MEMO FOR THE CUSTOMER

LEARN about the new rules

MAKE an informed decision

PLAN your inbound and outbound payments

Several important things have changed under the new interest capitalization rules.

Interest that you owe that accrues during the year is reported separately from the principal and is payable on a certain date (1 March of the following year), even when the account balance is positive.

The customer can now choose how to pay the interest owed. This is why it is important to get information, make informed decisions and plan carefully.

Here is a list of things to do:

- **contact your bank to ask for information and explanations**
- carefully read the contract provisions and notices received from your bank
- check that you have understood how the interest you are charged is calculated (interest rate, annual calculation)
- **assess** the different ways of paying any interest owed by the deadline (1 March of each year): in cash, with funds transferred from another account, with funds coming into the account, by debiting on the account (with written authorization)
- **choose the best way** considering your characteristics and your financial transactions
- **if you choose to have your account debited** carefully read the authorization form that the bank gives you, sign it and return it on time to the bank
- Verify that you have understood how **interest you earn** is calculated and when it is credited to you
- **make an annual plan of inbound and outbound payments**

AND THEN REMEMBER:

- **at the start of the year - before 1 March** - carefully review the communication that the bank, at least 30 days prior to the deadline for payment, must send to you indicating the amount of interest owed that accrued the previous year
- **at the start of the year - before 1 March** - if you have not granted authorization to debit your account, choose another method for paying interest owed and verify what cash flows and/or assets can be used to pay it, including funds in other accounts
- **during the year** keep an eye on the amount of the principal debt and the amount of interest debt, which the bank must keep separate