

Jurisdiction's name:

Republic of San Marino

Information on Residency for tax purposes

Section I – Criteria for Individuals to be considered a tax resident

The notion of tax residency for **natural persons** is provided for by Article 10 of Law no. 166 of 16 December 2013. Under said Article, natural persons shall be deemed to be resident in San Marino for tax purposes if, in the tax period of reference, at least one of the following conditions is met:

- they have their registered residency in San Marino for most of the tax period;
- they live in the territory of San Marino for most of the tax period;
- they have their centre of vital interests in the territory of San Marino.

Article 2 of Law no. 166 of 16 December 2013 clarifies the concepts of "abode" and "centre of vital interests":

- "abode" means the place within the territory of the State where a person conducts his/her private life, regardless of whether this constitutes the place of his/her registered residence in the State or his/her domicile;
- "centre of vital interests" means the concentration of a person's economic, financial, social and family interests in the territory of the State.

Section II – Criteria for Entities to be considered a tax resident

The notion of tax residency for **legal persons** is provided for by Article 42 of Law no. 166 of 16 December 2013, according to which legal persons and entities having their registered office or place of effective management in the territory of San Marino for most of the tax period shall be deemed resident in San Marino.

Legal persons in San Marino include:

- the State, State bodies and other public entities (such as, for example, the Social Security Institute and the Autonomous State Corporations);
- associations;
- foundations;
- companies (except partnerships).

Section III – Entity types that are as a rule not considered tax residents

Under Article 10 of Law no. 166 of 16 December 2013:

- each partner shall be taxed in respect of the income generated by partnerships, irrespective of whether it is actually received or not, since partnerships are not subject to taxation;
- associations among professionals are considered similar to partnerships.

Special legislation is envisaged for **mutual funds**. This specific legislation (Articles 1 and 3 of Law no. 4 of 15 January 2007), establishes, as a general rule, that profits and capital gains arising from participation in mutual funds and received by natural persons shall be exempt from income tax. Consequently, investors not residing in San Marino shall, if applicable, be taxed in respect of that income exclusively in their country of residence.

Section IV – Contact point for further information

Further information can be obtained by contacting the Tax Office, Via 28 Luglio, 196 - 47893 Borgo Maggiore (San Marino), T +378 (0549) 885015 - F +378 (0549) 885095, info.tributario@pa.sm (from Monday to Friday from 08:15 a.m. to 2:15 p.m., on Tuesday and Thursday also from 2:15 p.m. to 6:00 p.m.).