

THE TRANSFER OF MONEY

Workers residing in a foreign country can send part of their income to support their family in their home country using remittances or money transfers. To be able to do so, however, it is essential that the sums of money are legally acquired and that they are legitimately declared earnings.

In application of the right of transfer and movement of goods and persons within the European Union, European citizens can freely transfer their money. The financial authorities of many states have introduced increasingly stringent measures to counter the illicit transfer of money from illegal activities, such as money laundering or tax evasion.

In Italy, legislation provides for the possibility of making money transfers by physically transferring cash from one country to another, transmitting it electronically or sending it by using companies or intermediaries specialised in money transfer.

1. Cash transfer

The transfer of cash across borders is regulated in Italy by Legislative Decree no. 195/2008, as amended, also known as “crossing of money at the border”, according to which the transfer abroad of cash for an **amount equal to or exceeding € 10,000.00** is subject to the submission of a declaration to the Customs Agency: in the document, which may be submitted electronically or by hand delivery to the border customs offices at the time of the border crossing, the **personal details of the transferor and the consignee, the origin of the funds transferred and the intended use of the money** must be provided.

Below are links to the Customs Agency website where you can download the declaration, available in both Italian and English:

<https://www.adm.gov.it/portale/dogane/operatore/modulistica/trasferimento-di-denaro-contante/>

<https://www.adm.gov.it/portale/documents/20182/909007/Modello+di+dichiarazione++denaro+al+seguito.pdf/>

<https://www.adm.gov.it/portale/documents/20182/6356158/Cash-declaration-20221122.pdf/>

Those transferring cash may be subject to additional controls, therefore it is advisable to carry a copy of the declaration with the registration number assigned by the electronic service or, in the case of a hand-delivered declaration, with a cancellation stamped by the customs office.

In the event of inaccurate or incomplete information or failure to complete the declaration, the Customs Agency or the Guardia di Finanza may seize up to 30 per cent of the sum and apply penalties of 10 to 30 per cent of the total for amounts up to EUR 10,000. For higher amounts, the authorities may seize up to 50% of the excess amount and apply penalties of 30% to 50% of the total.

It is also possible to transfer cash through Poste Italiane: in this case, the post office will issue a receipt to the declarant and transmit the form electronically to the Customs Agency. The procedure does not apply to transfers of postal money orders or bills of exchange nor to postal, bank or bank drafts issued by banks or Poste Italiane S.p.A., provided they bear the name of the beneficiary and the non-transferability clause.

2. Bank transfer

The safest and most practical method of transferring money abroad is by using the electronic channel offered by the banking system. This allows customers to make transfers from one current account to another without the need to physically handle cash and without having to notify the authorities.

This is because wire transfers make transactions immediately traceable, contributing to the monitoring of financial flows.

Information on these transfers, in fact, is provided annually by the banking institutions to the Inland Revenue Service, also for the purpose of combating illegal transactions and tax evasion.

The choice of the best method for transferring money abroad via a bank depends on the efficiency and costs involved. In detail, the main tools made available are:

- Credit card: allows online and in-store purchases, cash withdrawals at ATMs and regular debit payments. The amounts spent are advanced by the issuing bank (i.e. given in credit) and then debited from the customer's account at a later date.
- Debit card: allows you to make purchases at merchants that belong to the payment circuit indicated on the card itself, to withdraw cash at ATMs and to make payments. The amounts spent are debited immediately from the customer's current account.
- Bank transfer: this is the cheapest option per se, although it requires more processing time. It presupposes that the person wishing to transfer money is the holder of a bank account (to find out how to open a bank account, see the section on opening a bank account).

Each bank can charge a fee on money transfers to non-EU countries, whereas current regulations do not allow any surcharge for money transfers between two EU countries.

3. Transferring money using Money Transfer

In recent years, it has become increasingly common to use specialised money transfer intermediaries (MTOs), which are regarded as safe and transparent formal channels for sending money abroad. In our country, MTOs are registered in a special register recognised by Banca d'Italia(<https://www.bancadita->

lia.it/compiti/vigilanza/albi-elenchi/index.html): by consulting this list, it is therefore possible to check whether the operator you are planning to use is actually authorised to operate.

The procedure for transferring the **amount**, which by law cannot exceed €1,000.00 for each transaction, involves verifying the transferor's identity by presenting an identity document (for online transfers, registration on the site is required, providing a photo or scan of the document), **identifying the recipient (the name and surname indicated by the transferor must match the name and surname on the identification document that the beneficiary will provide at the time of collection)**, and **establishing the method of collection** (credit to bank account or cash) and **payment** (cash or credit card charge). At the end of the transaction, the MTO provides an identification code for the transaction, which the transferor communicates to the beneficiary to enable him to collect the transferred money and which can also be used to track - via the MTO's website - the path of the money and to check that it has been collected.

The transfer of money is obviously not free of charge, so when choosing an broker, it is important to assess the financial terms applied, with particular regard to commission and the exchange rate spread. Brokerage fees may be a fixed amount defined by ranges of predetermined amounts or calculated as a percentage of the amount transferred, or they may vary according to the country of destination and the time required for the transfer. Fees are generally paid at the time of sending, but brokers may also charge another fee to the beneficiary at the time of collection. On average, the percentage charged by MTOs is around 7%. The spread is the implicit cost of the transaction, linked to the exchange rate between the currency of the country of the transferor, that of the country of destination to which the money is transferred and that of the country of collection) used by the MTO. Calculating the spread can be complicated; however, you can consult the official euro/foreign currency exchange rate at the following link: <https://www.bancaditalia.it/compiti/operazioni-cambi/cambi/>.

In addition to commissions and the spread, other ancillary costs may be charged by the broker, so it is important to read the contractual conditions carefully. As a rule, all documentation should be available in Italian and English.

Disservices and defaults: what can you do?

In the event of inefficiency/breaches in the management of money transfers by the bank, MTO or post office, consumers can protect their rights by resorting to the Banking and Financial Arbitrator, **an alternative out-of-court dispute resolution 'tool'** - i.e. not established by the Courts - **between customers and financial brokers** (banks, financial companies, BancoPosta), set up at the end of 2009 to foster relations between the financial system and consumers. It is an **independent and impartial body that guarantees rapidity and minimal costs**. The ABF decides, albeit with non-binding effects, on disputes

concerning banking and financial transactions and services with a value not exceeding EUR 100,000. The consumer may appeal to the ABF only after having tried to resolve the dispute by sending a written complaint to the broker and submit the appeal - independently or through a consumer association - by filling in the dedicated form, available online and at all Banca d'Italia branches. The form must contain the client's and broker's details as well as the subject of the dispute - with a description of the circumstances - and the requests to the arbitrator with relative reasons. Considering that the conduct already indicated on the plea can be challenged on the complaint, it is very important to pay the utmost attention to the actual writing of the complaint. If the decision of the ABF is not deemed satisfactory by the parties, the consumer, the broker or both, can appeal to the ordinary courts.