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Highlights & Insights on European Taxation

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– ***Airbnb* (C-83/21)**. Compatibility of the Italian tax regime for short-term property rentals with EU law

(comments by **Juan Manuel Vázquez**) (H&I 2023/83)

The judgment of the CJ in what is known as the '*Italian Airbnb case*' is of great importance as it deals with the issue of whether three different types of obligations imposed on intermediaries (i.e., collect and report certain data, withhold taxes and appoint a tax representative) are compatible with EU law and, in particular, with the freedom to provide services (Article 56 TFEU). It should be mentioned that this judgment is consistent with settled case law in this area and, in particular, with the previously decided '*Belgian Airbnb* case' (CJ 27 April 2022, C-674/20 *Airbnb Ireland UC v Brussels Hoofdstedelijk Gewest*, ECLI:EU:C:2022:303), in which the CJ dealt with an analogous regional tax regime on tourist accommodation establishments introduced by Brussels Capital Region.

The *Italian Airbnb* case is a relevant development given that first, it has put an end to a longstanding and heated dispute between Airbnb, *Federalberghi* (i.e., the Italian hoteliers' industry association, which has lobbied hard against the former platform) and the *Agenzia delle Entrate* (Italian Tax Authority) regarding Italy's special and substitutive regime for short-term rentals. Second, Italy has been one of the pioneer countries in the European Union to introduce tax reporting and withholding obligations on digital platforms and, therefore, the dispute on this regime attracted significant attention from media and stakeholders. Third, the current context in

which the Court's judgment has been issued differs significantly from that existent in 2017 when the Italian regime was introduced. At that time, the debate on platforms' regulation was just starting, only a few countries had introduced this type of reporting and withholding regimes, DAC7 and the OECD Model Rules did not yet exist, and specific regulatory frameworks impacting platforms and short-term rentals were limited. When read in the current context of a more mature regulatory environment for platforms (e.g., proposals currently under discussion on VAT in the Digital Age and on an EU-wide Short Term Rental Regulation), the *Italian Airbnb* judgment provides elements which will definitely invigorate the debate between Member States, EU institutions and stakeholders on the need for a more efficient, harmonized, proportionate and fair regulatory framework for platforms in the short-term rental sector.

Acknowledging the importance the *Italian Airbnb* case has on the broader debate about the role of online platforms in modern tax systems, this document offers comments on the CJ's judgment, providing some basic background about this decision, and looking specifically into what might be its implications.

General Background

From a tax enforcement perspective, intermediaries operating digital platforms have created both opportunities and challenges for tax administrations. On the one hand, platforms have evidently provided the latter with a gateway to detect underlying economic transactions that were previously carried out in the informal cash economy. On the other, tax administrations have struggled to seize the aforementioned opportunity as they faced new and specific challenges both in the fields of indirect and direct taxation. In general, governments have found it difficult (and expensive) to collect information on a multitude of small transactions, often taking place simultaneously in real time (for example, individual Airbnb rentals or Uber rides). Moreover, in the field of direct taxation, the characteristics of the platform economy and the lack of suitable tax reporting frameworks, have made it difficult for tax authorities to identify individual taxpayers (e.g., Uber drivers or Airbnb hosts) and detect their taxable income. This is especially the case when transactions were made via foreign or non-resident platform operators.

Evidently, the lack of transparency over platform sellers and their taxable income facilitates tax avoidance/evasion and has led to a shortfall of countries' tax revenues (e.g., within the EU, the tax gap in all sectors of the digital platform economy has been estimated to reach EUR 2.7 – EUR 7.1 billion in 2018). Furthermore, this lack of transparency has provided platform sellers with an advantage compared to sellers who are not active on platforms and pay their fair share of taxes.

In the past few years, several jurisdictions have taken actions to address this issue, which range from: (i) setting out educational campaigns for platform sellers and/or concluding voluntary collaboration agreements with platform operators, to (ii) imposing mandatory information reporting and/or tax collection obligations on platform operators. While in the field of indirect taxation (e.g., VAT/GST), the chosen approach has been to involve platforms in tax collection, in the field of direct taxation governments have generally limited platform's involvement to verifying and reporting information about their sellers. In more limited cases, the involvement of platforms in helping governments fight tax evasion/avoidance in relation to platform sellers has gone a step further and included the imposition of tax collection (withholding) obligations. This monitoring role assigned to platforms reflects the general global trend of removing any possible shelter to opacity and tax avoidance/evasion and is similar to the role that other tax intermediaries (e.g., banks, insurance entities, stock exchanges, employers, notaries and other professionals) have

traditionally played so far in most tax systems.

Within the EU, several Member States ('MSs') have adopted legislation and/or administrative guidance for platforms operators to report information to tax administrations on sellers active on their interfaces. These domestic reporting obligations not only covered a diversity of activities, platforms and sellers, but also had their own characteristics and divergences in terms of how binding they were. As mentioned above, the 2017 tax regime adopted by Italy was one the first of this type of reporting regimes in Europe.

The particularity of the Italian regime (which is shared with that existent in Belgium) is that, on top of tax reporting obligations, it also requires intermediaries to withhold taxes of the sellers and appoint a tax representative in the jurisdiction. The flat rate tax on gross rents introduced under this special and substitutive 2017 tax regime is known as the *cedolare secca* or also as the 'Airbnb Tax' (as this company is one of the biggest players in the real estate rental sector).

Airbnb's position and legal arguments

Airbnb Ireland UC and Airbnb Payments UK Ltd, belong to the global Airbnb group, which operates the property intermediation platform of the same name on the internet. That platform facilitates the connection, first, of lessors who have accommodation with, second, persons seeking that type of accommodation, by collecting from the customer the payment for the provision of the accommodation before the start of the rental and transferring that payment to the lessor after the rental has begun, if there has been no dispute on the part of the lessee.

Airbnb's objections to the Italian 2017 tax regime are principally twofold, one procedural and one substantial:

- *Procedural objection*: Airbnb argued that the requirements introduced by the Italian regime were adopted in breach of an obligation laid down in Articles 4 and 5 of Directive (EU) 1535/2015 of the European Parliament and of the Council of 9 September 2015 for the Italian Government to notify the European Commission in advance of any draft technical regulation concerning services such as those provided by Airbnb. Pursuant to the company, the absence of prior notification of the new legislation to the Commission, therefore, would make that legislation fundamentally inapplicable.
- *Substantial objections*: In the view of Airbnb, the three obligations imposed by the 2017 tax regime were not only unreasonable and disproportionate, but they also had the effect of jeopardising the functioning of the internal market and arbitrarily discriminated against Airbnb. In particular, the company argued that these requirements impeded the freedom to provide the services supplied by Airbnb (protected byArticle 56 TFEU), given that operators of online platforms are required to act as income tax collectors assuming burdens and responsibilities which are completely unrelated to the service they provide. More specifically, Airbnb submitted that the tax regime at issue, and in particular the obligation to withhold tax, constituted an indirect discrimination against cross-border service providers, on the ground that 'almost all' of the property intermediation platforms present on the Italian market, and 'more particularly those which also manage payments', are established in other Member States. Furthermore, Airbnb submitted that by imposing the same obligation to withhold tax on residents and non-residents, the Italian legislature discriminated against those non-residents who, in so far as they are not subject to the tax competences of Italy, are in a different situation from that of residents. Furthermore. in Airbnb's view, there were no public interest reasons which could justify the

introduction of restrictions at national level against the fundamental freedom laid down in Article 56 of TFEU. Certainly the company argued that the measures could not be justified by a general need to combat tax evasion in the property sector.

It should be noted that Airbnb did not complain about the fact that the Italian Government did not make any provision for remunerating the platform for its tax collection service.

The CJ's judgment

The answer provided by the Court to the first issue of whether the three types of obligation introduced by the 2017 tax regime fall within the 'field of taxation' and are therefore 'fiscal provisions' excluded from the respective scope of Directives 2000/31, 2006/123 and 2015/1535 is a mere reiteration of the Court's decision in the Belgian case. It should be noted that this specific question is not necessarily relevant and/or applicable to other online platforms which adopt a different business model than Airbnb (especially those that exert a stricter control over their sellers) as they might not be deemed as supplying 'information society service' under the E-Commerce Directive (2000/31) but rather a different nature of services (e.g., transportation or delivery services). It should be remembered that, pursuant to previous CJ's non-tax related decisions, the service supplied by Airbnb qualifies as an 'information society service' under the E-Commerce Directive (2000/31) (*Airbnb Ireland*, C-390/18), whereas that supplied by a platform such as Uber does not (CJ 20 December 2017, C-434/15 *Asociación Profesional Elite Taxi*, ECLI:EU:C:2017:981).

In any case, the most important elements of the *Italian Airbnb* judgment are evidently the CJ's considerations in relation to the three obligations imposed by the 2017 Italian tax regime on property rental intermediaries. The forthcoming paragraphs provide a specific analysis of the Court's views on each of these obligations and highlights some of the implications arising from them.

Obligation to report information

Regarding the obligation to collect and communicate to the tax authorities certain data relating to the rental contracts, the Court's argument in relation to the neutrality of the 2017 tax regime seems unquestionable as, indeed, the Italian regime imposes reporting obligations on all third parties who have intervened in a short-term property rental process in Italy. In other words, there is no different treatment of intermediaries who are natural or legal persons, resident or non-residents and digital or brick and mortar.

When it comes to the Court's consideration that 'the 2017 regime does not, as such, concern the conditions for the provision of intermediation services but merely requires service providers, once that service has been performed, to retain the particulars for the purposes of the accurate levying of the tax', some questions arise in relation to whether the fact that Airbnb already collected the requested information items from sellers as part of its regular business process had any influence in such conclusion or not. In this regard, it is interesting to consider what the Court's view would have been if some data points required by the Italian regime where not regularly collected by the platform and would demand extra data collection efforts.

In this context, it is possible that the Court came somewhat quickly to the conclusion that reporting obligations do not form part of the conditions of providing the service, therefore excluding them from the scope of the freedom to provide services. This is because, if the legislature demands a

service provider to systematically provide a wide range of detailed information, for which the said provider needs to install automatization processes, such demand would amount to a condition in which the service needs to be provided. Without it, the provider cannot operate legally in the European market. The obligations certainly render less attractive, and in certain cases possibly even impede, the exercise of the freedom to provide services.

In the same line, the Court's consideration that 'the restrictive effects of 2017 tax regime on the freedom to provide services are too uncertain and indirect for the obligation laid down to be regarded as being capable of hindering such freedom' raises the question of what are the factors that led the tribunal to consider the restrictive effects of this obligation as being 'too uncertain and indirect'. In this regard, the Court recognised that complying with the reporting obligation creates additional costs (i.e., costs for search and storage of the data concerned) but then immediately assumed that 'in the case of intermediation services provided digitally, such additional costs appear to be lower'. This general assumption is not exempt from being questioned as, the quantity and quality of information required under these regimes warrants setting up sophisticated systems, oftentimes leading to outsourcing due to the inability to comply with the obligations in-house. Despite the fact that compliance costs related to data reporting might be (proportionally) lower for big platforms such as Airbnb, this is not necessarily the case for smaller platforms with limited resources. In the latter case, reporting requirements such as those provided in the Italian regime might potentially condition the way in which these SMEs provide their service and could even inhibit them from entering the market (as startup digital platforms rarely consider in their business models that they will also have to be a seconded tax authority).

Although the Court conclusion in relation to this obligation seems reasonable in the circumstances of the case, it would have been useful if the CJ had provided more precise grounds to justify why the restrictive effects of the reporting obligation are 'too uncertain and indirect' and what the elements are to determine what the reasonable/proportional additional costs are to be faced by intermediaries when complying with reporting obligations in relation to third parties.

That being said, it is worth noting that the reporting obligations under both the Italian and Belgian tax regimes for short term rentals resemble, in essence, the reporting obligations under Council Directive (EU) 2021/514 (DAC 7), which are now in force and which online platforms have been busy preparing for. It should be highlighted that, contrary to the Italian and Belgian national reporting rules, DAC7 does not apply to all intermediaries operating on the national territory in the same way, but rather targets only digital intermediaries. Therefore, in this regard, it could legitimately be claimed that DAC7 does creates a discrimination between digital intermediaries and the traditional ones. Whether such discrimination is justified or not, is not entirely clear.

In any case, the CJ's line of reasoning and conclusions in relation to the *Italian Airbnb* judgment already provides a hint of what can be expected from this Court when faced with a potential claim of incompatibility of DAC7 with primary EU law. An interesting question in this regard is whether the Court's conclusion in the *Italian Airbnb* judgment will hold in a case involving, not a big platform but an SME operator that is required to comply not only with DAC7 reporting obligations, but also with analogue requirements under several (partially overlapping) legal frameworks (e.g. Article 242a of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (the 'VAT Directive'), VAT reporting for PSPs, tourist taxes at the municipal level, etc.). Evidently, the potential adoption of the EU Rulebook on Short Term Rentals (which aims to harmonise and streamline the framework for data generation and sharing across the EU, building on several other legal instruments that already exist such as DAC7) might

make such hypothetical scenario become abstract.

Obligation to withhold taxes

Concerning the obligation to withhold at source the tax due on sums paid by lessees to lessors and to pay that tax to the Treasury, it is welcomed that the Court has recognized that such requirement causes providers of property intermediation services 'a much greater burden than that concerning a mere obligation to provide information' because of the financial liability to which it gives rise, not only towards the state of taxation but also towards the customers of the online platform. Furthermore, the Court understanding that the 2017 tax regime does not give rise to discrimination against non-resident operators seems accurate as there seems to be a similar burden on foreign and Italian providers regardless of their different designation (in the former case 'person liable to pay the tax' and in the latter 'tax collector').

What is somehow interesting is the fact that, based on the aforementioned elements, the Court directly jumped to the conclusion that the withholding obligation does not prohibit, impede or render less attractive the exercise of the freedom to provide services without providing a more granular analysis of the issue. Differently, AG Szpunar's Opinion (7 July 2022, ECLI:EU:C:2022:545) provides much more argumentation on this specific issue. First, he highlights that the withholding tax constitutes an obstacle to the freedom to provide services. Second, he considers that such obstacle can be justified on the effective prevention of tax evasion and the effective collection of taxes. Indeed, he points out that: (i) the withholding of tax (or a tax deduction) at source is a universally applied tax measure of a technical nature as it makes it possible to ensure the effective collection of tax, but also increases simplification and legal certainty for taxpayers (levying of an amount of tax from a large number of small taxpayers requires much more effort and resources than the recovery of the same amount from a single large taxpayer); (ii) For an operator which, in any event, is in possession of the funds that constitute the basis of the tax assessment, the obligation to transfer part of that money to the tax authorities does not present an inordinate (i.e. disproportionate) burden. Third, he found the obligation to withhold tax not to be in any way disproportionate in the light of the legitimate objectives it pursues. In this regard, the AG interestingly noted that the aforementioned conclusions cannot be called into question 'the fact that an intermediary such as Airbnb may theoretically be subject to obligations similar to those at issue in the present case, but which are different in certain details, in different Member States in which it offers its services'. It is true that, as the AG correctly noted, such fragmentation is the result from the fact that the underlying property rental services, the conditions of supply and, in particular, their taxation are not harmonised at EU level. However, it should be noted that this argument should not serve as a justification for compliance obligations arising from fragmented and partially overlapping regulatory frameworks that, when considered together (i.e., cumulative effect), could amount to a disproportionate burden for taxpayers.

In relation to the proportionality of the withholding tax obligation, it is interesting to note that – different to the obligation to appoint a tax representative – the AG and the Court did not consider the lack of reasonable thresholds on digital platforms as a potential condition for such obligation to be imposed. This type of thresholds could perhaps play a role in ensuring the proportionality of these type of obligations and, therefore, they should not be understated.

Despite minor differences in the justifications, the Court's judgment is aligned with the conclusions of AG Spuznar. However, the step-by-step line of reasoning made by the latter is absent in the Court's decision. In any case, the conclusions of both the AG and the Court seem well

grounded. Evidently, one may still wonder whether creating a withholding obligation on someone who is totally disconnected from the measure of ability to pay is fair and proportionate. Such doubts become even stronger if, for example, the withholding agent mistakenly fails to deduct sufficient amounts in making payments to the taxpayer and is then obliged to seek reimbursement from the latter rather than the State doing so.

Furthermore, the issue of whether businesses performing such delegated public functions should have a right of compensation for the services that they are performing for the State remains unaddressed. This question was raised in a rather unprovoked manner by AG Bobek in his Opinion in the case *SS SIA*(24 February 2022, C-175/20, ECLI:EU:C:2021:690) and is applicable both to reporting and withholding types of obligations imposed on third parties.

The short-term practical implication of this part of the *Italian Airbnb* case is, evidently, that it is now clear that – in the circumstances of the case – withholding obligations imposed on non-resident online platforms facilitating short-term property rentals are compatible with EU law. The judgment confirmed that direct taxation is not an EU-competence (yet), meaning that as long as withholding tax regimes comply with the EU law fundamental freedoms, in principle each Member State could introduce its own regime of this type applicable to online platforms possibly applying to the wider sharing and gig economy, not just to property rentals. This conclusion could lead other EU Member States to go further than DAC7 and introduce their own withholding tax regimes applicable to online platforms.

It should be highlighted that the imposition of a requirement to withhold tax would probably impact online platforms in a negative way compared to other operators providing a similar service in the same property brokerage market, using alternative methodologies and who, in particular, do not get involved with the payment of rents. Although not clear, it is also possible that the application of this regime to Airbnb could push some landlords and tenants to other form of arrangements (outside the interface) involving payment in cash and thereby illegally escaping their tax liability.

Finally, it is worth highlighting that the *Italian Airbnb* case seems to confirm the broader trend of outsourcing of tax collection to online platforms, which is noticeable not only in the field of indirect taxation but also of direct taxation. In the former domain, expressions of this trend include the increased VAT liabilities and obligations imposed on these intermediaries in the EU (e.g., see the newly proposed rules for transportation and short-term rental platforms under the VAT in the Digital Age (‘ViDA’) reform package, published on 8 December 2022 by the European Commission and the expected implications of the recently decided *Fenix International Limited* case (CJ 28 February 2022, C-695/20, ECLI:EU:C:2023:127)). When it comes to direct taxation, the trend is also manifest as, in addition to Italy and Belgium, several countries around the globe such as Uruguay and Mexico have also introduced specific withholding (direct) tax regimes applicable to platforms.

Furthermore, the OECD has also considered the adoption of models based upon withholding style approaches (close to pay-as-you-earn (PAYE) type arrangements) for digital platforms under Action 5 of its report Tax Administration 3.0. Whether this trend and the fragmented regulatory efforts in this field will lead to the introduction of multilateral withholding regimes (as happened in relation to reporting obligations) remains to be seen.

Obligation to appoint a tax representative in Italy

When it comes to the requirement for non-resident intermediaries to appoint a tax representative in Italy, the CJ has evidently taken a different position than that adopted in relation to the first two types of obligations imposed under the 2017 tax regime. Differently to the latter, the obligation to appoint a tax representative was considered to be disproportionate and, therefore, contrary to Article 56 TFE.

The Court decision in this regard is not surprising since it follows the settled case law in this area (i.e., *Commission v Belgium* (CJ 5 July 2007, C?522/04, ECLI:EU:C:2007:405)*; Commission v Portugal* (CJ 5 May 2011, C?267/09, ECLI:EU:C:2011:273); and *Commission v Spain* (CJ 11 December 2014, C?678/11, ECLI:EU:C:2014:2434)). The latest of these precedents referred to Spanish legislation under which pension funds established outside Spain, offering occupational pension schemes in that Member State (and insurance companies operating therein) were required to appoint a tax representative in Spain. It should be remembered that, in this case, the Court rejected Spain's argument related to the ineffectiveness of the mechanisms established by Directives 77/799 and 2008/55 (mutual assistance) and, therefore, the need for a tax representative to be appointed in order to ensure the transmission of information and the collection of the tax due. The CJ thus considered that it had not been proved that the mechanisms put in place by these Directives were not effective as regards the transmission of information and the recovery of sums due in respect of income tax from occupational pension schemes managed by entities established outside Spain. As in the *Airbnb* judgment, in this Spanish case, the fact that the legislation did not provide the non-resident person with the choice to appoint a tax representative or carry out the tasks themselves, in accordance with the solution which they consider to be the most advantageous from the economic point of view, was a key factor to consider the legislation disproportionate. It should be noted that, in the *Airbnb* judgment, the Court seems to suggest the possibility of appointing a tax representative not resident in Italy as a less restrictive option. However, from an enforcement perspective, the practical value of such option (i.e., having a non-resident tax representative) is clearly questionable.

In this regard and considering that, as a consequence of the Court's judgment, Italy would not be able to rely on non-resident platforms appointing a tax representative in that country, it is unclear how the first two obligations imposed under the 2017 tax regime (i.e., reporting and withholding) would be enforced in these cases. Under current Italian law, it is not yet clear whether non-resident platforms without a tax representative can be made liable to collect and remit taxes on behalf of users in Italy. The Italian courts would probably have to issue some guidance on this regard and a change in Italian law might also be required. Enforcement experiences in the field of VAT and Financial Transaction Taxes (FTT) on non-resident taxpayers could become useful in this regard.

It is important to highlight that, in the aforementioned precedents cited by the Court, the person concerned by the obligation to appoint a tax representative was the same taxpayer. On the other hand, in the *Italian* (and also the *Belgian*) *Airbnb* cases, the person obliged to appoint a representative was not the taxpayer, but a third party who was deemed a 'person liable to tax' in relation to the substantive tax obligation of the sellers (i.e., Airbnb Hosts).

Furthermore, it is not entirely clear what is the rationale behind the Court's understanding that the obligation to appoint a tax representative is 'applied without distinction based on, for example, the volume of tax revenue collected or liable to be collected annually on behalf of the Treasury by those providers'. The Court does not provide further details on the extent to which these

'distinctions' would make the obligation become more proportionate or balanced.

It is important to note that the CJ's conclusions on the obligation to appoint a tax representative might become relevant in the context of the Digital Service Tax (DST) debate, which has been reignited as a consequence of the growing uncertainties about Pillar One's success. This is because DST regimes adopted by some countries such as Italy, Spain or Kenya, impose a similar obligation on non-resident subjects without a PE in the jurisdiction (in the case of EU countries, it usually applies to persons established outside the EU or EEA with which Italy has not concluded a mutual assistance agreement for the recovery of tax claims). In any case, the Court's arguments in the *Airbnb* case could potentially be used to argue against the proportionality of such analogous requirement under DST regimes.

Conclusion

The CJ's ruling in both the *Italian Airbnb* and *Belgian Airbnb* cases represents a manifest validation of the lawfulness of tax reporting and withholding obligations imposed on digital platforms. Such endorsement has directly contributed not only to clarifying the role that platforms may play in tax systems, but also to enhancing the momentum that 'platform regulation' has gained within the Single Market. The recent adoption of the DSA/DMA package, the adoption and ongoing transposition of DAC7 by most Member States and the current discussions about adopting an EU Regulation on Short Term Rentals or expanding the VAT deemed supplier rules to the short-term accommodation rental and passenger transport sectors, are some expressions of such momentum.

However, the CJ's conclusions regarding the lawfulness of reporting and withholding obligations should not be detached from the specific circumstances (factual and legal) of the case in question. This means that the Court's decision in the *Airbnb* case should not lead one to think that imposing these requirements on intermediaries is always compatible with EU law. In fact, when considering these reporting and withholding rules in isolation, one could arguably agree with the conclusion reached by the Court that they do not seem to represent a restriction to the EU fundamental freedoms or an unjustified/disproportionate measure. Indeed, as mentioned by AG Spuznar, instances of third-party reporting or even tax collection are present in all modern-day tax systems (e.g., obligations of employers regarding wage taxes of their employees, or those of banks regarding interest payments, or of payers of dividends) and are usually justified. However, one must bear in mind that not all reporting/withholding regimes are the same and that platforms also have very different sizes and business models, which (together) could impact their ability to comply with these types of obligations in specific circumstances.

In addition, one must not disregard the cumulative effect of the multiple and different reporting and withholding obligations that platforms have to comply with in the field of direct and indirect taxation. Such misaligned and sometimes overlapping obligations, taken as a whole, has begun to significantly affect the resources of the respective platform operators and could, therefore amount to a disproportionate compliance burden for these intermediaries.

What is interesting to note is that, in practice, these type of compliance obligations targeting 'platforms' might have a much broader scope than originally expected as they can cover not only typical sharing and gig economy businesses, but also those from traditional industries (e.g., banking, automobile, etc.) which have started to establish their online presence via interfaces that, in some way, connect different parties and intervenes in payments collection.

Last, but not least, the Court's decision on the obligation to appoint a tax representative under the 2017 tax regime is much welcomed, as it helps to reaffirm the clear limits that government must respect when imposing tax compliance obligations over non-resident third parties.

Juan Manuel Vazquez

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