

LEGAL AND PRIVACY

Gucci being investigated for tax evasion

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The Gucci Garden print

By STAFF REPORTS

Kering's Gucci is the latest Italian luxury brand to be suspected of tax evasion.

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La Stampa reported that police searched the company's offices in Milan and Florence for evidence over three days. Authorities claim that by attributing levies on profits from sales in Italy to Switzerland, Gucci was able to save 1.3 billion euros, or \$1.5 billion over a number of years.

Under suspicion

Gucci's official headquarters is in Switzerland rather than its native Italy. With Switzerland's tax policies more favorable than Italy's, Italian authorities suspect that Gucci was able to save.

Per The Guardian, Gucci issued a statement following the report in La Stampa, confirming that it was under investigation. The statement also says that the company is "providing its full cooperation to the respective authorities and is confident about the correctness and transparency of its operations."



Gucci Hub in Milan. Image credit: Gucci

Gucci's revenues were up 49.4 percent year-over-year on a comparable basis during the third quarter ([see story](#)).

Prior to Gucci, the Italian government has cracked down on a number of companies for tax evasion.

In 2014, an investigation into Prada's decade-long tax avoidance totaling 470 million euros was settled by Miuccia Prada and her husband Patrizio Bertelli for 420 million euros. Giorgio Armani similarly paid 270 million euros in 2014.

Domenico Dolce and Stefano Gabbana were convicted of tax fraud, but the charges were overturned, allowing them to avoid potential jail time ([see story](#)).

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