

## OPENING A BANK/POST OFFICE ACCOUNT

Opening a current account can prove to be a bureaucratically complicated operation, or at the very least one that is not easy for foreign nationals in Italy to manage.

In this regard, it should be pointed out that specific transparency obligations apply to banking and financial transactions and services, particularly with regard to the information that payment service providers are required to provide to users concerning the essential elements of the contractual relationship and the variations applied.

### How to open a current account

To open a current account, you can either physically go to the branch of a bank or other payment service provider (including Poste Italiane) or proceed online. The anti-money laundering legislation in force in Italy requires that when opening an account, the bank should proceed with the financial identification of the user, then verify the identity of the applicant. Generally, it is necessary to present an identity document, tax identification number or health card and a certificate of residence. In addition to verifying the validity of the above documents, the bank also carries out some specific checks on the potential customer's financial and economic background by consulting the Digital Register of Protests (in which the user's name may have been entered in the event of non-acceptance of a draft, non-payment of a bill of exchange or non-payment of a cheque) and, for accounts linked to the granting of lines of credit, the databases belonging to the Credit Information System or SIC to consult any negative reports.

When choosing between the different options offered on the market, in addition to considering the monthly or annual accounts fees, you should assess fixed and variable costs and which services are included, carefully examining the **Summary Cost Indicator (SCC)**, which details the total cost of a current account. This can be found in the information sheet that the payment service provider is required to provide before you sign the contract; and the **Overall Cost Indicator (ICC)**, i.e. the indicative indicator of the annual cost of payment accounts offered to consumers calculated with reference to standardised operating profiles that are provided as an indication only and are set by the Bank of Italy. The ICC can be found in the Fee Information Documents (FID) that can be found on the websites of banks and credit institutions, as well as in the Statement of Fees (SOF) of current accounts. The information sheet also contains information on the intermediary, the financial terms of the service, the contractual clauses and the out-of-court protection available to the user. In the pre-contractual phase, the bank or credit institution is also obliged to provide the consumer with the **summary document**, which must provide the user with comprehensible and exhaustive information, facilitate the understanding of the features, risks and costs of the financial product, and facilitate the comparison between several offers in order to help the user make informed choices consistent with their financial, family and professional needs.

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## Account types

Although the range of products and services on offer may vary considerably depending on who is being approached to open the account, it is possible to summarise the varied offer on the market to a few main types:

### **1. Basic current account**

Ownership of a current account is a fundamental right for all legally resident foreign nationals, since without one, it is not possible to be legally employed and remunerated by an employer: in the presence of all the necessary documentation, banks, Poste Italiane and all other entities authorised to offer services on a payment account are therefore required to guarantee the exercising of this right.

A basic current account, in which it is possible to carry out a determined number of both incoming and outgoing transactions, is primarily aimed at users with limited financial needs and was created to facilitate the economically weaker sections of the population. This instrument may provide for the payment of an annual fee that includes all transactions or may also be free of charge under certain conditions: a gratuitous account (i.e. exemption from stamp duty and other charges) must be guaranteed to customers with an ISEE (equivalent financial situation index) of less than EUR 11,600, while pensioners with an INPS allowance of no more than EUR 18,000 gross per annum are entitled to use the instrument by paying only stamp duty.

The minimum transactions included in the basic current account WITHOUT PAYMENT OF A FEE OR STAMP DUTY for each year:

- 6 transaction list requests
- 6 cash withdrawals at the traditional counter
- 12 Automated Teller Machine (ATM) withdrawals belonging to other banks/payment service providers
- 36 payments received via Sepa (Single Euro Payments Area) transfers including salary and pension credits
- 12 recurring payments made by Sepa credit transfer debited to account
- 6 recurring payments made by Sepa credit transfer debited to account
- 12 cash and cheque deposits
- 1 Communication on transparency
- 4 periodic disclosures (account statements and summary document)
- 1 debit card issuance, replacement and renewal

In addition to the above, there are unlimited debit card payments, SEPA direct debits and withdrawals at any automatic teller machine (ATM) belonging to your own bank (or other banks in the same group). The account holder may request, but the payment service provider cannot require, the execution of

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transactions in addition to or in a greater number than the ones indicated above. Additional costs may be charged for additional transactions as well as for exceeding the number of transactions included in the product.

The right to open a basic current account applies, without discrimination, to all persons legally residing in an EU Member State, including those who have no fixed abode or are asylum seekers.

In order to apply for a basic current account, you must be in possession of a valid identity document and your tax code (even if it is numerical). It is not essential to have an identity card, as a permit of stay or renewal receipt thereof is sufficient: the receipt for the permit application with a photograph and stamp from the police headquarters constitutes a provisional residence permit and is likewise a valid document for opening a basic current account. Foreign detainees in possession of a document certifying admission to an alternative measure to prison can also open a basic account, even without a permit of stay.

Art. 126-noviesdecies of the Consolidated Banking Law (Testo Unico Bancario) enshrines the right to use a basic current account in accordance with the framework described above; therefore, in the event that opening an account is refused on the grounds of non-compliance with the above conditions, we recommend you repeat your application, also submitting the printed text of the above-stated article. If a positive response is not forthcoming, you should contact a “patronato” (institution for advice and social assistance), trade union or association for assisting migrants to receive more information and to assess the possibility of legal action. Discriminatory behaviour can also be reported to the Italian Banking Association (ABI) and the National Anti-Discrimination Office (UNAR) of the Prime Minister’s Office.

Opening a basic account cannot be made subject to the purchase of ancillary services, unless this condition applies uniformly to all customers of the payment service provider.

The consumer may exercise their right of withdrawal from the basic account at any time, the payment service provider, on the other hand, is only entitled to terminate the contract in the event that

- The consumer intentionally used the account for unlawful purposes;
  - As at 31 December, the account holds insufficient funds and no transactions have been made for more than 24 consecutive months on the consumer’s order or initiative;
  - The user accessed the basic account by providing incorrect information;
  - The customer is no longer legally resident in an EU country;
  - Subsequently to opening a basic account, the consumer has opened another payment account in Italy that permits the use of the above-mentioned services.
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The bank is in all cases required to communicate the reasons for withdrawal in writing and free of charge to the customer, indicating the available complaint procedures and informing the customer of the right to send a complaint to the Bank of Italy or to make use of out-of-court dispute resolution systems to contest the withdrawal.

## **2. Ordinary account**

An ordinary account allows you to carry out the main banking transactions, including payments, salary crediting, debit and credit card use, taking out insurance, loans, issuing cheques, payment of transfers and bills, and savings management, and involves the payment of a fee, which is often monthly, and an additional charge for carrying out certain transactions. The development of costs is directly proportional to the number of transactions carried out: a higher number of transactions corresponds to an increase in the costs to be paid to the bank.

Package accounts, on the other hand, combine current account services with other activities (e.g. insurance, savings management, etc.).

Accounts with excess charges include a limited number of transactions without additional charges, while those without excess charges allow an unlimited number of free transactions.

## **3. Savings account**

A savings account is a tool for saving money with which no operations other than depositing or withdrawing money can be carried out. A savings book, i.e. the document on which all transactions are recorded, is associated with this account. It is a tool that can be opened by parents with their children as holders. The credit institution undertakes to return the deposited amounts at the exact moment the customer requests them: in the case of a fixed-term deposit account, however, the user may only withdraw the money at the end of a predetermined period of between 1 and 36 months and the contract provides for the payment of specific penalties in the event of early withdrawal (the penalty almost always corresponds to the non-recognition of accrued interest).

## **4. Payment account**

This is a particular type of current account that can be opened at the bank by one or more payment service users for certain specific transactions, such as deposits, withdrawals and transfers of funds (so-called payment transactions).

A similar instrument to payment accounts are prepaid cards with an IBAN code, which allow the holder to receive and make payments via e.g. credit transfers or direct debits, in the same way as an ordinary payment account.