

Outflows and retention in Lugano

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The banks of Ticino had prepared for the worst. In June 2009 a member of the Grand Council quoted forecasts that a quarter of the Italian deposits in Ticino banks could leave if Italy introduced a new shield, and in the autumn there was talk of thousands of jobs at risk.¹ The director of the Associazione Bancaria Ticinese, Franco Citterio, explained that many Italian entrepreneurs hit by the crisis had no choice but to recover their capital.² When the first results were known, the outflows proved smaller than feared. According to figures from Swiss radio RSI and the Italian news agency ANSA, reported in April 2010, about EUR 60 billion of the EUR 85 billion declared by February 2010 had been held in Switzerland, mainly in Ticino. Of these, some EUR 25 billion actually returned to Italy while about EUR 35 billion were repatriated only legally and stayed in Swiss custody.³

The ratio of legal to physical repatriation reflected deliberate choices by the Lugano banks. Many of them had concluded agreements with Italian fiduciary companies, or held such companies within their own groups, so that a client could sign the confidential declaration in Milan and leave his portfolio and his relationship manager in Lugano. The client gained Italian tax compliance and anonymity towards the Italian tax authorities, because the fiduciary company did not disclose his name. The Swiss bank kept the assets but now held them for an Italian intermediary that applied Italian withholding tax and reported to Rome on an aggregate basis. *L'Espresso* estimated in 2011 that of about EUR 60 billion shielded from Switzerland, EUR 35 billion remained in Ticino through fiduciary structures.⁴

1 The banks that left

The *scudo ter* nevertheless accelerated a consolidation of the Ticino market that Chapter E.I describes in detail. *Il Fatto Quotidiano* counted in October 2010 eight institutions that had closed in Ticino within eighteen months, four of them Italian. UniCredit's Swiss subsidiary ceased its operations in

July 2010, while the insurer Fondiaria-SAI sold Banca Gesfid in September 2010 after thirty years in Lugano.⁵ The Italian banking groups had an additional reason to withdraw. After the shield their Italian clients could be served from Italy through the repatriated assets. The reputational risk of a Swiss subsidiary holding undeclared Italian money had become more serious than the profit it earned. The departures prefigured the broader retreat of the following decade, in which the end of secrecy towards Italy removed the main reason why many small and medium-sized banks had existed in Lugano.

The resumption of outflows towards Switzerland after 2011 shows how unstable the situation remained. *L'Espresso* reported in September 2011 that capital was again moving from Italy to Switzerland, driven by fears of an Italian default and of new taxes on assets already shielded.⁶ Italy indeed imposed in December 2011 a special stamp duty on the assets that had been repatriated under the shields and that remained anonymous, a measure that eroded the value of the anonymity purchased in 2009.⁷ For the fiduciary structures of the *rimpatrio giuridico* the period of quiet was therefore short.

2 Notes

1. Lorenzo Quadri, parliamentary question No. 185.09 of 17 June 2009, <https://www4.ti.ch/fileadmin/POTERI/GC/allegati/interrogazioni/pdf/185.09.pdf> (25 per cent); id., parliamentary question No. 94.10 of 2 May 2010, <https://www4.ti.ch/fileadmin/POTERI/GC/allegati/interrogazioni/pdf/94.10.pdf>, recalling the initial forecasts of thousands of jobs at risk. ↩
2. "Tax amnesty to hit southern canton of Ticino", swissinfo.ch (above). ↩
3. "Scudo fiscale, in Ticino meno uscite del temuto", Eutekne.info, 30 April 2010, https://www.eutekne.info/Sezioni/Art_263621_scudo_fiscale_in_ticino_meno_uscite_del_temuto.aspx, citing RSI and ANSA and statements by the Ticino finance director Laura Sadis and by Franco Citterio. ↩
4. Lindner and Turano, "E l'evasore torna in Svizzera" (above). ↩
5. Mauro Meggiolaro, "Lugano addio, le banche italiane abbandonano il Ticino", *Il Fatto Quotidiano*, 8 October 2010, <https://www.ilfattoquotidiano.it/2010/10/08/lugano-addio-le-banche-italiane-abbandonano-il-ticino/70095/>. ↩

6. Lindner and Turano (above). ↩
7. Decree-Law No. 201 of 6 December 2011 ("Salva Italia"), "Disposizioni urgenti per la crescita, l'equità e il consolidamento dei conti pubblici", Gazzetta Ufficiale No. 284 of 6 December 2011, converted by Law No. 214 of 22 December 2011, Gazzetta Ufficiale No. 300 of 27 December 2011, https://www.gazzettaufficiale.it/gazzetta/serie_generale/caricaDettaglio?dataPubblicazioneGazzetta=2011-12-27&numeroGazzetta=300, Art. 19 paras. 6 to 11. Di Vizio, "Lo strano caso di un'emersione a volto coperto" (above), states that these paragraphs introduced "un'imposta di bollo speciale in relazione alle attività di natura finanziaria oggetto di emersione". ↩

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