

Financial crime enforcement: Key issues to watch in Italy in 2026

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Italy is entering 2026 with a markedly tougher approach to financial crime enforcement. Legislative reforms have toughened ESG and cybercrime laws, turning environmental misdemeanours into criminal offences and expanding corporate liability. Authorities are prioritising high-profile investigations in sectors such as fashion, real estate, tech and private equity, with assertive tax enforcement, enhanced cross-border collaboration, and new digital asset regulations all signalling a more complex and challenging environment for businesses.

Key issues

- 1 **Legislative reform:** Italy has toughened ESG and cybercrime laws – environmental misdemeanours are now criminal offences and corporate criminal liability is expanded. Cybercrime legislation has been strengthened and public sector corruption offences have narrowed.
- 2 **Enforcement focus:** Authorities are prioritising environmental crime and ESG supply chain offences, labour exploitation and tax crime in a number of sectors including fashion, trade, logistics, and real estate.
- 3 **Tax & anti-corruption trends:** Assertive tax enforcement against the tech, banking and private equity sectors.
- 4 **Cross-border collaboration:** Italy has worked in close partnership with Eurojust, the European Anti-Fraud Office (OLAF), and Interpol on cases involving VAT fraud, money laundering, and organised crime syndicates. New tools (for example, Interpol Silver Notice and a Memorandum of Understanding (MOU) with the United Arab Emirates) accelerate enforcement.

ENFORCEMENT TRENDS

What were the most significant developments in financial crime enforcement in Italy in 2025 and what lies ahead in 2026?

Last year was marked by major legislative [reforms](#), particularly in the area of ESG. Italy's Parliament enacted a comprehensive overhaul of environmental crime laws, converting several environmental misdemeanours (including unauthorised waste management, illegal dumping, and burning) into criminal offences. This has expanded the scope of corporate criminal liability, as many of these offences are now prosecutable against companies under vicarious liability principles.

Environmental crime enforcement has intensified, with prosecutors prioritising cases against managers in the energy and chemical sectors for environmental pollution – even where breaches were minor or historical. Notably, in July 2025, 11 former executives of Miteni were convicted of crimes of environmental disaster, water poisoning and environmental pollution related to PFAS contamination in the waters surrounding the Trissino chemical plant. Whilst open to appeal, the Miteni case represents an important development, particularly given the widespread industrial use of PFAS.

In the area of anti-corruption, the Italian [Supreme Court](#) has recently clarified that the offence of misuse of public funds,¹ introduced in 2024, is much more limited in scope than the former offence of abuse of office.² As a result, there will likely be fewer criminal proceedings against public officials in 2026, and public prosecutors are expected to dismiss more cases than before. For example, the European Public Prosecutor's Office (EPPO) recently requested the dismissal of an investigation into a €1.3 billion dam contract off the harbour of Genoa, which was largely funded by European and national public funds. This request was made because the offence of abuse of office has been removed from Italian law, and the new, narrower offence of misuse of public funds does not apply to the actions in question. In December 2025, the Judge of the Preliminary Investigations of Genoa granted the EPPO's request and dismissed all criminal allegations.

What is the nature of the emerging trend of tax evasion investigations in Italy, and which sectors have been targeted?

In 2025, the EPPO and Guardia di Finanza (GDF) continued to actively target complex VAT evasion schemes, particularly Missing Trader Intra-Community (MITC) fraud, which exploits EU VAT rules by creating chains of shell companies to evade tax. Notable operations included the seizure of [€5 million in assets](#) linked to fraudulent activities in the fuels sector, [€20 million in assets](#) from a criminal gang importing fuel while evading VAT, and [€100 million in assets](#) in a plastic products trading scheme. Chinese e-commerce companies have also come under scrutiny for failing to pay VAT.

¹ The offence targeting public officials who misuse public money or property for unauthorised purposes, resulting in unjust financial gain or harm, under Article 314-*bis* of the Italian Criminal Code, introduced by Law 112/2024. This offence can trigger corporate criminal liability under Article 25 of Legislative Decree No. 231/2001 (so-called 'Law 31') if it affects EU financial interests and is committed in the interests or advantage of a company.

² Under Article 323 of the Italian Criminal Code, as modified by Law 114/2024.

In the tech sector, a major American technology company reached a settlement with the Italian Tax Authority over allegations that it had undisclosed permanent establishments in Italy. These allegations were based solely on the presence of the company's IT infrastructure in Italy, rather than on having personnel located in the country. Separately, other multinational tech companies are under investigation for alleged VAT evasion, based on the novel theory that user data constitutes consideration for services, potentially triggering VAT obligations. These companies have chosen to challenge the tax claims in court, and the outcome could have significant implications across the EU, with further similar test cases are expected in 2026.

In the banking sector, public prosecutors are investigating banks for allegedly using 'undisclosed permanent establishments' to shift profits from Italy, avoiding income tax by booking income earned in Italy in other countries, despite having official branches in the country.

In the private equity funds space, prosecutors have requalified certain M&A transactions governed by foreign law as Italian law transactions, further alleging tax evasion through non-submission of tax returns. The Italian Tax Authority has disappplied double taxation treaties, asserting that sales of shares by foreign private equity funds were, in substance, real estate transactions, and thus subject to Italian tax. These developments reflect a wider trend towards assertive tax enforcement in Italy, with authorities willing to challenge established international tax norms.

Finally, the food and beverage sector has faced tax fraud investigations, with the Guardia di Finanza (GFO) announcing in November asset seizures exceeding €1.29 billion belonging to the Luxembourg-based owner of the Italian liqueur brand Campari as part of an [investigation](#) into suspicions that the business had underpaid tax. This case underscores a wider trend in Italy of public prosecutors targeting high-profile multinational groups and signals that authorities are increasingly willing to pursue complex, cross-border tax investigations involving significant asset seizures.

SECTORS AND TARGET INSTITUTIONS IN FINANCIAL CRIME INVESTIGATIONS

How have enforcement priorities shifted in the past year and what sectors have been targeted?

In 2025, in addition to previously discussed tax enforcement actions, multinational companies operating in the trade and logistics sectors have been investigated for both tax evasion and the exploitation of workers. The investigations focus on arrangements where suppliers issued invoices for procurement services, which are subject to VAT, even though the actual services provided were manpower services, which are not subject to VAT. This allowed the multinational companies to improperly claim VAT deductions, while the suppliers avoided paying VAT, income taxes, and social security contributions. As a consequence of these findings, court-appointed administrators were assigned to oversee the companies' compliance with legal requirements, and the majority of the companies involved have subsequently reached settlements with the authorities.

In the fashion sector, suppliers to several major fashion houses have been found guilty of worker exploitation, including paying low wages,

maintaining unsafe working conditions, and imposing excessive working hours. These companies have faced criticism for failing to properly monitor their supply chains through on-site audits or investigating suppliers offering suspiciously low costs. To address these issues, court administrators have also been appointed to oversee compliance, and the Prefecture, Prosecution Office, and Court of Milan have established a [draft protocol](#) aimed at preventing worker exploitation. In addition, the Milan Prosecution Office is continuing its investigation into the supply chains of an additional 13 luxury fashion brands, and in December 2025 it was reported that the office had requested governance and supply chain documents from these companies as part of the ongoing inquiry.

In the real estate sector, managers are facing prosecution for unlawful construction and breaches of urban planning regulations, particularly for misclassifying new builds as renovations to avoid permit requirements. The Milan Prosecution Office has secured the seizure of several buildings under construction, and some cases have already gone to trial. The debate over what constitutes a 'renovation' versus a 'new construction' remains ongoing, and enforcement actions by the Milan Prosecution Office are expected to continue into 2026.

CROSS-BORDER CO-ORDINATION IN FINANCIAL CRIME INVESTIGATIONS

What key developments are shaping cross-border co-ordination in financial crime investigations?

There have been several notable financial crime cases involving cross-border collaboration in the past year. These cases highlight a trend towards deeper cross-border cooperation, with Italian authorities increasingly relying on EU-level agencies, joint operations and shared intelligence to tackle complex, multi-jurisdictional financial crime.

In April 2025, a five-year investigation led by Italian and German authorities, supported by Eurojust, resulted in the arrest of 29 suspects for offences including VAT fraud, food fraud, attempted manslaughter, drug trafficking, tax evasion and money laundering. Officers from both countries worked together throughout the investigation.

In October 2025, the Italian Financial Police of Prato, with EPPO support, seized millions of euros in assets linked to luxury vehicle VAT fraud. The investigation centred on the systematic issuing and use of false invoices through shell companies registered under straw men to avoid VAT, with Prato officers again working closely with German officers as part of the investigation.

In November 2025, searches, seizures and arrests were carried out in connection with a €19 million VAT fraud involving the smuggling of goods from China. The accused abused customs procedures to avoid paying VAT, and the investigation was supported by OLAF and Europol. This trend is likely to result in more proactive, intelligence-led investigations and the continued disruption of transnational criminal activity in the coming year.

What significant changes have been made in Italy around enforcement of cross-border financial crime investigations?

In January 2025, at Italy's request, Interpol issued its first-ever Silver Notice to target the assets of a senior Mafia figure. Launched as a pilot with 52 countries, Silver Notices allow member states to request information on assets linked to serious crimes, including fraud, corruption and environmental offences, and serve as an alternative to traditional mutual legal assistance frameworks. This initiative aims to help locate and identify laundered assets – such as properties, vehicles, financial accounts and businesses – which can then be used in bilateral requests for seizure, confiscation or recovery, subject to national laws.

Separately, Italy has further strengthened relations with the United Arab Emirates, following the signing of an MOU, pursuant to which the GDF and UAE's General Secretariat of the National Anti-Money Laundering and Combating Financing of Terrorism and Financing of Illegal Organizations Committee will work together on combating financial crimes including money laundering and tax evasion. The MOU emphasises intelligence and expertise sharing, streamlined processes for extradition for individuals involved in financial crime, and co-ordinated efforts to track and confiscate assets acquired through illegal means.

Furthermore, Italy has also deepened operational ties with Eurojust and Europol. In October 2025, the largest-ever action against the 'Ndrangheta Mafia crime syndicate resulted in 76 convictions, a collective total of 1,098 years in jail, and a fine of €440,000, co-ordinated across nine countries and supported by Eurojust and Europol. These developments underscore Italy's increasing reliance on EU-level collaboration to tackle complex cross-border schemes.

EMERGING RISK MANAGEMENT ISSUES

How are regulatory bodies in Italy addressing the risks associated with cryptocurrencies and other digital assets?

Italy has implemented the EU's (Markets in Crypto-Assets Regulation (MiCA), which came into full force in late December 2024. MiCA introduces a harmonised regulatory framework for the issuance, public offering and provision of services related to crypto assets not already regulated by other EU legislation. For Italy, this means stricter compliance requirements for Crypto Asset Service Providers (CASPs), who are now subject to prudential supervision by the Bank of Italy and must be authorised by the Italian Securities and Exchange Commission (CONSOB), which is likely to result in increased compliance costs and enforcement risks for CASPs operating in Italy.

These measures are intended to ensure greater stability and transparency in the crypto asset market, and include obligations related to anti-money laundering, counterterrorism financing provisions and the disclosure of relevant information in financial statements, aligning CASPs with standards applied to traditional financial institutions. The Bank of Italy and CONSOB have investigative powers, including search and seizure (where authorised by the public prosecutor), and can impose administrative sanctions and corrective actions for violations.

Criminal and administrative sanctions have been introduced for those providing crypto asset services without adhering to MiCA regulations.

Fines for individuals range from €5,000 to €700,000; for legal entities, from €30,000 to €5 million, or up to 12.5% of annual turnover for serious breaches. Additionally, entities involved in insider trading or market manipulation may incur fines up to €15 million or 15% of their total annual turnover. Failure to cooperate with investigations can result in fines from €30,000 to €5 million for entities and €5,000 to €5 million for individuals, with potential bans on management roles for severe cases.

Finally, the Italian Supreme Court is developing case law on cryptocurrencies, particularly regarding money laundering and the unauthorised sale of financial products (e.g., bitcoins offered as professional investments). Judicial engagement with crypto-related offences is part of a wider trend towards clarifying the legal status of digital assets and establishing clear precedents for future enforcement actions.

What cybercrime trends pose a risk to Italian companies and financial institutions?

Cybercrime is a significant threat to companies and financial institutions in Italy. Ransomware, phishing and account takeovers are the leading attack vectors. Data breaches and the unauthorised dissemination of personal and confidential data are on the rise, as documented by the National Cybersecurity Agency (ACN), which reports a significant increase in incidents involving the exfiltration and exposure of sensitive information, often linked to ransomware and other malicious cyber activities.

Cybercrime laws have also been significantly strengthened. Law No. 90/2024 is now entering its second year on the statute books, increasing penalties for unauthorised access to computer systems and destruction of data, and introducing the crime of cyber extortion, targeting those who use cybercrimes to coerce others for unjust benefits, such as ransomware demands. Separately, Law 132/2025 entered force in October 2025 which introduces a new aggravating factor for crimes committed with the support of AI. This change may support increased enforcement in 2026, particularly in areas such as cybercrime (for example, phishing using AI tools) and market manipulation (such as spoofing through high-frequency trading).

In terms of existing cybercrime cases, a significant investigation led by the District Anti-Mafia Directorate (DDA) of Milan is ongoing, involving former and current law enforcement officials, IT sector personnel and hackers. It is alleged that a cache of 800,000 records was obtained through illegal access to state databases, potentially used to blackmail politicians and businesses, with possible foreign intelligence implications. These developments place Italy among the more proactive European jurisdictions in combating digitally enabled financial crime, and high-profile enforcement in this area is expected in 2026 and beyond.



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