French luxury goods group Kering agreed to pay almost 187 million euros ($207 million) to settle a dispute with Italian tax authorities centred on its fashion brand Bottega Veneta, three sources with direct knowledge of the matter said on Friday.

In a statement, the Milan prosecutor referred to a tax investigation into a Swiss company, part of an international luxury goods group, which allegedly operated in Italy to produce and distribute an Italian brand, without specifically naming the company.

Kering was not immediately available for comment.

Revenue at the Italian leather goods house were booked through Kering's Swiss-based subsidiary Luxury Goods International and Italian prosecutors and tax authorities argued that the tax should therefore have been paid in Italy, not Switzerland, the sources said.

Luxury Goods International paid 186.8 million euros to settle the tax case, covering the fiscal years 2012 to 2019.

Separately, Milan prosecutors' criminal investigation for tax evasion is still ongoing, the sources said.

Three years ago, Kering reached an agreement with the Italian tax authorities, paying a record 1.25 billion euros to settle a similar dispute centred on its top fashion brand Gucci.

Milan prosecutors in the past have probed U.S. tech giants such as Apple, Amazon and Facebook over taxes, allowing Italy to net several billion euros in fines and tax payments.

In previous cases, once the agreement between the companies and the Italian tax agency was signed, prosecutors closed the criminal investigation with either a dismissal or a settlement.