

To whom it may concern

Of counsel

Dott. Sandro Guarnieri

Dott. Marco Guarnieri

Dott. Corrado Baldini

Dott. Paolo Fantuzzi

Dott.ssa Sara Redeghieri

Dott.ssa Beatrice Cocconcelli

Dott.ssa Veronica Praudi

Dott.ssa Federica Lusenti

Dott. Andrea Frigeri

Dott.ssa Katia Borghi

Dott. Matteo Giovannini

Dott.ssa Nunzia Rivieccio

Avv. Francesca Palladi

Reggio Emilia, Feb. 16, 2026

MEMORANDUM N. 18/2026

Insight

Subject: Credit losses

For the purposes of determining the business income of entities other than banks, other financial companies, and insurance companies, the tax treatment of expenses arising from the “definitive” uncollectibility of receivables (so-called credit losses) is governed by Article 101, paragraph 5, of the Italian Tax Code, according to which credit losses are deductible from business income (without limits and using an analytical mechanism) if they result from certain and precise elements and, in any case, if the debtor is subject to insolvency proceedings.

The existence of the aforementioned certain and precise elements, which must generally be demonstrated by the taxpayer, is nevertheless presumed in cases strictly provided for by law, such as:

- the debtor is subject to insolvency proceedings (losses from existing receivables, but to be assessed as uncollectible due to the debtor's legal status);
- the receivable is of modest value (€5,000.00 for larger companies, i.e., with a turnover or revenue of not less than €100 million, **€2,500.00** for other companies) and at least six months have elapsed since the due date for payment;
- the claim has been written off or canceled from the balance sheet in accordance with accounting principles (losses “of a realizable nature,” as they are connected to events that cause the claim to cease to exist, such as: transfer of the claim – waiver of the claim – settlement with the debtor).

Pursuant to Article 101, paragraph 5, of the Italian Tax Code (Tuir), losses on receivables from debtors subject to insolvency proceedings are deductible “in all cases,” i.e., without limits and using an analytical mechanism, from the date of:

- the bankruptcy ruling;
- the order for compulsory administrative liquidation;
- the decree admitting the debtor to the arrangement with creditors procedure;
- the decree ordering the extraordinary administration procedure for large companies in crisis;

SGB & Partners

Sede legale

Via Meuccio Ruini, 10
42124 Reggio Emilia
CF e Piva 01180810358

Tel. +39 0522 941069
Fax +39 0522 941885
Mail info@sgbstudio.it
Web www.sgbstudio.it

- the decree approving the debt restructuring agreement, pursuant to Article 182-bis of Royal Decree 267/1942;
- the entry in the Register of Companies of certified recovery plans, referred to in Article 67, paragraph 3, letter d), of Royal Decree 267/1942;
- admission to foreign proceedings, if the debtor is subject to foreign proceedings equivalent to domestic proceedings, provided for in States or territories with which there is an adequate exchange of information.

The above provision was subject to authentic interpretation by Article 13, paragraph 3, of Legislative Decree 147/2015, which defined the time **frame** within which taxpayers can deduct losses on receivables from entities subject to insolvency proceedings for tax purposes, *specifying that these losses may be deducted for tax purposes starting from the year of admission to such proceedings and up to the financial year in which the receivables must be written off in the financial statements*, in accordance with the accounting principles adopted by the company.

The Firm remains available for any clarifications.

SGB & Partners – Commercialisti

SGB & Partners

Sede legale
Via Meuccio Ruini, 10
42124 Reggio Emilia
CF e Piva 01180810358

Tel. +39 0522 941069
Fax +39 0522 941885
Mail info@sgbstudio.it
Web www.sgbstudio.it