

ABI Associazione
Bancaria
Italiana

WELCOME TO THE BANK



Welcome to the bank is implemented by:

ABI Associazione
Bancaria
Italiana

in collaboration with ACLI, ANCI, ARCI, CARITAS Italiana, and CeSPI, with Osservatorio Nazionale sull'Inclusione Finanziaria dei Migranti (national observatory on the social inclusion of migrants), the Ministry of Labour and Social Policies, UNHCR



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WELCOME TO THE BANK: WE CAN HELP YOU LIVE AND WORK BETTER IN ITALY

Associazione Bancaria Italiana – ABI, the association of Italian banks, has dedicated this new edition of the brochure to foreign nationals who, albeit for brief periods, are living and working in our country.

Learning how to deal with a bank and gaining better knowledge of what a bank can do for you, your business and your family will make your life less complicated and allow you to make plans for the future.

The following pages provide answers to your questions, such as:

- my employer has asked me to open a current account for payment of my salary. What documents do I need?
- how do I pay my rent, my bills and my taxes?
- I have an account and would like to change banks. How do I go about this?
- how do I send money to family members in my home country?
- I have unforeseen expenses. How do I apply for a loan?
- I would like to buy a home in Italy. Can I do so? Can I get a mortgage? Is my income sufficient?
- I would like to set aside savings for my own and my children's future. What solutions are available?
- I would like to be protected against unforeseen circumstances for me or my family. What can I do?

We have joined forces with various agencies that are in day-to-day contact with foreign nationals to work out which bank services you are likely to need: ACLI (Christian associations of Italian workers), ANCI (national association of Italian municipalities), Associazione Ricreativa e Culturale Italiana – ARCI, Caritas Italiana, CeSPI with its national observatory, the Ministry of Labour and Social Policies, IOM, and UNHCR.

The UNHCR's collaboration means this brochure also applies to beneficiaries of international protection (refugees, people granted subsidiary and humanitarian protection).

With the help of the Ministry of Labour and Social Policies (and the support of Anpal Servizi SpA) and the Osservatorio Nazionale sull'Inclusione Finanziaria dei Migranti (with the support of PSG Translations), the brochure has been translated into several of the most widely used languages among migrants and distributed through the Ministry's own institutional channels and partnerships.

Let's start by entering the bank together.



GETTING STARTED

To obtain a bank's services, you need to open a current account, a basic account or a savings account. If you do not know what they are, an explanation is provided on pages 20, 21 and 22.

If you need information, you can:

- go to any bank and ask the teller; documents and explanations in your own language may be available in some cases;
- visit the bank's website;
- phone, if the bank has a call centre and an assistance number

Under Italian law, anyone wishing to open a current account must present a valid identity document (or another form of ID considered equivalent under current law) and their tax code number. **Foreign nationals** must present a valid passport or identity card, as well as their residence permit. If you are not a tax resident in Italy, you only need to provide the tax code number if you already have one.

PAY CLOSE ATTENTION to the expiry date of your residence permit, including in relation to the type of employment contract and the time needed to apply for renewal.

Beneficiaries of international protection must present an identity card or travel document in lieu of a passport, and a 5-year residence permit is also necessary for both refugees and beneficiaries of subsidiary protection.

N.B.: for beneficiaries of international protection, residence permits are renewable even in the absence of an employment relationship.

The residence permit for **beneficiaries of humanitarian protection** is valid for two years and is renewable. It can also be converted into a residence permit for employment.

Most banking services require a signed contract, written in Italian.



□ From financial inclusion to social inclusion

Banks support immigrants on their path of introduction into the host country and try to meet their developing needs with an increasingly structured range of products. So many aspects of a person's life have a financial impact – from simple purchases (online or at a shop) to payments connected to household management, direct payment of salaries, setting aside savings, securing protection against unforeseen circumstances, investing in the future, starting a business and applying for credit. A financial product or service is not just a necessity here, but also the means to manage our resources in the best possible way.

Financial inclusion is a powerful facilitator and accelerator of integration, because it fosters access to genuine economic citizenship. Becoming an economic operator is vital to full social integration, one achieved through employment, by starting production activities or by buying a home, for example.

DIALOGUE WITH THE BANK AND CONVENIENT BANKING

If you already have a current account, there are many ways to request assistance and carry out transactions. Banks have a lot of available channels, some more suited to dialogue with specialized personnel, others more convenient for carrying out transactions at home, even in the evening, or when you do not have time to visit your branch in person.

Internet services or mobile banking

All banks have an Internet banking service, which allows you to check your current account online and carry out a wide range of transactions.

If you own a smartphone, almost all banks have created apps allowing you to view your balance and cash transactions and also to make payments and add money to your phone cards and stored-value cards.

The cost of transactions via Internet banking and mobile banking depends on your bank and the type of current account you have, but in many cases online services cost the same as or even less than the same services at the teller window.



If you wish to bank over the Internet or by phone or smartphone, remember you have to sign a contract, and follow a few, simple rules.

N.B.: keep the access codes the bank gives you for remote banking (user name, password and PIN) private and safe. Remember that the **bank** may contact you by phone, e-mail or SMS, but **will never ask you for your access codes (in particular your complete password)**. If anyone saying they are from your bank asks you for them, it is certainly a scam!

- Write down the bank's phone numbers and always keep them close at hand, particularly the call centre number.
- Write the bank's address directly in your browser's navigation bar (where you see www.) and **never click on the links in any e-mails you receive**, even if they appear to have been sent by your bank.
- Always check the bank statements you receive regularly from the bank detailing your transactions. If you find transactions you did not make, contact your bank's call centre immediately, or visit your branch in person.

Phone services (call centre)

You can use your telephone to call a dedicated number to find out your account's balance at that moment, and what cash transactions you have carried out. You can also make transfers and in many cases add money to your phone card and stored-value cards, or pay fines, taxes, and bills.

The phone call may be toll-free or charged; in the latter case, it never costs more than a phone call to a domestic number.

You can always ask for information on your bank's services. Some banking call centres also have operators who speak your language.

Social Media

Many banks dialogue with people via Facebook, Twitter and other leading social media. Many also have a dedicated YouTube channel. These channels do not allow transactions, but provide information on products and services and on the banks' initiatives in your area, sometimes accompanied by a video. In some cases, there is also a section dedicated to assistance, which you can use to request specific information.

N.B.: everyone can read what you write on social networks. Never provide information on your current account or payment card!

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GETTING A LOAN

Banks do not automatically lend money to anyone who asks. Before granting a credit card, loan or mortgage, the bank carries out a credit assessment, which is to say it makes sure the customer is able to repay the money in time.

The more the bank knows the loan applicant financially, the more information it has to assess the customer, and the more likely it is for the bank to lend the money.

For example, if a customer has ever written a cheque without having the available funds, it will be very difficult to get a loan.

Before applying for a loan, on which interest is paid, make sure your salary will be sufficient to return the money a little at a time, while also paying the bank a cost for the service. The cost of the loan expressed in percentage terms is called the "annual percentage rate of charge" (or TAEG).



For some loans, it is mandatory to be insured:

- under a “life and investment risk” policy, for the “loan against one fifth of salary, or life policy for loan against one fifth of the pension”;
- under a “non-life policy” covering fire and explosion events in order to get a mortgage.

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Beware of loan sharks

Do not turn to the wrong people promising financial assistance, because you risk falling victim to loan sharks.

Loan sharking is a crime. In Italy, anyone who, in exploiting another individual's need for money, grants a loan, demanding repayment at an interest rate higher than the so-called “threshold rate” permitted by law, is subject to prosecution under criminal law. Loan sharking exploits the need to obtain money by offering what appears to be a quick and easy solution for people in difficulty. This soon becomes a trap, and the person who falls prey to loan sharking is forced to request loans at an even higher rate, thereby taking on more and more debt.

Loan sharking is often a one-way street

If you already find yourself in this situation, you can seek the assistance of anti-loan-sharking foundations, volunteer organizations, parish churches, and the anti-usury help desks of local authorities, trade associations, trade unions, and consumer associations. They can advise you and, when necessary, help you access the usury victims fund established by Art. 15 of Law 108/96, and in reporting the loan sharking behaviour of which you are a victim.



Do not go to loan sharks if you are already in financial straits. You can access the usury prevention fund established by Art. 15 of Law no. 108/96 and, if you meet the requirements, obtain loans guaranteed by the state, put in place specifically to prevent loan sharking and designed for both individuals and for companies in financial difficulties.

To access these funds, you may contact:

- the Confidi guarantee bodies, if you are a small business (artisan, merchant, etc.)
- the anti-loan-sharking foundations if the problem regards an individual (you or your family).

The list of Confidi guarantee bodies and of anti-loan-sharking associations and foundations is available on the website of the Ministry of Economy and Finance: http://www.dt.tesoro.it/export/sites/sitodt/modules/documenti_it/prevenzione_reati_finanziari/antiusura/Elenco_associazioni_e_fondazioni.pdf

MANAGING SAVINGS AND DEALING WITH UNFORESEEN EVENTS

Your bank offers many solutions if you wish to set aside money as savings or for unforeseen events. Ask at your branch to find out the best way to save based on your own and your family’s needs, and what forms of insurance are right for you.

There are also various forms of financial and savings information for you to consult (www.bancaditalia.it; www.consob.it; www.feduf.it).

Savings may be invested in a number of ways. Generally speaking, the higher the gain, the greater the risk. A performing investment yields the invested money plus a gain (*positive yield*), but a non-performing investment will leave you with less money than you invested.

WHAT DO YOU NEED TO DO?

Set aside money for yourself and for your children’s future and make small investments

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Non-life insurance p. 14

Obtain compensation if you are injured and cannot work for a period of time

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Have a higher pension

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The main services banks offer (in addition to trading securities), their benefits, and also the things to avoid, are listed on the following pages.



BANKING INSTRUMENTS AND SERVICES

Bank cheque

Bank cheques are used to make a payment to another person and you have to have a current account, from which the money will be withdrawn.

❑ YOU SHOULD KNOW

Chequebooks are not issued automatically: the bank performs a credit assessment of the customer first.

If you issue a cheque to pay someone, you must be certain that the money is there in the current account. "Bouncing" a cheque, that is writing a cheque without the available funds to cover it, is **against the law and has serious consequences**: there are penalties and you may also experience difficulties in obtaining a loan or a credit card in the future.

Also take care over cheques payable to you: you cannot withdraw the money until the cheque has cleared.

Always deposit cheques payable to you immediately, to ensure the legal time limits for recovering the funds should the cheque bounce do not run out.

Bank cheque fraud is quite common and often based on cloning and counterfeiting of the paper cheque itself, using a photograph. Do not trust anyone who asks you to send a photograph of a cheque, for example to secure an online purchase; a scammer is often hiding behind such a request.

Cheques are valid, and banks pay the funds, only if the following information is written: the place and date of issuance, the amount to be paid (in numbers and in words), the name and surname of the person receiving payment, and the signature of the cheque's issuer.

If the cheque is presented in the same city where the paying bank has its main office (printed on the cheque), it takes 8 days to clear. If it is presented in another city, it takes 15 days.

The cost of cheques depends on your bank and on the type of current account you have chosen. Both the cheque books and the individual transactions may have a cost.



Cashier's cheque

In addition to the bank cheque, there is also another type of cheque: the cashier's cheque.

A cashier's cheque is safer than a bank cheque, because it is issued by a bank and you can be sure that the indicated funds are already available.

If you have to pay someone by cashier's cheque, just visit a bank branch. If you are an account holder at that bank, the amount and cost of the cheque are charged to your current account; otherwise, you will have to pay the total amount in cash at the time of the request.

The cost of a cashier's cheque depends on the bank.

A cashier's cheque is valid only if it contains the words "assegno circolare" (cashier's cheque), the name and surname of the party receiving payment (*beneficiary*), the date and place of issue, and the name of the issuing bank.

The beneficiary, which is to say the recipient of the cashier's cheque, must present the cheque for collection within 30 days of the date of issue, at any branch of the issuing bank.

❑ Important information for all cheques (bank cheques and cashier's cheques)

- Bank or cashier's cheques for an **amount greater than or equal to € 1,000** must always (in addition to the date and place of issue, amount, and signature) indicate the **beneficiary** and bear the "**non-transferable clause**."
- The wording "**non-transferable**" has been printed on the cheques your bank gives you for years.
- If you need to use **cheques in free form** (which is to say, without the wording "non-transferable") **for amounts under € 1,000**, you can ask your bank.
- You will be charged stamp duty of € 1.50 on each **cheque issued in free form**, which the bank then pays to the State.
- Remember that **the transfer** between private individuals of **cash and bearer instruments of an amount greater than or equal to € 3,000**, when not relying on authorized parties like banks, **is forbidden**. This also applies to transfers in segments (for example, a number of personal cheques, even if each is for an amount under € 1,000).



Cashier's cheques should also be deposited immediately, as some of the protections for any parties endorsing the cheque lapse thirty days after the date of issue. Also keep in mind that the cheque is normally non-transferable.

To collect the funds, you have to visit the bank indicated on the cheque, bringing with you your identity card, your passport, and your travel document in the case of beneficiaries of international protection. Alternatively, the cashier's cheque may be deposited into your current account.

Non-life and accident insurance

A policyholder pays a premium (the cost paid for insurance) on non-life insurance, to obtain compensation for expenses incurred both for damage to their car or home or following work-related injuries, and also when they involuntarily cause harm to other people or damage to property.

There is a specific type of insurance for each type of damage. For example:

- against fire in your car, home, or shop;
- against accidents, if you are hurt at work;
- Civil Liability, if you involuntarily harm other people or damage property;
- Motor Vehicle Civil Liability, if you involuntarily harm people or damage property in a road accident, while driving a vehicle: this policy is required by law;
- judicial or legal protection, if you need to protect your rights and require the assistance of an expert or an attorney;
- travel, if accidents, injuries, or theft occur during a journey, or if you visit a country where free healthcare is not available (such as the United States, for example).

Health insurance

Health insurance covers the medical expenses of the policyholder and, where applicable, their family members. The policy's annual premium, which may also be paid in instalments, depends on the insurance guarantees chosen – which is to say for what illnesses or injuries expenses can be compensated, and in what amount – and on the number of family members insured.

People already suffering from certain diseases cannot be insured, such as patients with psychiatric problems, or people suffering from AIDS, or with drug problems.

Some banks offer immigrants insurance covering:

- travel expenses of a family member and/or assistance to children in the event of the policyholder's hospitalization for serious reasons;
- the policyholder's return journey to the country of origin, if a close family member dies;
- in Italy, the sending of a physician in the event of an emergency;



- a phone number for information on healthcare facilities, or for a full medical consultation.

N.B.: always check for any deductible amounts.

Life insurance

Life insurance helps the policyholder and their family face some of life's negative and unforeseen events. Life insurance should not be confused with policies that also have investment purposes, such as those linked to shares in mutual funds (referred to as "unit linked").

"Term life insurance" guarantees beneficiaries a benefit (a large sum of money all at once) or an income (a small amount every month) in the event of the policyholder's death. Some banks offer foreign nationals insurance that covers the expenses for repatriating the remains to the country of origin, in the event of the policyholder's death. "Whole life" insurance guarantees the policyholder a benefit or life annuity upon the contract's maturity. Life insurance is also obtained through either periodic or single, yearly payments, called "premiums."

N.B.: access to all forms of insurance is linked to the existence of a regular employment relationship.

Insurance policies when applying for a loan or mortgage

If you have decided to apply for a mortgage or take out a loan, there are insurance policies offering extra security, because they cover the remaining debt to the bank when very serious events occur, such as death, serious injury or loss of employment. Insurance policies of this kind may also be offered by the bank providing the loan. If the bank requires an insurance policy to provide a loan, it cannot force you to use its own.



Wire transfer

With a wire transfer, you can order your bank to send funds from your current account to that of another person or a company (the *beneficiary*). A wire transfer can also be done “for cash”, which is to say by bringing the money to the teller window. When making a wire transfer, you have to give the bank your name, surname, and IBAN, and the name, surname, and IBAN of the beneficiary.

The IBAN (International Bank Account Number) is an international code that clearly identifies the user of the payment service and/or the account for a payment transaction. It is obligatory for all domestic wire transfers and for those directed to the Single Euro Payments Area (SEPA). Wire transfers within the SEPA are carried out following the same procedures both within domestic borders and between different countries.

With a wire transfer in Italy or the SEPA, funds arrive in the beneficiary’s current account within one business day; this becomes two days if a paper form is used to make the wire transfer.

To carry out a wire transfer to a country that does not belong to the SEPA, in addition to your own name, surname, and IBAN, you have to provide the bank with the name, surname, address, and IBAN of the beneficiary’s account (or another code identifying the account, because not all countries in the world adopt the same coding system) and the identification code of the beneficiary’s bank: this is known as the “BIC code” or “SWIFT code” (see also below, under “Remittance”).

The costs vary from bank to bank and depend on the type of current account chosen. In general, it is cheaper to order wire transfers via Internet banking than at the teller window, because the process is automated.

Since November 2017, it has also been possible for a customer to transfer funds “instantly” from their own to a beneficiary’s account within the SEPA. The “instant wire transfer” is a new service operative every day of the year and at any time, through which a maximum amount defined by each bank (never over € 15,000) may be transferred. Since this is an optional service, it is offered only by a few banks at the moment, but banks operating within the SEPA will gradually be making it available to their customers.

Ask your bank if this service is already available, and what the costs are.

Credit card

You must be an adult and a holder of a current account to obtain a credit card.

With a credit card, you can make cashless purchases in Italy and abroad, via the Internet, on the phone, and at shops, regardless of the funds in your current account. This is why it is called a “credit” card.



□ YOU SHOULD KNOW

The bank does not automatically issue a credit card to whoever asks for one. It first carries out a credit assessment and, as a rule, it is necessary to have an income that guarantees repayment of the money spent on the card.

You can also use your credit card to withdraw cash in Italy and abroad, at participating bank branches or from ATMs enabled for operation on the international circuit active on your card.

□ YOU SHOULD KNOW

The funds are withdrawn from your account at a time after you spend the money (usually within one month). It is important to remember to check how much money you have in your current account (your *balance*) in order to be sure that the money you spend on your credit card can be repaid to the card's issuer.

Check the logos printed on your card to find out which circuits operate on it: each logo corresponds with a circuit operating on that card. Looking at your card will also tell you what kind of card it is: a credit card bears the word "credit", for example.

N.B.: to use your credit card, you have to enter a secret number (PIN). Using your credit card to make a withdrawal usually costs more than a withdrawal using your debit card.

There is a type of credit card called "revolving", used to pay in instalments for the purchases you make.



N.B.: before activating a “revolving” card, read every clause in the contract very carefully, as you must always do when applying for a loan.

The cost depends on the bank, and on the type of card and current account. Credit cards usually have an annual cost, and cash withdrawals can also be quite expensive, particularly when not done from your own bank.

Making purchases with a revolving card costs you more because you are also paying interest on the instalments. The interest rate on money spent in instalments with a revolving card is generally higher than the interest on other forms of financing.

Debit card

You must open a current account to obtain a debit card. You can use it to withdraw funds from ATMs and make payments at participating shops that have the terminal for this purpose (POS). In Italy, most debit cards can operate both on the domestic BANCOMAT® and PagoBANCOMAT® circuits – which operate exclusively in Italy – and on international circuits.

The BANCOMAT® and PagoBANCOMAT® circuits allow you to withdraw cash and pay for purchases at shops everywhere in Italy; if the card is linked to international circuits like Visa Electron, Cirrus, and Maestro, you can also withdraw and pay abroad.

Check the logos printed on your card to find out which circuits operate on it: each logo corresponds with a circuit operating on that card. Looking at your card will also tell you what kind of card it is: a debit card bears the word “debit”, for example.

With a debit card, you can check your current account balance and transactions, top up your mobile phone, make deposits and withdrawals, or make payments up to a maximum monthly amount.

When paying or withdrawing, the funds are immediately withdrawn from your current account: this is why it is called a debit card.

To use your debit card, you have to enter your card’s secret number (PIN), except for very low amounts when using a card equipped with “contactless” technology (in this case, you do not have to slip your card into the reader; proximity is sufficient).

The cost depends on your bank and on the type of current account chosen. In some cases, the debit card has an annual cost, and ATM cash withdrawals may also have a cost, generally when withdrawing funds at a bank other than your own.

It is easier to pay with your card directly at shops, rather than withdraw cash from ATMs.



Stored-value card

“Stored-value” means that you have to add money to the card before you spend it. You add money to the card from time to time, deciding how much you want to add.

Every time you make a payment or withdrawal, the money on the card is reduced. Every time you add money, the money increases.

A stored-value card is a good solution for a young person who earns no wages, or for your children.

To obtain a stored-value card, you have to present an identification document and your residence permit; many banks do not require you to have a current account.

With a stored-value card, you can withdraw cash from ATMs and make payments at authorized shops in Italy, and abroad as well, if the card is linked to international circuits.

Check the logos printed on your card to find out which circuits operate on it: each logo corresponds to a circuit operating on that card. Looking at your card will also tell you what kind of card it is: a stored-value card bears the word “stored-value.”

You can use your stored-value card to make Internet purchases with fewer risks.

To use your stored-value card, you have to enter your card’s secret number (PIN), except for very low amounts when using a card equipped with “contactless” technology.

Some stored-value cards have an IBAN, and are able to receive credits and make payments just like a payment account, by means of wire transfers, for example, or direct debits.

The cost depends on your bank, but in general you pay at the beginning, to purchase the card, and whenever adding to or withdrawing from it.

N.B. for all credit, debit, and stored-value cards: FOR YOUR SECURITY

You are advised to commit your PIN to memory; if you wish to hold onto it, always keep it separate from your card (so never in your wallet and/or purse along with your card), and avoid storing it on your mobile phone, too.

If your card is lost or stolen, immediately inform your bank or card issuer to have it blocked, and file a report with the competent authorities.

You can find the toll-free numbers to call on the bank’s website or on the ATMs.



Loan against one fifth of salary or pension

If you are employed on a long-term contract or a pensioner, one way to obtain a bank loan is the loan against one fifth of salary or pension.

The bank grants you a personal loan that will be repaid by your employer/pension provider automatically withholding up to one fifth (20%) from your payslip or monthly pension.

Current account

This is the most important service, because all other banking services are linked to the current account. The current account allows all other banking transactions to be carried out, like making and receiving payments, direct salary deposit, obtaining a debit card or credit card, taking out insurance, applying for a loan, writing cheques, paying bills, and managing savings. The current account may be registered to and used by one or more people, or registered to and used by a business.

Many Italian banks offer current accounts with additional services (*package current accounts*), designed for the needs of foreign nationals.

Opening a current account is often free, but there may be tax charges. However, like all banking services, using a current account has a cost and this will depend on the type of account is chosen and how it is used.

Before selecting an account, remember that there are fixed costs (such as the fee, which is a fixed-rate and usually a monthly figure) and variable costs for the various transactions. A useful parameter for assessing the costs of a current account is the total cost indicator (**ISC - Indicatore Sintetico di Costo**) contained in the current account's information sheet. The ISC provides an idea of the current account's overall cost, based on the expenses and commission that can be charged to the customer during the year, without considering tax charges and interest.

□ What to do when you wish to transfer payment services from one account to another

If you have decided to move some or all of the payment services or the positive balance present in your present account (whether or not you close it) into another account, you can do so by asking your new bank directly. The transfer will take effect on the date you indicate (at least 12 business days after the date when the request is made) and is free of charge. Both banks provide the assistance necessary to start the procedure correctly and ensure it is successful. For more information, you may consult the related policy on the ABI website (www.abi.it).



The bank mails a bank statement to the customer's home address at least once a year: this is a list where you can check all the transactions carried out, and the costs of your current account.

Basic Account

This service, provided according to European and national regulations, is a payment account designed for anyone with simple banking needs, like making deposits, withdrawing money, direct salary deposit and obtaining a debit card and a payment card that can also be used online. Lines of credit or overdrafts cannot be granted on a basic account.

The cost of this account varies from bank to bank, but it is generally quite low, with a fee that includes a certain number of transactions, and the possibility of paying individually for the transactions performed beyond an established number. The basic account is free of charge for certain types of disadvantaged customers and pensioners.

Deposit account

Deposit accounts are different from current accounts, because a simple deposit of funds guarantees a certain yield.

Deposit accounts are usually free of charge, but funds can only be deposited and withdrawn, like a kind of "piggybank" for your savings.

The cost of this account varies from bank to bank, but is generally quite low. The deposit account's yield may depend on the period of time during which the deposited funds are restricted.

Not all banks offer this service.

□ A CLOSER LOOK: Direct debit and the CBILL service

In everyday language, this is referred to as direct debit to your account. In practice, it is a service associated with the account that allows the bank to make regular payments for you automatically, such as your gas, water and phone bills, as well as your mortgage and/or loan payments, charging them to your current account. The service requires you first to sign a form that authorizes the agency or company to which you owe money to charge your account. As with wire transfers, all direct debits within the SEPA follow the same procedures both within domestic borders and between different countries. The direct debit service is also affordable: in many banks, it is provided free of charge, or at any rate at low cost.



N.B.: when asking to activate the direct debit service, it is important to monitor your balance, in order to be sure that the funds are there to pay the required amounts.

Payment account

This is an account held at a bank by one or more users of payment services to carry out transactions such as deposits, withdrawals and transfers of funds (referred to as “payment transactions”).

Stored-value cards with an IBAN also work like payment accounts, allowing holders to receive and make payments via wire transfers or direct debits in the same way as an ordinary payment account.

N.B.: a current account is a “container” of services of various kinds (payment services, financial services, use of safe deposit boxes, and so on). A payment account is a smaller “container” that provides only payment services, thereby allowing the customer to make and receive payments on the account. A payment account may also be offered by non-banking entities authorized by Banca d’Italia.

Passbook savings account

A passbook savings account is a means of managing your savings and, like a deposit account, it guarantees a certain yield.

With a passbook savings account, you can only withdraw and deposit money at your bank branch – nothing else. Whenever you deposit or withdraw, the transaction is marked down in a passbook, also noting how much money is left after the transaction.

The cost varies from bank to bank.

N.B.: keep your passbook in a safe place. Should you lose it, report this immediately to your bank and to the judicial authorities. After 90 days, you can obtain another passbook to replace the one you have lost.



□ YOU SHOULD KNOW

Taxes may be charged for all the various types of relationships listed above. Stamp duty may be charged in the amounts established by law, case by case, in addition to 26% withholding tax applied to the interest the customer earns from the bank. In both cases, the bank is required to pay these amounts to the State.

□ IMPORTANT INFORMATION

- The transfer between private individuals of cash and bearer instruments of an amount higher than or equal to € 3,000 when not relying on authorized parties like banks is forbidden. This also applies to transfers in segments (for example, a number of personal cheques, even if each is for an amount under € 1,000).
- The opening of passbook savings accounts or other accounts (and also their use if opened in a foreign country) in anonymous form, and registered under a fictitious name, is forbidden.
- Bank or postal passbook savings accounts may be named only. If you still hold bearer passbooks, you have until 31 December 2018 to close them. Transferring them is forbidden.
- The following penalties apply:
 - € 250 to € 500 for the transfer of bearer passbooks and for failure to close them by 31 December 2018
 - From 10 to 40% of the balance for the use of anonymous or fictitiously registered accounts or passbooks.

Microcredit

Microcredit is a financial instrument aimed at the social and financial inclusion of individuals (natural persons and micro-enterprises) who have difficulty accessing traditional forms of lending. The essential element of microcredit is the supply of "auxiliary



services” that have the purpose of reducing the borrowers’ insolvency risk. There are two forms of microcredit:

- “Social microcredit”, designed for economically and social vulnerable individuals, with a maximum amount of € 10,000, and with no collateral. The loans must be accompanied by providing borrowers with services to help them manage the family budget (for example, managing incoming and outgoing cash flows);
- “Business microcredit”, for those intending to start up or strengthen an independent work activity or micro-enterprise, for amounts not exceeding € 25,000. These loans are not backed by collateral, and are accompanied by the supply of auxiliary services to assist and monitor the borrowers.

These are not just small loans, but an integrated supply of financial and non-financial services.

N.B.: the bank will always assess the borrower’s creditworthiness and, where applicable, the business activity they plan to start, before granting microcredit, in order to assess the ability to repay the debt.

Form F24

Private individuals and companies use a form called “F24” to pay taxes (direct taxes, VAT, lieu taxes), contributions, and premiums (for example, social security contributions to INPS or INPDAP, and welfare contributions to INPS or INAIL).

Form *F24* allows you to offset the money you must pay with the money you are to receive, paying the difference in a single transaction.

You can submit the paper version of *F24* at your bank branch, at collection agencies, and other payment service providers, or you can fill it out online:

- on the website of the revenue agency Agenzia delle Entrate (*Fisconline* for private individuals and *Entratel* for holders of VAT registration numbers), where you can find more information on how to make payments
- on your bank’s website (home banking/Internet banking for private individuals and CBI–Corporate Banking Interbancario/remote banking for holders of VAT registration numbers);
- on the Poste Italiane website.

Holders of VAT registration numbers (the self-employed, freelance professionals, craftspeople and enterprises) can only pay via the Internet.

You can delegate your financial manager or welfare agency to submit your *F24* form. The *F24* form service is free of charge.

Mortgage

Generally speaking, we use the term “mortgage” to refer to a mortgage loan – a loan to buy a home, secured by a lien, or mortgage (cf. note below), on the home itself.

The debt is serviced in periodic payments, generally every month or every three or six months. The amount of the payment may be always the same, or differ from time to time, depending on the interest rate chosen, which may be fixed, variable, or a combination of the two.

The mortgage term is usually between five and thirty years, and generally the entire value of the home is not financed. There are also additional expenses for *investigation* (the phase in which the bank opens the financing process and starts to assess creditworthiness) and *appraisal* (when an appraiser assesses the home’s value). Keep in mind that you will also have to pay the notary public who drafts the deed of sale of the home and the loan agreements.

❑ YOU SHOULD KNOW

When buying a home, you are legally required to take out mandatory insurance covering fire/explosion risk. The lender can also offer you this insurance.

To apply for a mortgage, you generally must:

- bring certain documents to your bank (identity card or passport, or travel document for beneficiaries of international protection, tax code number, and residence permit).
- provide information on available resources and your income from employment or independent work, usually presenting the form called CUD (*certificazione unica dei redditi di lavoro dipendente* – single certification of income from employment), your most recent payslips, and/or a declaration from your employer.
- bring all the documentation on the home to be purchased (e.g. preliminary contract of sale, land registry documents, certifications, and so on).



N.B.: a mortgage is a financial commitment to be assessed with great care, because it lasts over time and greatly impacts your monthly spending. The amount of the payment should never exceed one third of your wages, so you can be sure of being able to pay bills and meet daily as well as unforeseen expenses, also in the event of possible reductions in income due to illness, injury, or loss of employment. It is important to keep in mind that if the interest rate is variable, your payment may rise – even by a large amount.

The granting of a mortgage depends on the bank's assessment and on the borrower's ability to make the payments.

When the bank grants you the loan, your house becomes collateral for the bank (*lien*). Instalments must always be paid promptly; otherwise you risk losing ownership of your home.

If you wish to renovate and improve your home, but lack the money to pay for the work to be done, you may ask your bank for a loan.

□ **Main residence guarantee fund (*Fondo di garanzia per la prima casa*)**

This Fund supports access to credit through the issue of a guarantee of up to 50% of the principal payments of the mortgage provided by banks or financial intermediaries.

The loan must not exceed € 250,000, and must be intended for the purchase of property to be used as the main residence, without luxury features, and for interventions for purchase, renovation, and increasing energy efficiency.

Lenders undertake not to demand additional, non-insurance guarantees from the borrowers, in compliance with the limits permitted by the legislation in force, beyond the mortgage on the property. Access to the fund, which is aimed at all possible borrowers, has no income limits, but the following enjoy priority: young couples, households with at least one member under 35 years of age or with a minor child; young people under

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continued

35 years of age in a non-standard employment relationship; or, lastly, tenants in dwellings owned by independent public housing institutions (Istituti autonomi per le case popolari). For loans with priority, the maximum limit of the annual percentage rate of charge (TAEG) applicable to the loans equals the average actual overall rate on loans according to the quarterly publication of the Ministry of Economy and Finance pursuant to Law no. 108 of 07 March 1996.

The banks and the financial intermediaries participating in the initiative, a list of which is available on the website of the manager Consap Spa, can suspend payments and/or adopt other optional measures to protect borrowers who are experiencing difficulties in making their loan payments.

□ **Mortgage portability**

By law, and pursuant to Art. 120- quater of the consolidated banking act (Testo Unico Bancario – TUB), you can “transfer” your mortgage from one bank to another (“portability”). This results in transfer of the mortgage, under the terms and conditions stipulated between the borrower and the intermediary to which the mortgage is transferred.

The request must be submitted to the bank to which the mortgage is to be transferred. The operation must be completed within 30 working days of the date when the borrower asks the new bank to acquire the precise amount of the remaining debt from the original lender.

The borrower cannot be required to pay expenses or commission for granting of the new loan, for investigation and for land registry checks when a mortgage is transferred. No costs of any kind may be applied, and any tax benefits, such as those related to buying a main residence, remain.

Should the borrower wish to exercise the portability option, the original lender and the borrower can still agree to a variation, at no expense, of the terms and conditions of the existing agreement, by private contract that does not require authentication.



□ Refinancing your mortgage

Refinancing your mortgage consists of changing the contractual terms of the original mortgage with your bank/financial intermediary. A borrower usually requests refinancing in order to reduce the amount of the payment by changing the contractual rate from fixed to variable, for example, or vice versa, in order to take advantage of the opportunities provided by lower market interest rates, or to lengthen the term for repaying the principal.

This operation is not mandatory for the lender.

Supplementary pension

As the name suggests, a supplementary pension allows you to add to your state pension by making regular payments to receive an income or, under certain conditions, redemption of the accrued capital.

A supplementary pension may be taken out independently or may be based on an agreement with the employer: once a form of pension is chosen (negotiated plan, open pension fund, or individual pension plan), both the employee and the employer regularly pay a sum until the time of retirement (unless agreed otherwise with the employer).

Accumulation plan

An accumulation plan makes it possible to invest even small amounts in a common fund, to be paid according to your abilities (for example, every month, or two, three or six months). A common fund is a collective savings investment instrument managed by specialized companies.

You can choose between different types of fund: the higher the possible earnings, the greater the risk. The fund applies its own expenses, which impact the investment's results. Income, if any, might be taxed.

An accumulation plan usually lasts five or six years, but if at a certain point you have no more money to set aside, or you suddenly need money, you can interrupt payment at any time and be refunded the subscribed shares of the funds.

Every investment product has its own features. Make sure you know and have considered all possible costs, including those for early exit.



□ YOU SHOULD KNOW

A performing investment yields the invested money plus a gain (*positive yield*), but a non-performing investment will leave you with less money than you invested.

Targeted loan

If you need a car, or have to travel, purchase schoolbooks for your children, furniture for your home, household appliances, or electronic goods, and you do not have the money right away, you may ask the shop or your bank for a “targeted” loan, which is to say a loan dedicated to buying that product.

The bank provides the loan after verifying the borrower’s position and ability to pay it back.

The loan payments may be fixed or variable, depending on a plan you agree upon with your bank. Based on the amount and the term of the loan, and on the bank’s assessments, you might have to provide collateral to obtain the amount you need.

N.B.: if you wish to buy something in instalments, do not just look at the amount of the instalment you will have to pay, but pay attention above all to the annual percentage rate of charge (TAEG), which allows you to understand the total cost of the loan, and in particular how much interest and expenses you are paying.

Business loan

Banks can lend money to foreign nationals who decide to start an independent activity or to open a business of their own in Italy.

They can help you choose the current account and the loan most suited to your actual or potential business. They work with you to examine what you need, why you need it and how much time you can take to repay the loan.

Personal loan

You may also apply to your bank if you need money for everyday expenses like utility bills, medical expenses, taxes and schoolbooks, or for an unforeseen need.

When you apply for a personal loan, the bank will generally ask you for certain documents:

- identity card or passport, travel document in the case of beneficiaries of international protection;



- tax code number;
- residence permit;
- employment contract.

To repay the loan to your bank, you will pay a sum (generally fixed) regularly (usually every month). This sum includes is formed of a portion of repayment of the principal and interest. Always look at the annual percentage rate of charge (TAEG), which allows you to understand how much you are paying in interest and expenses, in addition to the principal payment.

Remittance

You can use a remittance to send money from Italy to your home country.

At the bank, you can order a remittance with a wire transfer or with your stored-value card.

The cost of remittance varies from bank to bank. First ask your bank or visit www.mandasoldiacasa.it, where you can compare the remittance costs offered by banks and by various Italian operators.

A remittance at the bank is slower than using other operators, but is also less expensive. If you need to send money to a remote location, or with great urgency, some banks offer this service through the agreements they have reached with remittance operators, although it might cost slightly more.

❑ YOU SHOULD KNOW

In addition to the costs, the time for the funds to reach their destination may vary from one bank to another.

Do you have a problem with a bank?

If an error is made, or you have a problem with a bank (even if it is not your bank) that you cannot solve at the branch or call centre, you can write to the bank's **complaints office** (*ufficio reclami*), which will provide answers. If you are unsatisfied with the answers, or if your complaints have gone unanswered in 30 days, you may, depending on the case, contact the Banking and Financial Arbitrator, the Arbitrator for Financial Disputes, or the Italian Insurance Supervisory Authority.

If you think you have suffered discrimination, you may contact UNAR (Ufficio Nazionale Antidiscriminazioni Razziali) by calling 800 901010 toll free, or by visiting www.unar.it.

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