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Spotlight

Individual savings plans step ahead

For Italy, individual savings plans (PIR) are a new instrument to encourage patient savings and to use those savings to boost the real economy. The 2017 Italian Budget Law introduced new schemes to increase private investment into SMEs. PIRs allow retailers to invest in SMEs through funds, without paying taxation on capital gains matured on long-term investment. Such is the interest in them that more than 400 participants attended a conference organised by [Assogestioni](#) (the fund managers' association) in Milan on 22 February. The panel of speakers included three senior officials from the economics and finance ministry, and Assogestioni notes that the conference clarified several important issues on which interpretation had been needed, among them that there is no age limit for individuals fiscally resident in Italy to set up plans and that once one plan has been closed then another may be set up. In a lengthy presentation, Tommaso Corcos, Assogestioni's president, underlined how individual savings plans will not only create greater opportunities for investors but will link savings to the real economy and promote a stronger and more robust financial system. "Individual savings plans represent an important step for Italy to meet the objectives of the capital market union," he said. Mr Corcos illustrated his presentation with an example of how, exploiting the benefits of internal and external diversification, a benchmark savings plan-compliant investment portfolio would have outperformed balanced Italian and balanced global investment portfolios over the period December 2011 to December 2016. Assogestioni estimates that the new plans should attract around €6 billion of institutional money and around €10 billion of retail, with positive impact on both the main and mid-cap markets. "It's important to build a model in which professional investors and the firms they invest in interact proactively, with a focus on corporate governance to produce better long-term performance for shareholders," Mr Corcos told the conference. PIRs and the role of institutional investors in boosting economy were also the core of a roundtable held in FeBAF last Wednesday, chaired by the President Luigi Abete. Keynote speakers Fabrizio Pagani, Head of the Office of the Minister of Economy and Finance, and Stefano Firpo, General Director for Industrial policy, competitiveness and small and medium enterprises at the Ministry of Economic Development. Among the participants Dario Focarelli (General Manager, ANIA), Giovanni Maggi (President, Assofondipensione), Alberto Oliveti (President, Adepp), Paolo Crisafi (General Manager, Assoimmobiliare), Norberto Arquilla (Arquilla & Partners).

Finance and education

Forty-five of the brightest pupils in the final three years of Italy's secondary schools have been awarded scholarship prizes each worth €1,600. In addition to the cash prize, and with the aim of encouraging young people to become more financially literate, the winners will be given a three-day full-immersion course at Turin's Museo del Risparmio, savings museum. Money management and the development of business capabilities will be among the topics the course will cover. The young winners were drawn from every kind of school and a full range of academic disciplines from sciences to languages, classics and design. Most of the 27 donors supporting the scheme were from the world of finance and included the [banking association](#). At the award ceremony in Rome on 1 March, Antonio Patuelli, ABI's president, drew attention to the importance of a knowledge of economics, the fundamental role of financial education, and the need for constant commitment to this aspect of education by public institutions, beginning with schools. OECD studies show Italy lagging behind other industrialised countries in financial literacy. Awareness and knowledge, said Mr Patuelli, provide the key to an easier and less confused management of one's financial resources. A week before the award ceremony, the Bank of Italy made its latest contribution to efforts to boost financial literacy, publishing on [its website](#) an easy-to-understand document that aims to help people get to grips with interest charges.

Italian assistance on the international stage

The recent publication of a twice-yearly [Bank of Italy newsletter](#) in English illustrates the importance the central bank attaches to international technical cooperation. The beneficiary institutions of the seminars and workshops that the Bank of Italy holds are generally new European Union member states that have not yet adopted the euro, EU candidate and potential candidate states, and Mediterranean, Middle East and North African countries. Areas of cooperation include market operations, payment systems, treasury services and economic research. The newsletter provides details of a new project with the Bank of Albania that follows on from a long-standing programme. Last year there was a total of 92 participants in two seminars and two workshops, mostly given over to central bank governance and operations, and to monetary policy. This year the Bank of Italy is doubling its commitment by running four seminars and four workshops, to which participation is by invitation and in which English is the working language.

In brief

Italians continue to put large amounts of their savings into internal funds tied to unit-linked life policies. Figures from [ANIA](#) (the insurers' association) show that net inflows into 1,479 such funds amounted to €8.7 billion last year, an increase of 7.8 per cent on 2015. At year-end, the funds had a total of €78.3 billion under management, with just over one half of this total (€39.3 billion) in flexible funds.

Between March 2015 and the end of last year, Italy's banks approved the 12-month suspension of capital repayments on mortgage and consumer credit loans to 11,338 customers. [ABI](#) says that the total value of suspended loans repayment was €337 million, and that the effect of these suspensions was to boost household liquidity by almost €89 million.

[Covip](#) (the pensions regulator) has put back from 28 February to 30 April its [deadline for the submission](#) by Italy's pensions funds of data concerning over-the-counter derivatives contracts (EU regulations 648/2012 and 149/2013).

Italians spent less on new life policies last year than they did in 2015. Figures from the [insurers' association](#) show new premiums were worth €84.2 billion in 2016, down 12.9 per cent on the previous year.

LOOKING AHEAD

27 March, Milan.

[Annual conference](#) of the Italian private equity, venture capital and private debt association.

6 & 7 April, Rome.

[Retail banking conference](#) focusing on the future for customer experience, multi-channel business, big data and other current issues.



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