaty relief and reporting should be mapped before trading begins.

Foreign companies and controlled entities

Moving to Italy while retaining overseas companies, trusts, partnerships or investment vehicles can trigger Italian reporting, controlled-foreign-company, beneficial-ownership or source-of-income issues. High-net-worth individuals should review these structures before becoming Italian tax resident, particularly if considering the new-resident lump-sum regime.

Regulated and professional activities

Company registration does not replace professional licences or regulatory permissions. Financial services, insurance, legal work, healthcare, recruitment, transport, food, hospitality and other regulated sectors may require separate Italian or EU authorisation.

Questions to resolve before proceeding

- What is the applicant's nationality and current country of tax residence?
- Will the person work actively in Italy, work remotely, or remain a passive investor?
- Does the proposed venture qualify as an innovative startup or is an ordinary business route required?
- How much funding is available and can its source be documented?
- Where will management decisions actually be taken?
- Will profits be retained, paid as remuneration, contributed to pension arrangements or distributed as dividends?
- Does the person have ongoing tax, company, social-security or estate-planning exposure elsewhere?

PROFESSIONAL REVIEW Immigration, corporate, tax, social-security and regulatory advice should be coordinated. A structure that is tax-efficient may not satisfy immigration conditions, and a residence route may restrict the intended company role.

About the Founder - Gary Day

Founder and Senior Wealth Advisor

A DISCIPLINED INTERNATIONAL PERSPECTIVE Gary combines military discipline with decades of experience helping internationally mobile clients navigate cross-border financial decisions.

Gary Day is the Founder and a Senior Wealth Advisor at Elysium Wealth Advisors, bringing over 25 years of international financial-services experience across the United Kingdom, Europe and the Middle East.

Gary began his professional career in the British Army before moving into financial services in 1990. That background shaped the disciplined, structured and analytical approach that continues to underpin his work in wealth advisory and financial planning.

He has held senior advisory and leadership roles within FCA-regulated firms in the UK and has extensive experience advising expatriates, internationally mobile professionals and high-net-worth individuals. His work focuses on bringing clarity and coordination to complex, multi-jurisdictional financial arrangements.

Core areas of expertise

- Cross-border financial planning
- Estate and succession planning, including UAE wills
- Pension structuring and transfers
- Investment portfolio design and analysis
- Individual and corporate protection planning

Professional qualifications and specialist education

Area	Background
PROFESSIONAL QUALIFICATIONS	Level 4 Diploma in Financial Services; Financial Planning Certificate; CF2 Investment and Risk.
SPECIALIST ADVICE	Mortgage Advice; Equity Release; Long-Term Care; Level 6 Award in Pension Transfers.
INVESTMENT & MARKETS	Hedge Funds, Equity Portfolio Management and Fixed Income Portfolio Management - New York Institute of Finance.
INTERNATIONAL STUDY	Programmes through KU Leuven, HarvardX and the IMF, together with specialist Islamic banking, insurance and investment certifications.

Gary regularly works with clients across the EU, the UAE and other international markets, supporting Elysium Wealth Advisors’ commitment to bespoke, client-centred planning.

Gary Day

Founder and Senior Wealth Advisor

A DISCIPLINED INTERNATIONAL PERSPECTIVE

Gary combines military discipline with more than 25 years of international financial-services experience, supporting internationally mobile clients with structured cross-border planning.

Founder profile | Elysium Wealth Advisors Group of Companies

Official sources and further information

- Ministry of Foreign Affairs and International Cooperation (MAECI) - entry, visas and residence in Italy
- Italian diplomatic missions / consulates - elective residence and digital nomad / remote worker visa requirements
- Ministry of Enterprises and Made in Italy (MIMIT) - Investor Visa for Italy
- Italia Startup Visa / MIMIT - innovative-startup founder route
- Invest in Italy - corporate taxation (IRES and IRAP)
- Agenzia delle Entrate - personal tax returns, special regimes and payment guidance
- Dipartimento delle Finanze - corporate and personal tax data / rates
- Registro delle Imprese / Chambers of Commerce - S.r.l. formation and filings
- INPS - social-security registration and contribution rules
- Gazzetta Ufficiale / Italian Parliament - Budget Law 2026 and legislative updates

Important Disclaimer

This guide is provided for general information and client education only. It does not constitute legal, immigration, tax, accounting, investment, pension or regulatory advice, and it does not take account of any person's objectives, financial position, nationality, residence, domicile or individual circumstances. All tax figures and worked examples are illustrative only and must not be treated as personal calculations, forecasts or recommendations.

The information is based on public and official sources reviewed up to 25 August 2026. Laws, visa thresholds, quota rules, administrative practices, tax rates and official interpretations may change. Consular requirements can also differ by jurisdiction. Before taking action, obtain written, case-specific advice from appropriately qualified Italian immigration, legal, tax and accounting professionals and, where relevant, a suitably authorised financial adviser.

Particular points to reconfirm at the action date include the applicable visa / permit route, any annual work quotas, elective-residence income expectations, the digital-nomad income benchmark, beneficial-ownership filing procedures, social-security classification and local / regional tax rates.

About this guide

Prepared as a client education document by Elysium Wealth Advisors Group of Companies. The guide is designed to support an initial professional discussion and should be supplemented by a written, case-specific assessment.

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To arrange an initial discussion, contact Elysium Wealth Advisors using the most convenient regional WhatsApp number:

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