The principle of enhanced derivation: sales with a right of return and the appraisal contract

By Paolo Stella Monfredini (*)

The application of the principle of enhanced derivation represents a matter of strict relevance in a period traditionally dedicated to the closure of financial statements. In particular, the provisions of art. 2, paragraph 1, D.M. n. 48/2009, which provides for the **deactivation** of paragraphs 1 and 2 of art. 109 of the T.U.I.R. and other provisions for **determining taxable income** that **do not** comply with the principle of **substance** over **form**. In this context, the accounting representations and the consequent tax effects of **uncertain qualification / classification** phenomena are analyzed, such as sales with the right of return and transfers based on appraisal contracts.

The third sentence of paragraph 1 of the art. 83 T.U.I.R. establishes that, "for the subjects who prepare the financial statements on the basis of the international accounting standards pursuant to EC Reg. 1606/2002 of the European Parliament and of the Council, dated July 19, 2002, also in the formulation deriving from the procedure provided for by art. 4, paragraph 7-ter, of Legislative Decree 28 February 2005, n. 38, and for subjects, other than micro-enterprises referred to in art. 2435-ter of the Civil Code, which draw up the financial statements in accordance with the provisions of the Civil Code, apply, also by way of derogation from the provisions of the subsequent articles of this section, the criteria for qualification, timing and classification in the financial statements required by the respective accounting standards ".
The following paragraph 1-bis of the same art. 83 states that, "for the purposes of paragraph 1, subjects other than the micro-enterprises referred to in art. 2435-ter of the Civil Code, which draw up the financial statements in accordance with the provisions of the Civil Code (1), the provisions issued in implementation of paragraph 60 of the law of 24 December 2007, n. 244 (2), and of paragraph 7 quarter of art. 4 of Legislative Decree 28 February 2005, n. 38 "(3).
In this regulatory framework the art. 2 of the D.M. 3 August 2017, to establish which provisions of the D.M. April 1, 2009, n. 48 and of the D.M. June 8, 2011 apply to the parties OIC - adopters referred to in paragraph 1-bis of art. 83 of the T.U.I.R.
In particular, the regulation (4) plays a primary role, according to which, for the OIC - adopters (like the IAS subjects), the income and equity elements represented in the financial statements are relevant for the purposes of calculating taxable income based on the criterion of the prevalence of substance over form.
Consequently, the provisions of art. 109, paragraphs 1 and 2, of the T.U.I.R., as well as "any other provision for determining the income that assumes the income components and assets on the basis of representation rules that do not comply with the aforementioned criterion".

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(1) The income revenue authority has specified that the principle of enhanced derivation does not apply to the determination of the taxable income IRPEF tax base for partnerships and sole corporations and in the calculation of the IRES tax base of the micro-enterprises referred to in art. 2435-ter c.c. even in the event of an option for the financial statements in abbreviated or extended form, while the principle of enhanced derivation remains applicable to the permanent organizations of non-residents.

(2) D.M. April 1, 2009, n. 48

(3) D.M. June 8, 2011 and the two D.M. 10 January 2018.

(4) Article 2, paragraph 1, D.M. April 1, 2009, n. 48

Exemption of paragraph 1 of the art. 109 of the T.U.I.R.

The paragraph 1 of the art. 109 of the T.U.I.R. provides that "Revenues, expenses and other positive and negative components, for which the previous regulaions of this Section do not provide otherwise, contribute to the formation of income in the fiscal year; however, the revenues, expenses and other components of which in the financial year for which they are responsible are not yet certain that they exist or can be determined in an objective manner, the amount contributes to form it in the financial year in which these conditions occur ".

From the non-applicability of paragraph 1 of the art. 109 T. U.I.R., it therefore follows that the attribution by competence of revenues, expenses and other positive or negative income components, not expressly governed by the rules of the T.U.I.R., is no longer subject to their objective certainty or determinability.

The deactivation of paragraph 1 of the art. 109 of the T.U.I.R. it is limited to the objective certainty and determinability of the income components, since the effectiveness of the principle of economic competence is ensured by art. 83 of the T.U.I.R. In regards to that it is necessary to underline that the principle of economic competence does not apply to all the income elements, as the paragraph 1 of the art. 109 refers exclusively to income components "for which the previous provisions of this Section do not provide otherwise". All the provisions contained in articles 81 to 108 of the T.U.I.R., including the rules relating to provisions pursuant to art. 107 of the T.U.I.R., from which it follows that the provisions not foreseen therein, are fiscally irrelevant.

To understand the effect of the disregard of paragraph 1 of the art. 109 T.U.I.R. it is necessary to recall the content of the accounting principle OIC 29.

The latter dictates (paragraph 59) three types of events occurring after the end of the financial year, namely: a) subsequent events that must be incorporated into the financial statement values; b) subsequent events that do not have to be included in the balance sheet values (5); c) subsequent events that may affect the business continuity. The first group includes those positive and / or negative events that highlight conditions that already existed at the balance sheet date, but only occur after the end of the financial year and require changes to the values of assets and liabilities in the financial statements, in accordance with the postulate of competence.

The OIC 29 principle, indicates the following examples (6):

- The definition after the closure of the fiscal year of a lawsuit in existence at the balance sheet date for an amount other than that foreseeable at that date;
- Events occurring after the closing date of the financial year from which it emerged that some assets already at the reporting date had suffered a lasting reduction in value or a reduction in the market value compared to the cost (depending on the particular case) or highlight situations existing on the date budget, which affect budgetary assessments; for example:
- The deterioration of the financial situation of a debtor, confirmed by the bankruptcy of the same after the closing date, which normally indicates that the situation of loss of credit already existed at the balance sheet date;
- The sale of products in stock at the end of the year at prices lower than cost, which provides an indication of a lower realizable value at the balance sheet date;
- The determination, after the closing date of the financial year, of the cost of assets purchased or of the proceeds of assets sold, before the closing date of the reference year;

(5) The OIC 29 proposes the following examples: the decrease in the market value of certain financial instruments in the period after the end of the year, if this reduction reflects market conditions that occurred after the end of the year; the destruction of production facilities caused by calamities; the loss deriving from the change in exchange rates with foreign currencies; the replacement of a short term loan with a long-term one concluded in the period between the closing date of the financial year and that of the preparation of the financial statements; the restructuring of a debt with accounting effects in the period between the closing date of the financial year and that of the preparation of the financial statements.

(6)Which therefore should not be understood as an exhaustive list.

- The determination, after the end of the financial year, of a prize to be paid to employees as an emolument for services concerning the closing year;
- The discovery of an error or a fraud.

These are, in essence, uncertain income measurements in the quantum at the closing date of the financial year, but that, following their definition after the end of the year, involve the recording in the financial statements of a debt / fund (with counterbalance on cost) and a credit (with counterbalance on revenue or income).

The exception to paragraph 1 of the art. 109 T.U.I.R. allows the tax recognition to the accounting representation described; in other words the accounting recognition of the income events already existing at the balance sheet date, but whose objective certainty and determinability requirements occur later and before the approval of the financial statements (point a, paragraph 59, OIC 29), assumes fiscal relevance. To this purpose, however, it is necessary further to ask whether the recognition of such events relates solely to the quantification of the values to be recorded in the financial statements or even to the classification of the income components to which the values refer (7). It has been noted (8) that only the income components deriving from facts and deeds that have produced legal effects during the year to which the financial statements refer, while the certain or probable nature of a charge and the classification can be recorded in the financial statements the components should be defined according to the conditions existing at the end of the financial year (9). This interpretation was ultimately endorsed by the OIC, which, in a clarification in consultation on its website, has specified that a subsequent fact can not lead to the inclusion in the financial statements of a credit or debt that arose juridically arose in the following year, but only to an update of the estimates of the value of assets and liabilities already existing at the end of the financial year.

THE PROBLEM AND THE SOLUTION

Accounting recognition of income events.

- The accounting recognition of the events that already existed at the balance sheet date, but whose objective certainty and determinability requirements appear later and before the approval of the financial statements, is **tax-relevant**. To this end, however, it is necessary to ask whether the recognition of such events relates solely to the **quantification** of the **values** to be recorded in the **financial statements** or even to the **classification** of the **income components** to which the values refer to.
- It is believed that only the **income components** deriving from facts and acts that have produced **legal effects** during the **year** to which the **financial statements** refer, may be entered in the **financial statements,** while the certain or probable nature of a charge and the classification of the components should be defined according to the conditions existing at the closing date of the financial year.

Exemption of paragraph 2 of the art. 109 of the T.U.I.R.

With the exception to paragraph 2 of the art. 109 T.U.I.R., the legal criteria linked to the form of contracts are replaced by the criteria of competence outlined by the accounting principles (10).

The former are substantially represented by the date of delivery or shipment for movable property, from the stipulation of the deed for the buildings and for the companies (Article 109, paragraph 2, letter a), or in the completion of the services or, finally, in the case of contracts from which periodic payments derive, on the accrual date (Article 109, paragraph 2, letter b).

(7) For example, in relation to the costs arising from a sentence handed down in March 2018 to the outcome of a case already existing as of 31 December 2017, given that these costs must be recognized in the 2017 financial statements on the basis of the provisions of the OIC 29 , it is necessary to ask whether they, as a counterpart, generate a debt or a provision for risks and charges. In the first case, the costs would be tax deductible in the 2017 financial year, in the second case they would show in 2018, as a fund not provided for in art. 107 of the T.U.I.R,

(8) G. Andreani - G. Ferranti, "Income components to be attributed to the financial year in which facts and acts originate" in IPSOA Daily of March 16, 2018.

(9) This conclusion would be confirmed, according to the authors' thesis, in accounting standard OIC 19, which states that the judgment about the certain or probable nature of a charge, about the determination of its amount and about the time of its occurrence, must be referred to the closing date of the financial year.

(10) R. Valacca, "The enhanced derivation regime and the deactivation of the first and second paragraphs of Article 109 of the T.U.I.R.", in Boll. Trib., N. 2/2018, pag. 91.

Paragraph 29 of the OIC 15 (Credits) and paragraph 38 of the OIC 19 (Debts) state that the credits / debts originating from revenues / costs for sale / purchase of goods are recognized on an accruals basis when they verify both the following conditions:

- The production process of the goods has been completed;
- The substantial and non-formal transfer of ownership took place, assuming as a reference parameter, for the substantial transition, the transfer of risks and benefits.

The credits and debts deriving from the provision of services are recorded based on the accrual principle when the service is rendered, ie the service has been provided.

Normally the transfer of risks and benefits takes place simultaneously with the transfer of the title of ownership. OIC principle 13 (Inventories), paragraph 18 and the OIC principle 15 (Tangible fixed assets), paragraph 31, specify that, if, by virtue of specific contractual clauses, there is no coincidence between the date on which the transfer of risks takes place and of benefits and the date on which the title of ownership, prevails the date on which the transfer of risks and benefits occurred. Paragraph 31 of the OIC 16 also states that in carrying out this analysis all the contractual clauses must be analyzed. The national principles do not provide an exemplification of the cases in which, despite the ownership of the asset has been transferred, risks and benefits continue to weigh on the seller. International accounting standards come to the rescue, and in particular paragraph 16 of IAS 18 (Revenues), for which, if the entity retains significant risks associated with ownership, the transaction cannot be classified as a sale and revenues, cannot be recognized. The entity can maintain a significant risk related to ownership in many ways. Examples of situations in which the entity can maintain significant risks and benefits associated with ownership are:

a) When the entity maintains a commitment to unsatisfactory results not covered by the normal guarantee clauses;
b) When the achievement of revenues from a sale depends on the revenues realized by the purchaser from the sale of the assets themselves;
c) When the installation of the assets is planned and the installation that the entity has not yet completed is an important part of the contract;
d) When the buyer has the right to revoke the purchase for a reason specified in the sales contract and the entity is uncertain about the probability of return.

It therefore follows that, if the risk of revocation of the revenue is significant, the transaction cannot be classified as a sale and consequently the revenue must not be recognized. On the other hand, if the risk of revocation is not significant, the transaction is classified as a sale and the revenue must be recognized together with a provision against the risk to be estimated based on experience and other pertinent factors (11).

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Risk of revocation of revenue
For iAS-adopters, if the **risk** of revocation of the revenue is **significant**, the transaction cannot be classified as a sale, and consequently the **revenue must not be recognized.** Vice versa, if the risk of revocation **is not significant**, the transaction is classified as a sale and the revenue must be recognized together with a **reserve** against the risk to be estimated based on experience and other relevant key factors.
This provision **is not tax-deductible**. These principles should be understood as extended, also for tax purposes (both IRES and IRAP), to OIC-adopters.

(11) Paragraph 17 of IAS 18 specifies that only if the entity retains a risk related to the insignificant property, the transaction is classified as a sale and the revenue is recognized. For example, a seller can keep the ownership of the goods exclusively as a guarantee of his collectability. In this case, if the entity has transferred the significant risks and advantages of ownership the transaction is classified as a sale and the relevant revenue is recognized. Another example of an entity that retains only irrelevant risks associated with ownership is that of a retail sale in which a rebate is offered if the customer is not satisfied. In such cases, the revenue is recognized at the time of sale if the seller can make a reliable estimate

This provision is not tax-deductible, as it is not provided for under paragraph 4 of art. 107 of the T.U.I.R.
The principles now set out for IAS - adopters should be extended, also for tax purposes (both IRES and IRAP), to OIC-adopters.

IFRS 15 and sales with right of return

IFRS 15 (Revenues from contracts with customers), applicable, in ordinary terms, from the 2018 financial statements, has significantly innovated the accounting approach in terms of recognition and evaluation of revenues before followed by IAS 11 and IAS 18. The D.M. of 10th January 2018, in coordinating the determination of the IRES and IRAP tax bases with the accounting methods imposed by the new accounting standard, confirmed the principle of enhanced derivation of qualifications, classifications and budgetary time allocations, with only two exceptions related to penalties (legal and contractual) and returns.
In particular, IFRS 15 deals with the subject of sales with the right of return, in Appendix B.
According to paragraph B21 of IFRS 15, in order to account for the transfer of products with a right of surrender, the transferor must recognize the following elements: a) revenues from products transferred for the amount of the consideration to which the transferor plans to be entitled (therefore, revenues from products for which surrender is expected are not recognized); b) a liability for future repayments and, c) an asset (and the corresponding adjustment of the cost of sales) for the right to recover the products from the customer at the time of extinguishing the liability for future redemptions (initially assessed in relation to previous accounting value of the product - for example, when it was included in inventories - decreased by any expected recovery costs - including possible reductions in the value of returned products).
The assignor must also update the assessment of the liability for future repayments and the asset for the right to recover the products from the customer at the end of each financial year to take into account changes in the yield forecasts. The illustrative report to the D.M. 10 January 2018, for the coordination between IFRS 15 and the rules for determining the IRES tax base - IRAP, underlines that the procedure for the "identification of the contract" assumes full fiscal significance, since it involves phenomena of qualification of the transaction. Among these, the provisions of IFRS 15, paragraph 9, lett. e) Which subordinates the recognition of the revenue to the probability that the seller receives the consideration to which he is entitled in exchange for the goods and services that will be transferred to the customer.
The sale with right of return is governed by art. 3 of the D.M. 10 January 2018: 1. The amount corresponding to the liability for future redemptions recorded on the basis of the correct application of paragraph B21 of Appendix B of IFRS 15 is considered as provision not admitted as a deduction pursuant to paragraph 4 of article 107 of T.U.I.R.; consequently, the amount corresponding to the asset for the right to recover products from the customer at the time of extinguishing the liability for future reimbursements is allowed in deduction. 2. for the purposes of paragraph 1, the requirements of prior recognition in the income statement required by paragraph 4 of art. 109 of the T.U.I.R. The case is similar to that governed by art. 9 of the D.M. June 8, 2011, from which it differs only for the different accounting method that no longer requires the recognition of a cost against the liabilities of expiry and uncertain amount, but the direct recognition of net income.
The estimate of the value of the returns, determined on the basis of the indications provided in paragraph B21 of IFRS 15, is considered, for tax purposes, at the time of allocation of the provision for charges (12) (rectius liabilities), a provision not admitted in deduction pursuant to paragraph 4

of future returns noting a returns liability based on experience and other relevant factors.
(12) In national accounting standards, the provision for returned products is dealt with in paragraphs 44, 45 and 46 of the OIC 31 "Provisions for risks and charges and severance indemnities"

art. 107 of the T.U.I.R. (not being provided for under this standard).
The tax deduction will take place when the cost is incurred namely when the return of the products will be realized. To this end, paragraph 2 of the art. 3 specifies that the prior recognition in the revenue account of the negative component (return of products sold) which, in this case, passes to the revenue account as a reduction in revenue has to be respected. Correlatively to the lack of tax recognition of the provision (rectius reduction of revenues) to the fund, the regulation provides that the partial reversal of costs (corresponding to the activity for the right to recover products from the customer at the time of extinction) does not assume tax relevance of the liability for future repayments, allowing for the deduction on an off-balance sheet basis.

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Sales with right of return

The **estimate** of the value of the **returns**, determined based on the indications provided in paragraph B21 of IFRS 15 is considered, for tax purposes, at the time of allocation of the provision for charges, a **provision not** admitted **in deduction**. The tax deduction will take place when the cost is incurred or when the return of the products will be realized. To this end, the **prior recognition in the income statement** of the **negative component** (return of products sold) is considered to be respected, which, in this case, passes to the income statement as a **reduction in revenue**. Correlatively to the non-recognition of the tax provision (rectius reduction of revenues) to the fund, the partial reversal of costs (corresponding to the asset for the right to recover the products from the customer at the time of extinguishing the liability for repayments does not assume tax importance) future), as the deduction is allowed in an extra-accounting way.

The provisions contained in the articles 2 and 3 of the D.M. January 10, 2018 also apply for the purposes of determining the value of net IRAP production.

Therefore, essentially, if goods having a value of € 1,000 on 1 November 2017 have been sold with the right of return for the purchaser to be exercised by 31 May 2018, the seller will record the sale, recognizing the receivable from the buyer and in return the value of the revenues.

On the closing date of the financial statements as of December 31st, 2017, it will have to estimate, based on the indications of paragraph B21 of IFRS 15, the value of the returns. Assuming that the transferor estimates an amount of 300 euros, at the time of settlement it will record an adjustment to revenues of 300 euros and a counterpart to a provision.

settlement it will record an adjustment to revenues of 300 euros and a counterpart to a provision. During the 2017 income tax return, this provision of € 300 must be resumed by an increase in IRES and IRAP purposes.

At the same time, the transferor, in the 2017 budget adjustment phase, will take over an asset linked to the right to recover the products (returned) by the customer to partially adjust the cost of sales (corresponding to the value of the assets such as inventories and net of any costs of recovery of the same ones). Assuming that the estimated and recognized value is equal to € 200, when drafting the income tax return for the year 2017, a decrease must be made for IRES and IRAP purposes of the same amount.

On 31 May 2018, the buyer renders products for € 225 (corresponding to a value of the activity linked to the recovery of returned products equal to euro 150). For accounting purposes, the assignor will receive revenues for € 75 (given by the difference between € 300 of estimated returns and € 225 effective) and in return will reduce the fund by the same amount. In the 2018 income tax revenue, he will make a decrease of € 300 for IRES and IRAP purposes. The transferor will also note a decrease in the activity linked to the right to recover the returned products for € 50 (given by the difference between € 200 recorded in the 2017 financial statements and € 150 effective). At the time of the 2018 income tax return, the transferor must make one increase of € 200 for IRES and IRAP purposes.

Appraisal contract

The indications shown refer to the cases in which the right of surrender is linked to a sales contract: the ownership of the goods is handed over from the transferor to the customer at the time of delivery; the transfer of risks and benefits therefore coincides with the transfer of ownership, with the exception of the risk related to the non-sale of products that may be returned within the contractual term, which continues to weigh on the assignor.

Different to that, is the case in which the products are delivered based on an appraisal contract. Article. 1556 c.c. establishes that with the estimation contract, a part delivers one or more mobile things to the other and this is obliged to pay the price, unless it returns the goods within the established period.

The most important problem posed by the appraisal contract is related to the identification of the moment in which the transfer of ownership of the goods delivered takes place.

In particular, it is discussed whether the transfer of ownership takes place at the time the contract is concluded or subsequently. According to the theory of immediate transfer, the appraisal contract functions as a qualified buying and selling from the reality and from the attribution of a right of withdrawal. It would therefore not be sufficient to reach a consensus to determine the transfer of ownership, but the material delivery of the asset would be further necessary (13).

The prevailing theory, on the other hand, considers that the transfer of ownership of the goods takes place at a postponement, following the delivery of the goods.

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Appraisal contracts

In the case of appraisal contracts, the **tradens** retains ownership of the **goods until** such time as they are not **transferred** by the accipiens to a **third** subject or until the **time** for the **return** of the goods expires and the accipiens keeps them. The **risks** and **benefits** relating to goods delivered to the accipiens therefore remain with the tradens. Therefore, the transaction **cannot** be classified as a **sale** at the time of **delivery** of the products to the accipiens. Earnings must be recorded in the accounts at the time of expiry of the contractual term for the return of the goods, or in any case, when the accipiens communicates the result of the sales achieved.

According to this approach, the accipiens would have only the power to dispose of the goods delivered a power that is completely separate from the ownership of the right to property, which would remain with the tradens until the time when the accipiens did not alienate things or has expressed the intention to retain them definitively, remaining liable for the relative price.

In favor of this theory, there is paragraph 1 of the art. 1558 of the Civil Code, which, after stating that the deeds of disposal made by those who received the items are valid, adds that the creditors of the accipiens cannot subject them to foreclosure or seizure until the price has been paid (contrary to it should be if the accipiens were owner).

Likewise, it was pointed out that if the appraisal contract were to immediately transfer the ownership of the goods delivered, it would have been completely superfluous to specify that the authority to dispose of the same is granted to the accipiens (Article 1558, paragraph 2, of the Civil Code) and that on the same there is a risk of loss of property (Article 1557 of the Civil Code) (14).

The Finance Administration has adhered to this second thesis, stating that the characteristic feature of the appraisal contract essentially resides in the faculty attributed to the accipiens to defer the purchase of the goods property with respect to the date of delivery or shipment, deferment that may extend to also include the exercise of the right to renounce the purchase

(13) Without prejudice to the possibility for the accipiens to make the effects of the contract void by exercising the right to return the delivered goods (Cass., Section 2 civ., No. 4000/1991).

(14) G. Mirabelli, "Of the individual contracts", Comm. Cod. civ., IVth book, Turin, 1991, page. 228 and A. Luminoso, typical and atypical contracts, Treaty of private law, by Iudica and Zatti Milan, 1995, page. 216.

by returning the goods within the expiry date (15). Some Authors (16) have come to affirm that, in the event that accipiens sells the goods to third parties, the ownership of the same is transferred directly from the tradens to the third party. According to this orientation, the construction of interpretation which provides for a transfer of ownership from tradens to accipiens and a simultaneous immediate re-transfer from accipiens to a third subject, at the time the accipiens sells to the latter, is a pure artifice to create a bridge between the old and the new owner. The authorization scheme makes the use of such a construction superfluous (17).

We can therefore conclude that, in the case of appraisal contracts, the tradens retains ownership of the goods until they are not transferred by accpiens to the third party or until the time limit for the return of the goods and the accipiens keeps them. It is therefore clear that the risks and benefits relating to the goods delivered to the Accipiens remain with the tradens. Therefore, the transaction cannot be classified as a sale at the time of delivery of the products to the Accipiens. The revenues will have to be recorded by the tradens at the time the contract term for the return of the goods expires, or in any case, when the Accipiens communicates the result of the sales as achieved.

(15) Ministry of Finance, R.M. November 22, 1978, n. 9/1205; art. 1, paragraph 2, D.P.R. n. 441/1997; Ministry of Finance, C.M. 23 July 1998, n. 193 / E; resolution of the income revenue authority 6 June 2002, n. 177 / E

(16) G. Cottino, "Estimating contract, administration", in Scialoja - Branca, Comm. Cod. Civ. Art. 1556 - 1570, Bologna, 1970; A. De Martini, "Estimating contract and commission contract", in G.C.C.C., you. Ili, 1950, page. 379; L. Mengoni, purchases "a non domino", Milan, 1975.

(17) Tax jurisprudence appears to have adhered to this theory. In this regard, see the rulings of the Central Tax Commission (see for all, Central Committee Commander, Section XXVII, 3 February 1994, No. 432, Central Committee Commander, Section XIII, 12 June 1995, No. 2379, Central Court Commander, March 21, 1994, No 778, Central Court Committee, November 7, 1994, No. 3467) following the litigation initiated by taxpayers subject to investigation by the Financial Offices for having exposed in tax returns presented for income tax purposes, only accruals arising from the sale of publishing products, and not the gross premium received. These judgments have affirmed that the jurisprudential orientation is to consider that the annotations on the accounting entries cannot regard the amounts collected but only the commission.

Orientation to which also the Financial Administration has agreed with the C.M. n. 295 / E of December 30, 1998, in which it was specified that the relationship between publisher and newsagent falls within the scope of the appraisal contract, governed by art. 1556 and following of the Civil Code. The obligation to pay the price is suspended as long as there is the material and legal possibility of the return of the goods. From a tax point of view, the revenue is represented by the margin recognized by the distributor. In a similar sense, Ministry of Finance, C.M. August 5, 1999, n. 175 / E.