



## Purchasing Guideline

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### a) DOCUMENTS REQUIRED

- Valid passport
- Codice fiscale tax identification number (it can be requested at any government financial office or at an Italian Consulate or Embassy, married women should only use their maiden names for the request of the codice fiscale)
- Italian residence certificate (recommended for certain tax reductions)

### b) PURCHASING PROCESS

1) Irrevocable Proposal : it is a letter of intent of the buyer, including a deposit to keep out the property from the market. If it is countersigned from the seller the deposit will be discounted from the final price.

2) Preliminary Agreement : it is an agreement between the buyer and seller. Content of the preliminary: Identification of the parties, the location of the property, the identification in the National Register of Lands or Urban Areas and in the case of land a map from the register, the verification of the seller's title of property, the seller's declaration to eliminating any limitations to his title of property prior to or simultaneously with the final sales act, the sale price, the deposits, the date of deed of purchase.

The commission to the agent has to be paid at that time.



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3) Deed of Purchase : is signed in front of the notary the day settled in the Preliminary Agreement. It is signed by both parties, the balance is paid and the property officially transferred.

This document content usually it is very similar to the Preliminary Agreement.

After signed the Deed of Purchase the notary has to register it to the appropriate National Register of Lands or Urban Areas.

Within 48 hours of the official signatures the seller must present in the town council or in any police office a declaration of transfer of property.

Within 30 days the buyer, must go to the Tax Office with the passport and the tax identification number and provides the copy of the deed of purchase, to start to pay taxes.

### NOTES

I.) The notary: he is representative of the Republic, he is not representing any parties of the contract but is just ensuring, on the behalf of the state, that the procedure of the sale it is correct.

The notary usually make deep researches on the property before to proceed, those researches have a cost that is not refundable.

II.) Special proxy: it is a document to delegate someone to act on the behalf of someone else, it has to be signed in the presence of a notary in Italy or at an Italian Consulate or Embassy abroad.

A special proxy can required if a person is unable to understand Italian and a trusted person can be given a proxy to act on behalf of the buyer.

In alternative the buyer can be accompanied by an interpreted registered at any Italian court.



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III.) Bank account: it is strongly recommended to open a bank account to simplify the payments.

Previous agreement with the financial institution a trusted person can be delegated to do the necessary payments, this power can be included in the special proxy or could be necessary to use the special form of the financial institution.

If you have residency in Abruzzo you can open a bank account less expensive than a foreign bank currency account, that have higher transaction costs.

IV.) Utility Services: all the utility services must be activated as soon as possible.

### DOCUMENTS AND LEGAL EXPRESSIONS IN THE SALE CONTRACT

I) BUILDING LICENSE: it is important document required in any sale attesting that the house it is complying to the structural standard rules. For houses built before the 1967 the building license is not required.

II) CAPARRA CONFIRMATORIA: it is the earnest money. In there two types of "caparra":

1) Caparra confirmatoria, Civil Code art. No.1385,= the Buyer pays a deposit that it will be lost in case he/she withdraws.

If the Seller withdraws when the deposit has been given he/she has to pay twice the deposit's amount.

The Seller, penalized in the failed business, can ask to a judge a further compensation if he/she can prove a bigger damage raised from the sale's failure.



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In case the Buyer withdraws The Buyer can compel the Seller to sell the property looking to a judge

2) Caparra penitenziale = in case of withdraws of one of the parties the paid deposit is considered the penalty clause to recede from the contract without any other implication.

III) “Sale at body and not at measurement” (“Vendita a corpo e non a misura”): this legal expression It means that the house it sold in total and not based on the measurements, this to avoid discussion in case the property would be some sqm more or less.

### c) TRANSFER TAXES AND OTHER FEES (PAID FROM THE BUYER)

1. Taxes for a new flat are 10% of the purchase price.
2. Taxes are the 4% of the purchase price in case of the so called “First House”, are not considered “First home” luxury houses; to have the taxes reduction it is necessary to apply for residency.
3. Other fixed taxes are: inscription of the act, government stamps.
4. if you can be here to sign the preliminary agreement or the final deed you can use a special proxy with apostille made at the Italian consulate in your country.
5. translation of all official documents by a registered translator.
6. Notary fee.



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### NOTES

a) Value registered at the Territory Office (ufficio del territorio o catasto) : the name of this value is “rendita catastale”. From January 2006 the law about transfer taxes is changed and the taxes are calculated on the value given from the Territory Office and not on the purchase price of the house that normally is higher than this value (“rendita catastale”).

b) First House: it is necessary to provide a certificate of residency within 18 months from the deed of purchase.

The residency has to be done at the town council where the house is located. The house can't be sold before 5 years, if it sold before an other property has to be bought within one year to avoid to loose the “First House” benefits.

Note: If you declare that you will become resident within 18 months of the purchase, but don't do so, you will be liable to pay the difference in the 4% and 10% tax, plus a fine of 20% of this amount.

The tax office has 5 years in which to ask for this money, from the date of the purchase.

### d) PROPERTY'S RUNNING COSTS (MUNICIPAL TAXES)

1. IMU (imposta municipale unica) and TASI (Tributo per i servizi indivisibili): IMU and TASI are due twice a year, by the 16 of June and by the 16th of December, with reference to respectively the first semester and the second semester of each year.



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For example, if you purchased the property on the 23rd of March, i.e., within the second half of the month, you are IMU and TASI liable from the 1st of April on and the previous owner is liable up to the 31st of March.

Bear in mind that for a property that is jointly owned, each owner is responsible to pay the respective tax share separately.

This means that the local Municipality expects a payment from each owner, even for property jointly owned by a married couple, if both spouses names are on title.

IMU and TASI Exemption: You do not have to pay IMU or TASI for the property you live in as your primary residence, registered as such in your Italian tax return or on your Italian ID.

The bills are not sent out to individual homes and it is each person's responsibility to pay the bill on time, and correctly. Further reduced IMU and TASI rates and exemptions might apply depending on property status, owner's conditions and local rules.

IMU and TASI legislation gets amended rather frequently.

From semester to semester applicable rates and exemption rules might change.

2. TARI waste tax (imposta sui rifiuti): can be paid once a year or in 4 times, the total amount it depends on the municipality and the size of your apartment.

There is a discount for non-residents.

The tax is calculated by the comune and bills will be sent out to each property.



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3. Utilities: usually the bills are bimonthly, some companies ask for a fixed fee plus the use of the utilities.

Especially for the phone line or internet, there are many different offers. The water and the electricity and gas are managed by national private companies.

4. Condominium expenses: If you buy a property in a condominium which has some communal parts it is obligatory to contribute to the cost of management.

Usually in the condominium there is the manager (amministratore) that is the person taking care of the problems of the building.

Normally in Italy the condominium cost is a monthly rate.