

“Financially Empowered Women”

Cooperation Partnership in the field of youth

2023-1-FR02-KA220-YOU-000151072



**Co-funded by
the European Union**

Funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or the European Education and Culture Executive Agency (EACEA). Neither the European Union nor EACEA can be held responsible for them.



Co-funded by
the European Union



ABOUT THE PROJECT

The Financially Empowered Women (FEW) project aims to enhance financial literacy among young migrant and refugee women, helping them navigate financial challenges in new countries. It offers comprehensive training on financial management, investing, and digital finance, tailored to their unique needs and backgrounds. The project's goal is to empower these women to achieve economic independence and contribute to their communities, fostering a supportive environment for learning and growth.



THIS WORK IS LICENSED UNDER A
CREATIVE COMMONS
ATTRIBUTION 4.0
INTERNATIONAL LICENSE

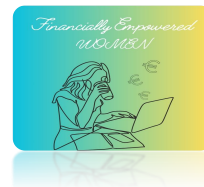


PROJECT CONSORTIUM



Table of content

I. Introduction	1
II. Variations in Financial Practices Across Cultures.....	2
Diverse Financial Practices.....	3
Financial and Banking Systems.....	6
Legal and Regulatory Frameworks.....	7
III. Addressing Language Barriers in Finance.....	16
Terminology and Vocabulary in Finance.....	16
Translation and Interpretation Services.....	18
Bilingual Resources.....	20
IV. Establishing a Financial Network in a Foreign Country.....	21
Steps to Establish a Financial Network.....	21
Additional strategies and considerations that can enrich the process.....	22
V. Conclusion.....	24
VI. References.....	25



I. Introduction

Adapting to a new culture necessitates not only a basic grasp of the local language and social norms, but also a profound understanding of and adjustment to different financial practices. The ability of migrants and refugees to navigate the financial environment of their new home becomes essential for achieving successful integration and ensuring continued stability. Therefore, this last e-learning module is designed to equip you with the necessary knowledge and tools to navigate the complex financial environment you will encounter in your new home.

Throughout this module, we will explore several critical areas:

- **Variations in Financial Practices Across Cultures** - Understand how financial norms and practices vary between cultures, and learn how to adapt your financial management strategies accordingly. This section will help you grasp the essentials of the local financial etiquette, expectations, and legal frameworks that shape economic interactions.
- **Addressing Language Barriers in Finance** - Effective communication is foundational to financial transactions. We will tackle the challenges posed by language barriers and offer strategies for accessing financial services, understanding complex financial terms, and communicating effectively with financial institutions.
- **Establishing a Financial Network in a Foreign Country** - It is essential to develop a strong financial network in order to obtain access to vital resources and opportunities. This part of the module will assist you in establishing relationships with fellow expatriates, community organizations, financial advisors, and individuals who can offer assistance as you adjust to your new financial lifestyle.

By the end of this module, we hope that you will not only be familiar with the fundamentals of adapting financially in a new cultural setting but also be empowered to make informed decisions that enhance your economic well-being and integration. Whether it's managing everyday expenses, investing wisely, or planning for the future, the skills developed here will facilitate the establishment of a prosperous and culturally immersive existence in your host nation. Enjoy learning!

II. Variations in Financial Practices Across Cultures

Cultural variations in financial practices significantly influence how migrant and refugee women manage their finances in new environments. Adapting to these unfamiliar financial norms is crucial for achieving economic independence and stability. In this section, we will explore the fundamental components of these cultural variations and the ways in which they influence financial behavior.

Initially, we will discuss various financial customs, highlighting how different cultures view credit, savings, and indebtedness. This information will help readers understand the expected financial behaviors and adapt their own practices accordingly in their host country.

Next, we will investigate the differences in banking and financial systems across cultures, focusing on the common practices observed in different countries. Acquiring a thorough understanding of these financial systems is vital for effectively managing finances in a new cultural setting.

This part of the module will also cover how different cultures approach financial management and the legal frameworks governing financial operations. Recognizing these differences will enable young women to operate within legal boundaries and make informed financial decisions.

Finally, we will offer practical strategies for adapting to these cultural differences, providing tools and methods to effectively integrate financial practices. The aim of this guidance is to equip migrant and refugee women with the confidence to navigate their new financial landscapes, ensuring long-term prosperity and stability.



Source: <https://cashalo.com/how-different-cultures-deal-with-money-and-finances/>

Diverse Financial Practices

The impact of cultural variations on financial behaviors, specifically in relation to credit, savings, and debt management, is substantial. It is essential for young women who are refugees or migrants to comprehend these subtleties in order to transition smoothly into unfamiliar financial environments.

Financial norms in many societies are ingrained in community values, historical backgrounds, and prevailing economic conditions. These factors shape tendencies towards either saving or spending, communal versus individual financial responsibilities, and societal perceptions of debt. Understanding more about these cultural financial frameworks is essential for making well-informed decisions and successfully integrating into different financial environments.

For instance, certain cultures adopt a cautious approach to credit, often avoiding borrowing except when absolutely necessary. This caution is rooted in a strong cultural emphasis on financial self-sufficiency and aversion to debt. Conversely, in societies where credit is embraced, it is seen as a catalyst for personal and economic development, aiding in significant acquisitions like real estate and vehicles. This perspective leads to a more pronounced use of credit facilities, including credit cards and loans, to fulfill financial obligations.

In cultures that emphasize saving, a conservative financial stance is usually advocated, urging individuals to save diligently for future necessities and unforeseen events. This approach may be driven by either a strong social safety net or memories of previous economic struggles. On the other hand, in more economically vibrant societies, there is a tendency to prioritize investments over traditional savings, with a focus on using capital to generate returns, thus encouraging participation in stock markets and investment funds.

Attitudes towards debt also vary significantly. In some cultural contexts, debt is seen as a strategic tool for funding significant life milestones, such as higher education or buying a home. Meanwhile, other cultures hold a negative view of debt, often influenced by strong social or religious beliefs that discourage borrowing.

In the European Union, financial practices exhibit considerable diversity, reflecting the unique financial ethos of each member state. Some countries within the EU maintain conservative financial ideologies, while others are more open to leveraging credit and embracing borrowing. This diversity offers an interesting panorama of how financial norms can vary even within a closely connected region. Exploring these variations not only contributes to a deeper understanding of financial cultures but also facilitates the development of adaptable strategies that accommodate the diverse economic environments throughout Europe. Having said that, let's see some examples.

- **France**

In France, there is a moderate approach to credit and debt. The French generally prefer to use credit cards as a payment tool rather than a borrowing tool, often paying off balances in full to avoid interest charges. Savings rates are relatively high, reflecting a cautious approach to financial management. France's financial culture emphasizes security and privacy, with a strong regulatory framework governing banking and financial transactions.

In addition, in France, there is also a preference for secured loans over unsecured credit, reflecting a prudent approach to borrowing. French financial institutions offer a variety of savings products, such as the popular Livret A savings account, which provides tax-free benefits and security. Moreover, France has a strong culture of financial planning, and there is significant use of financial advisors to manage personal wealth and retirement planning.

- **Spain**

Spanish culture traditionally favors cash transactions, though there has been a significant shift towards digital payments and credit usage in recent years. In comparison to the French, the Spanish people have a tendency to exhibit a more flexible approach towards debt. Credit is generally extended for personal use and homeownership. However, the economic crises have influenced a more cautious approach to borrowing among younger Spaniards.

In addition to a growing acceptance of digital payment methods, Spain has seen a resurgence in the popularity of savings accounts and pension plans, especially among the younger population who are increasingly aware of the need for financial security. Reflecting the entrepreneurial character of the region, the Spanish banking system is solid and provides extensive services to a variety of customers, including considerable support systems for SMEs and startups.

- **Italy**

Italians are known for their conservative financial behavior, with a strong preference for real estate investment over stock markets. The use of credit is common, especially for financing home ownership through mortgages, but there is still a significant portion of the population that prefers to avoid debt. Savings rates in Italy are traditionally higher than the European average, reflecting the importance of financial security.

Italian financial culture also places a strong emphasis on family, with many financial decisions, including investments and savings, being influenced by family needs and expectations. Italy's banks are also known for their rigorous mortgage application processes, which reflect the country's cautious approach to lending. Furthermore, Italy has a burgeoning fintech sector that is beginning to influence traditional banking habits, especially among tech-savvy younger Italians.

- **Estonia**

Estonia represents a different financial ethos, heavily influenced by its rapid adoption of digital technologies. Estonians are enthusiastic users of digital banking services, and the country boasts one of the highest rates of digital payment adoption in Europe. The financial culture here is innovative and forward-thinking, with a strong reliance on technology to manage personal finances and investments.

Estonia's enthusiasm for digital finance extends into its education system, where financial literacy and digital skills are emphasized from an early age. The country is also a pioneer in e-governance, providing citizens with easy online access to a wide range of financial services, which reinforces trust and efficiency. Additionally, Estonia's progressive approach to financial technology has made it a hub for European fintech companies.

- **Northern European Countries (e.g., Sweden, Norway, Finland)**

These countries exhibit high levels of trust in financial institutions and are global leaders in cashless transactions. There is a strong culture of financial literacy, and people are generally well-informed about investment and savings options. These societies also show a high degree of social trust, which extends to their financial practices, with extensive use of mobile payment systems like Swish in Sweden. Investment in stocks and mutual funds is common, supported by government policies that encourage such financial activities.

These countries not only promote financial literacy but also encourage public participation in the stock market through tax-incentive schemes and accessible investment platforms. Environmental, social, and governance factors are significantly integrated into investment strategies, reflecting the region's strong emphasis on sustainability. Furthermore, the widespread use of technology in daily financial operations makes these countries leaders in the development of new financial products and services that prioritize security and user-friendliness.



Source: <https://www.planadviser.com/women-work-financial-professionals-feel-prepared-retirement/>

Financial and Banking Systems

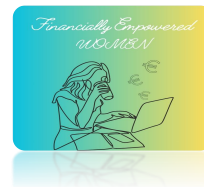
Banking and financial systems vary widely around the EU, profoundly influencing how individuals handle financial transactions and manage their resources. While some nations continue to rely heavily on traditional banks with physical branches, others have embraced the advancements in technology, shifting predominantly towards digital banking and virtual platforms. These differences profoundly shape everything from the methods used to open bank accounts to the ways payments are processed and credit is accessed.

In countries with deeply entrenched traditional banking infrastructures, such as Bulgaria, people typically engage in financial activities through direct interactions at bank branches. This often includes activities like depositing checks, managing withdrawals, or negotiating loan terms directly with bank personnel. Such interactions underline the value placed on personal relationships and trust within the community. Here, cash is still widely used, and the pace of digital banking adoption might be gradual due to a preference for tangible, face-to-face financial dealings.

On the other hand, countries like Sweden exemplify a move towards a cashless society, where digital transactions reign supreme. The dependency on physical currency is rapidly dwindling, with a majority of financial activities, including purchases and bill payments, being conducted digitally. Residents in these regions benefit from the efficiencies of digital banking, such as the ease of managing finances from mobile devices and the quick, seamless processing of transactions. This shift not only necessitates heightened digital literacy among users but also an acute awareness of cybersecurity measures to safeguard online financial activities.

Moreover, the evolution of financial technology has led to the emergence of innovative services that further differentiate these systems. In digitally advanced environments, services like instant peer-to-peer payments, sophisticated financial tracking apps, and integrated investment platforms are becoming standard, offering users comprehensive financial management tools at their fingertips. These developments are setting new standards for convenience and financial mobility, reshaping expectations and experiences around banking and money management globally.

Community-based financial networks often play a pivotal role in some cultures, providing essential financial services through informal mechanisms such as rotating savings and credit associations, local lending groups, or family-based support systems. These informal financial systems are particularly vital in communities where access to traditional banking is limited or non-existent. They offer a crucial lifeline for those without the means or documentation to engage with formal financial institutions, fostering economic activity and providing financial resilience.



Furthermore, the availability and utilization of financial products vary significantly from one culture to another. While credit products like credit cards and personal loans are common in some regions, others might place a stronger emphasis on savings mechanisms, such as fixed-term deposits, or on investments in real estate or commodities. It's crucial for young refugee and migrant women to understand these cultural nuances in financial products to navigate effectively through the financial landscape of their new countries. Identifying and utilizing the financial instruments that align with their needs and cultural context is essential for their economic integration and independence.

Additionally, cultural distinctions in banking and financial systems reflect broader societal attitudes towards risk, autonomy in financial decisions, and strategies for managing money. Through a review of these cultural distinctions, refugee and migrant women can acquire significant knowledge regarding the prevailing financial customs in their host countries. Acquiring this knowledge is not solely imperative for their effective inclusion into regional economic structures, but also essential to facilitating well-informed fiscal judgments that bolster their enduring stability and autonomy. Understanding and adapting to these financial cultures is fundamental to achieving financial security in a new country, empowering them to build a stable and prosperous future.

Legal and Regulatory Frameworks

The diversity of legal and regulatory frameworks that support financial practices across nations and cultures is significant. It is imperative that young women who are refugees or migrants themselves possess an in-depth knowledge of these frameworks so that they can navigate the complex legalities of financial transactions and guarantee compliance with local regulations.

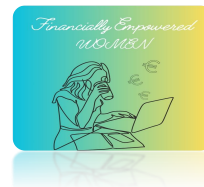
Following, this next part will analyze essential components of the previously mentioned frameworks, focusing specifically on banking, taxation, and financial compliance.

1. Banking Regulations

Banking regulations are fundamental in shaping how financial institutions operate within different countries. These regulations govern everything from the opening and maintenance of bank accounts to the ways banks can lend and invest money.

Migrants and refugee women should be aware of:

- **Account Opening Procedures** - Different countries have varying requirements for opening bank accounts, ranging from simple ID verification to more complex requirements like proof of address or a fiscal number.



- **Consumer Protection Laws** - Many countries enforce laws that protect consumers' rights in banking, such as the right to privacy, protection from fraud, and access to fair lending.
- **Regulatory Compliance** - Banks are required to comply with both national and international regulations aimed at preventing money laundering and financing of terrorism. Understanding these can help migrants ensure their transactions are legal and secure.
- **Deposit Insurance** - Many countries have systems in place to insure a certain amount of individual deposits in banks, which can provide a layer of security for migrants placing their savings in banks. Knowing the coverage limit and the conditions under which it applies is crucial for risk management.

Consumer protection laws are essential for safeguarding the rights of individuals in the banking sector, particularly for migrants who may be unfamiliar with the nuances of financial systems in new countries. These laws typically cover several key areas, including the right to privacy, protection against fraud, and ensuring fair access to credit and financial products. Understanding these laws can help migrant women navigate financial systems safely and confidently, so let's see some of them.

In France, there is ***the Code de la Consommation***, a legal framework that provides comprehensive consumer protections covering various aspects of banking and credit. It includes specific provisions for the transparency of banking fees and the marketing of financial products. Moreover, ***Loi Neiertz on over-indebtedness***, is another consumer protection law, specifically aimed at preventing and managing over-indebtedness among consumers, including special considerations for vulnerable groups such as migrants and low-income families.

In Spain, there is the ***Ley de Crédito al Consumo (Consumer Credit Law)*** that protects consumers by requiring clear information on the cost of credit and by stipulating rights such as free early repayment and withdrawal from credit agreements within 14 days. In addition, migrants and refugee women should be aware of the existence of ***Servicio de Reclamaciones***, a financial complaint service offered by the Bank of Spain that allows consumers, including migrants, to file complaints against financial institutions, enhancing transparency and accountability.

Estonia enforces stringent data protection laws aligned with the EU's General Data Protection Regulation (GDPR). This ensures that personal data, including financial information, is handled securely and with consent. For migrants, this means their financial data is protected against unauthorized access and misuse, which is crucial



for those just establishing financial roots in a new country
(Isikuandmete kaitse seadus - Personal Data Protection Act).

Võlaõigusseadus (Law of Obligations Act) includes provisions that govern financial contracts, including consumer loans and credit agreements. It mandates clear disclosure of all terms and conditions, the right to withdraw from a credit agreement within 14 days, and protections against unfair contract terms. This is especially important for migrants who might be entering credit agreements for the first time in Estonia.

The Estonian ***Finantsinspektsioon (Financial Supervision Authority)***, is pivotal in regulating financial markets and services. It ensures that banks, credit institutions, and other financial entities operate under strict regulatory standards to safeguard consumers' interests, including those of migrants. This includes oversight on how financial products are marketed and sold, ensuring they are suitable for consumers' needs and that financial advisories act in the clients' best interest.

2. Taxation Systems

Taxation is the imposition of compulsory levies on individuals or entities by governments in almost every country of the world. Taxation is used primarily to raise revenue for government expenditures, though it can serve other purposes as well.

Following, taxation is another area where understanding the local framework is essential. Tax systems vary widely:

- **Types of Taxes** - From income taxes, both progressive and flat, to VAT, luxury taxes, and more, knowing the types of taxes applicable is essential.
- **Filing Requirements** - The deadlines, documents needed, and the process of tax filing can be quite different from one country to another.
- **Tax Relief and Exemptions** - Some countries offer specific tax relief programs for newcomers or low-income individuals, which can significantly affect one's financial planning.
- **Double Taxation Avoidance Agreements (DTAAs)** - Many countries have treaties to avoid double taxation on income earned across borders. For migrants who might have financial ties in more than one country, understanding DTAAs can help in planning tax liabilities more effectively.
- **Local Tax Incentives** - Some regions offer tax incentives to attract certain demographics or to boost local investment. These can include reduced tax



rates, credits, or exemptions specifically available to new residents, which can provide significant financial benefits.

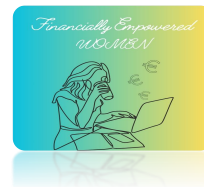
As said previously, understanding the types of taxes in a new country is important for migrants and refugee women to manage their finances effectively and comply with local regulations, as well as because different types of taxes can significantly impact personal financial planning and obligations. Therefore, readers are offered some additional information about the taxes in each of the project partner countries.

Italy

Tax Type	Details
Income Tax	Progressive rates from 23% to 43%
VAT	Standard rate is 22%; reduced rates for essentials
Regional Tax	Additional income tax at the regional level
Municipal Tax	Additional income tax at the municipal level
Luxury Tax	Applicable on high-end cars, yachts, etc.
Property Tax (IMU)	Levied on real estate properties, excluding primary residences under certain conditions

Italy's tax system can be complex due to additional layers of regional and municipal taxes which can significantly affect overall tax liability. Italy uses a progressive income tax system, with rates ranging from 23% to 43% based on income levels (***Imposta sul reddito delle persone fisiche - IRPEF***). The standard VAT rate is 22%, with reduced rates applicable to some goods and services, such as food and pharmaceuticals.

Italy's tax system indeed presents a multifaceted landscape that requires careful navigation. Beyond the progressive income tax and the standard VAT, Italy also imposes several other taxes that can impact both individuals and businesses. For example, companies operating in Italy are subject to a corporate income tax rate of 24%, which is separate from the individual income tax. This rate applies to the company's worldwide income, underscoring the need for comprehensive financial planning and management for business owners.



There is also the so called “Stamp Duty” that applies to a variety of legal documents, including contracts, agreements, and corporate books. The rates can vary depending on the document type and transaction value, which is important for businesses and individuals engaging in significant financial or legal transactions. In addition, ***the Regional Production Tax (IRAP)***, is the regional tax on productive activities, including services and agriculture, which varies between regions but generally hovers around 3.9%. It applies to companies, freelancers, and businesses and is calculated on the net value of production derived from activities within each region.

France

Tax Type	Details
Income Tax	Progressive rates from 0% to 45%
VAT	Standard rate is 20%; reduced rates for specific items
Social Charges	Additional levies on income for social security
Wealth Tax (IFI)	Applicable to real estate assets exceeding a threshold
Capital Gains Tax	Levied on the sale of property and investments

As seen in the table, France also has a progressive income tax system, which as of 2020, ranges from 0% to 45%. The standard ***Value Added Tax (VAT) (Taxe sur la valeur ajoutée - TVA)*** rate is 20%, with reduced rates for newspapers, food, and some medical supplies. In addition to income tax, individuals in France pay various social charges, which fund social security benefits.

In addition, ***The Wealth Tax in France***, known as the ***Impôt sur la fortune immobilière (IFI)***, specifically targets real estate assets and is a key component of the French tax system, particularly affecting those with significant property holdings. Introduced in 2018 as a replacement for the broader Impôt de solidarité sur la fortune (ISF) which applied to a wider range of assets, IFI narrows the focus solely to real estate. However, this tax is applicable only if the net value of the real estate assets exceeds €1.3 million. This threshold helps target wealthier segments of the population, exempting middle and lower-income groups who might own modest property.

Spain

Tax Type	Details
Income Tax	Progressive rates from 19% to 47%, varying by autonomous region
VAT	Standard rate is 21%; reduced rates of 10% and 4%
Wealth Tax	Applicable in some regions based on the value of personal assets
Inheritance Tax	Varies significantly between regions

Spain's income tax is progressive, ranging from about 19% to 47%, depending on the autonomous community. Indeed, Spain's income tax system reflects the country's decentralized administrative structure, where autonomous communities have the authority to adjust state-level income tax rates and allowances within their jurisdictions. This results in a varied tax landscape across the country, where the actual tax rate an individual pay can depend significantly on their region of residence.

For example, in Catalonia, the combined state and regional income tax rates range from 21.5% to 47.73%. For instance, incomes up to €12,450 are taxed at 21.5%, and incomes over €175,000 are taxed at 47.73%. Catalonia often uses its tax policy to address regional economic goals and social programs.

Madrid is known for having one of the lowest regional income tax rates in Spain, which is part of the region's strategy to attract more businesses and residents. The rates here range from 19% to 43.5%, with the highest rate applying to incomes over €60,000. This relatively lower tax rate is a significant factor in Madrid's economic competitiveness.



In addition, some autonomous parts of Spain, such as the Canary Islands, have a distinct economic and fiscal regime partly due to their geographical location off the northwest coast of Africa. This unique status includes several tax advantages designed to promote economic development and attract investment to the islands. For example, the Canary Islands do not apply Spain's standard VAT but instead have their own version called the **"Impuesto General Indirecto Canario" (IGIC)**. The standard IGIC rate is significantly

lower than the mainland's VAT, at only 7%.



This reduced rate applies to most goods and services, with essential items taxed at even lower rates, and some items are exempt.

Moreover, **the Canary Islands Special Zone (*Zona Especial Canaria or ZEC*)** is a low-taxation area created to attract businesses to the islands. Companies operating within the ZEC can benefit from a reduced corporate income tax rate of 4%, which is considerably lower than the standard Spanish corporate tax rate. To qualify, companies must meet certain requirements, such as creating jobs locally and making a minimum investment in the region.

In addition, residents of the Canary Islands also enjoy lower rates of income tax compared to those on the Spanish mainland, thanks to additional deductions and allowances available under the islands' fiscal regime.

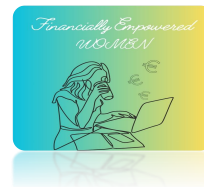
For migrants and refugees settling in the Canary Islands, these fiscal benefits can make the islands an attractive place to live and work. The lower cost of living due to reduced IGIC, combined with tax incentives for businesses, can offer significant financial advantages. Moreover, the unique economic measures are designed to stimulate local employment and investment, potentially providing more opportunities for newcomers to integrate and succeed economically.

Estonia

Tax Type	Details
Income Tax	Flat rate of 20% on individual income
VAT	Standard rate is 20%; reduced rate of 9% for certain goods
Social Tax	33% levied on gross salary for social security benefits
Property Tax	Based on land value, not property value

Estonia has a flat rate of income tax at 20%. The standard VAT rate is 20%, with a reduced rate of 9% for certain goods and services, including accommodation, books, and pharmaceutical products. The social tax is paid by employers and self-employed individuals, funding pensions and health insurance, and is calculated at 33% of gross salary.

Unlike many countries, property tax in Estonia is not levied on the value of the property but on the land value, which tends to be very low. Usually, the specific rate is set by local municipalities and can range typically from 0.1% to 2.5% of the assessed land value per year.



This rate flexibility allows local governments to adjust their tax policies according to local economic conditions and needs. Some of the advantages of the low property tax rates in Estonia is that can make homeownership more accessible and less burdensome financially. For migrants and refugees, this aspect can be particularly beneficial as it lowers the ongoing costs associated with owning property, making it easier to maintain financial stability.

In addition, Estonia's digitalized approach to taxation simplifies tax filing and payments, which is particularly beneficial for residents used to digital services. Estonia offers ***an e-Residency program*** that allows non-Estonians access to government services, including company formation, banking, payment processing, and taxation. This program is particularly beneficial for entrepreneurs who can manage their businesses and related tax matters from anywhere in the world.

Nearly all tax filings in Estonia can be completed online through the Estonian Tax and Customs Board's digital platform. This system provides an efficient, user-friendly interface that reduces the time and paperwork associated with tax submissions, making it easier for residents, including migrants and refugees, to comply with local tax laws.

3. Financial Compliance

***Financial compliance** is the regulation and enforcement of the laws and rules in finance and the capital markets. It ranges through the entire financial spectrum, from investment banking practices to retail banking practices.*

Adhering to financial laws and regulations is necessary to avoid legal issues:

- **Anti-Money Laundering (AML) Regulations** - These are designed to prevent the practice of generating income through illegal actions. Knowing these regulations can help individuals avoid unintentional non-compliance.
- **Foreign Asset Reporting** - Some countries require residents to report assets held in foreign countries, which can include bank accounts, investments, or property.
- **Consumer Credit Laws** - These laws regulate credit usage and protect consumers from predatory lending practices. Understanding these laws can help individuals make informed decisions about borrowing.
- **Investment Regulations** - Compliance with investment regulations is crucial, especially for migrants looking to invest locally. These regulations can include restrictions or conditions on foreign ownership, sectors available for investment, and the repatriation of profits.

Consumer credit laws are very important for protecting individuals from unfair lending practices and ensuring transparency in the borrowing process. These laws vary by country, reflecting local consumer protection priorities and financial practices. Below, we explore how consumer credit laws function in France, Italy, Spain, and Estonia, providing specific examples to illustrate how these regulations safeguard consumers and shape the borrowing environment.

Consumer Credit Act (Code de la consommation) is an act that provide comprehensive protection for borrowers, including clear disclosure of credit terms and the right to a cooling-off period. Consumers can withdraw from a credit agreement without penalty within 14 days of signing. In addition, France has strict regulations against usury, setting maximum interest rates that can be charged on consumer loans to prevent exploitative lending practices.

In France, there is also an ***Annual Percentage Rate (APR) Disclosure*** according to which lenders must clearly disclose the APR, which includes all costs associated with the credit, helping consumers to compare different offers transparently.

Similar to France, Italy's regulations require transparent disclosure of all credit terms and conditions, and consumers also enjoy a 14-day cooling-off period to withdraw from credit agreements (***Consumer Credit Act (Codice del Consumo)***).

The Italian central bank actively supervises credit institutions to ensure compliance with consumer protection laws, focusing on the transparency and fairness of credit products offered to consumers.

Also Italy imposes caps on interest rates for consumer loans to protect borrowers from excessive charges and prevent usury.

In Spain, the ***Consumer Credit Act (Ley 16/2011)*** is a law that require lenders to provide detailed pre-contractual information and standardized European Consumer Credit Information (SECCI) forms. This ensures that consumers are well-informed about the conditions of the credit before agreeing.

Also Spanish regulations require lenders to thoroughly assess the borrower's creditworthiness before granting credit, reducing the risk of default and over-indebtedness.

Consumers in Spain have the right to repay their loans early at any time, which can reduce the total cost of credit. Lenders can only charge a minimal fee for early repayment, which is capped by law.

In Estonia, ***the Consumer Protection Act and Law of Obligations Act*** regulate consumer credit, ensuring that all terms must be fair and transparent. They require lenders to provide detailed and understandable information about all the terms of credit agreements.

Moreover, Estonia sets a cap on the total cost of credit that can be charged, including all fees and charges associated with a loan. This protects consumers from excessive debt burdens.

In addition, reflecting its digital-first approach, Estonia mandates that all credit information and agreements be available in digital form, which facilitates easier access and understanding for consumers.

III. Addressing Language Barriers in Finance

Language barriers can pose significant challenges for refugee and migrant women as they navigate new financial systems. A lack of fluency can hinder understanding of financial documents, communication with bank staff, and the ability to make informed financial choices. Therefore, this next part of the module provides tools and advice to help overcome these challenges and confidently manage finances in a new environment.

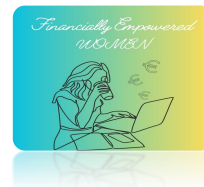
To improve financial understanding and interaction with financial institutions, it's crucial to learn key financial terms, utilize translation services, and access resources available in multiple languages. Effective strategies include engaging with financial advisors who speak your language, taking language courses to enhance proficiency, and using digital tools for translation. Below, you will find resources aimed at helping you achieve financial independence and adapt to different financial cultures more swiftly.

Terminology and Vocabulary in Finance

Understanding the terminology and vocabulary in finance is important for anyone, especially for migrants and refugees trying to navigate the financial system of a new country. Below is a breakdown of why financial terminology matters, along with examples of essential financial terms that can help in understanding various financial documents and communications.

1. Importance of Financial Terminology:

- **Clarity in Financial Transactions** - Knowing financial terms helps clarify the terms of transactions, agreements, or financial services being offered. This knowledge prevents misunderstandings and enables individuals to make informed decisions.
- **Enhanced Communication with Financial Institutions** - With the correct vocabulary, communicating with banks, loan officers, and financial advisors becomes more straightforward and effective, allowing for better negotiation and more precise queries about services.



- **Empowerment Through Knowledge** - Understanding financial terminology empowers individuals by giving them control over their financial decisions and helping them avoid predatory practices.

2. Essential Financial Terms

The table below collects essential financial terms, each with a brief description. It can be especially helpful for those new to managing finances in a different context, so we hope that you find it suitable for your needs!

Term	Description
APR (Annual Percentage Rate)	The annual rate charged for borrowing or earned through an investment, inclusive of fees.
Compound Interest	Interest calculated on both the initial principal and the accumulated interest from previous periods.
Amortization	The process of paying off debt with a fixed repayment schedule in regular installments.
Equity	Value of ownership in an asset, such as property or shares in a company.
Liquidity	Ease with which an asset, or security can be converted into ready cash without affecting its market price.
Net Worth	The difference between total assets and total liabilities. Indicates overall financial health.
Diversification	An investment strategy that mixes a wide variety of investments within a portfolio to manage risk.
Credit Score	A numerical expression based on a level analysis of a person's credit files, representing creditworthiness.
Default	Failure to meet the legal obligations (or conditions) of a loan, i.e., failure to make payments.
Securities	Financial instruments that represent some form of financial value or rights, such as stocks or bonds.



Term	Description
Debt-to-Income Ratio (DTI)	A percentage that shows how much of a person's gross income is used to pay for debt each month.
Bankruptcy	A legal proceeding involving a person or business that is unable to repay their outstanding debts.
Mortgage	A loan used to purchase or maintain a home, land, or other types of real estate.
Portfolio	A range of investments held by a person or organization.
ROI (Return on Investment)	A performance measure used to evaluate the efficiency or profitability of an investment.
Capital Gain	The increase in value of a capital asset that gives it a higher worth than the purchase price.
Insolvency	The state of being unable to pay the money owed, by a person or company, on time.
Asset Allocation	An investment strategy that aims to balance risk and reward by apportioning a portfolio's assets according to an individual's goals, risk tolerance, and investment horizon.

Translation and Interpretation Services

Translation and interpretation services are essential in assisting those who lack proficiency in the native language of a new place, particularly for migrants and refugees. These services enable non-native speakers to easily access important information and resources, allowing them to navigate complicated systems including healthcare, legal, and financial services. Let's see how these services can be particularly valuable in the context of financial management.

1. Importance of Translation and Interpretation Services

- **Access to Financial Services** - Many financial documents, agreements, and banking services come with complex terminology and language. Translation services ensure that these important documents are understood correctly, helping individuals make informed decisions. Interpretation services can be essential during consultations with financial advisors, loan officers, or at the bank, where precise communication is fundamental.
- **Legal and Regulatory Compliance** - Understanding the legal obligations and rights within financial agreements, such as loans, insurance policies, or investment plans, is critical. Misunderstandings due to language barriers can lead to non-compliance or unfavorable financial situations. Indeed, accurate translation helps ensure that individuals comply with local financial regulations and understand their legal responsibilities.
- **Enhanced Customer Experience** - Financial institutions that offer translation and interpretation services can provide a more inclusive environment for all clients, which is particularly important in culturally diverse regions. This inclusivity not only improves customer satisfaction but also builds trust between the institution and its clients.

2. Types of Services Available

- **On-Demand Phone Interpretation** - Instant access to interpreters over the phone can assist during real-time conversations, such as customer service calls or financial advisory meetings.
- **In-Person Interpretation** - For more complex or significant transactions, such as signing a mortgage or investment advisory, in-person interpreters ensure that all parties fully understand the proceedings.
- **Document Translation** - Critical for written communications such as contracts, terms and conditions, financial statements, and regulatory documents. This service ensures that all written materials are accurately translated.
- **Digital Translation Tools** - Apps and online services can provide quick translations of less critical or informal communications, like emails or newsletters from financial institutions.

Bilingual Resources

Bilingual resources are vital tools that bridge the gap between different language speakers and essential services in their new environments. For migrants and refugees, these resources are fundamental in various sectors, especially in finance, where understanding and accessing information is essential for effective integration and financial stability.

1. Importance of Bilingual Resources

- **Improved Accessibility** - Bilingual resources make financial information accessible to non-native speakers, helping them to better understand complex financial products, services, and their rights and obligations within the financial system of their new country.
- **Enhanced Financial Literacy** - Bilingual resources have a substantial impact on enhancing financial literacy by offering information in both the local language and the migrants' native language. This knowledge enables individuals to make well-informed decisions, mitigate risks, and steer clear of exploitative tactics.
- **Increased Inclusion** - Financial institutions that offer bilingual resources demonstrate inclusivity, fostering a welcoming environment for individuals from diverse linguistic backgrounds. This can significantly enhance customer experience and satisfaction, building trust and loyalty among migrant communities.

2. Types of Bilingual Resources

- **Printed Materials** - Banks and financial institutions often provide key documents, such as account opening forms, loan agreements, and user guides in multiple languages. This can also include brochures and financial education materials distributed in community centers, libraries, and online.
- **Websites and Mobile Apps** - Many financial services have multilingual websites and apps that users can switch to their preferred language setting. This digital access is essential for accommodating the needs of a linguistically diverse client base.
- **Multilingual Support Staff** - Employing bilingual staff or having access to interpreters in financial institutions ensures that non-native speakers receive the assistance they need in their preferred language, which is crucial for detailed and sensitive financial discussions.
- **Financial Education Workshops** - Workshops that are conducted in multiple languages help to reach a broader audience, ensuring that essential financial knowledge is accessible to all, regardless of language barriers.

For example, banks in Spain often provide bilingual support in Spanish and English, and in areas with large migrant populations, additional languages like Arabic or French are supported. This practice not only assists migrants in daily banking but also in understanding Spain's complex financial and tax systems.

In addition, in Estonia, community financial literacy programs often offer resources in Russian, which is widely spoken among Estonia's minority populations, ensuring that financial education reaches a wider audience.

IV. Establishing a Financial Network in a Foreign Country

Establishing a financial network in a foreign country is an important step for migrants and refugees aiming to integrate and succeed economically in their new environment. Such a financial network can help newcomers learn about local banking practices, credit systems, tax obligations, and available financial services. Acquiring this knowledge is critical in order to effectively manage finances and make wise choices.

Moreover, through connections with local business leaders, entrepreneurs, and financial professionals, migrants can discover investment opportunities, gain employment, or start their own businesses.

Finally, a financial network often includes mentors or advisors who can provide guidance on navigating the complexities of the new financial system. This support can be crucial in avoiding common financial pitfalls and understanding legal financial obligations.

Steps to Establish a Financial Network

- 1. Engage with Local Financial Institutions** - Opening accounts in local banks and interacting with bank staff can help build relationships within the financial community. Attending bank-organized seminars and workshops is also a beneficial way to expand one's network.
- 2. Join Professional and Community Organizations** - Many countries have organizations and associations for professional development that also offer networking opportunities. Participating in community events and joining local chapters of professional bodies related to finance can be valuable.
- 3. Utilize Online Platforms** - LinkedIn and other professional social networks are excellent tools for connecting with financial professionals in the area. Engaging in relevant groups and discussions can raise your profile and build connections.

- 4. Attend Financial Education Programs** - Many non-profits and community organizations offer financial literacy programs that not only educate but also help connect newcomers with financial advisors, experienced expatriates, and other helpful resources.
- 5. Volunteer** - Offering your skills to local organizations can help you meet people in the financial sector in a more relaxed setting, potentially leading to more formal financial relationships.

Additional strategies and considerations that can enrich the process

- **Collaborate with Local Non-Governmental Organizations (NGOs)**

Many NGOs provide specific programs aimed at financial inclusion for migrants and refugees, offering everything from basic financial literacy courses to advanced advice on investment and savings.

Engaging with NGOs can provide a safe and supportive environment to ask questions, discuss challenges, and find resources tailored to the unique needs of migrants and refugees.

- **Participate in Financial Technology (FinTech) Innovations**

Use FinTech solutions that offer streamlined, user-friendly financial services, which can be particularly helpful for those who may face language barriers or lack traditional banking histories. FinTech can offer more accessible financial services, including money transfers, microloans, and budgeting tools, all of which can be controlled from a smartphone or computer.

- **Connect through Cultural Associations**

These groups often represent specific nationalities or ethnicities and can provide a network of people who have undergone similar financial adaptation processes. These associations frequently hold events, workshops, and seminars that can provide both social and professional networking opportunities, helping to build a community-based financial support system.

- **Educational Institutions**

Universities and colleges often have extensive alumni networks and career services that can help in connecting with professionals in the financial sector. Many educational institutions offer courses in finance and related subjects that not only educate but also allow for networking with educators and peers who have interests in the financial fields.

- **Utilize Microfinance Institutions**

Microfinance institutions provide financial services to individuals who do not have access to typical banking services, including small loans, savings programs, and microinsurance.

They have a great community impact and they can be a crucial tool for building credit, starting a small business, or funding education, which in turn can expand your financial network.

- **Legal and Financial Advisory Services**

Some community centers and expatriate advisory services offer free or low-cost sessions with financial advisors or legal experts who can provide guidance on complex financial issues such as taxes, inheritance, and investments in the context of the local laws. Regular consultations with a financial advisor can help in understanding the financial norms and legal requirements of the new country, fostering a relationship based on trust and mutual respect.



Source: <https://anincubator.com/que-es-el-networking-online/>

V. Conclusion

Within our last module we have explored a range of financial practices, strategies for overcoming language barriers, and the construction of a resilient financial network. Your financial independence and financial literacy are both dependent on these abilities, so we believe that with this new knowledge, you are better equipped to integrate into the local economy, manage financial affairs confidently, and leverage available opportunities. However, it's important to remember that adapting financially is an ongoing journey, so keep expanding your financial network, seek further education, and stay updated on local financial practices.

We hope that the knowledge gained from this module will enable you to make well-informed choices that enhance your economic integration and prosperity.



VI. References

Klimenko, A. (2023). Digital Transformation in Banking and Financial Services. Available at: <https://maddevs.io/blog/digital-transformation-in-banking-and-financial-services>

European Commission. (n.d.). Banking Regulation. Available at: https://finance.ec.europa.eu/banking/banking-regulation_en

Boletín Oficial del Estado (BOE). (2011). Act No. BOE-A-2011-10970. Available at: <https://www.boe.es/buscar/act.php?id=BOE-A-2011-10970>

Encyclopædia Britannica. (n.d.). Taxation. Available at: <https://www.britannica.com/money/taxation>

Tax Foundation. (2024). Top Personal Income Tax Rates in Europe. Available at: <https://taxfoundation.org/data/all/eu/top-personal-income-tax-rates-europe-2024/>

La Moncloa. (2024). Personal Income Tax Due Dates in Spain. Available at: <https://www.lamoncloa.gob.es/lang/en/gobierno/news/Paginas/2024/20240124-irpf-personal-income-tax-due-dates-spain.aspx>

Santander Consumer (2024) 'Hábitos financieros de los españoles.' Simple Finance. Available at: <https://www.santanderconsumer.es/simplefinance/blog/economia-personal/salud-financiera/post/habitos-financieros-esp%C3%B1oles>

e-Estonia. (n.d.). Our Story. Available at: <https://e-estonia.com/story/>

Harvard Business School Online. (2018.). Finance for Non-Finance Professionals: Finance Terms to Know. Available at: <https://online.hbs.edu/blog/post/finance-for-non-finance-professionals-finance-terms-to-know>