

## IMPORTANT BANKING INFORMATION

I see women all the time who don't understand their family finances. All women need to know how to do banking transactions, how to manage the finances - even though you may dislike doing this. Unfortunately, you might suddenly find that you have to.

Lakeside Women have created a great form that I recommend you and your husband/partner complete. It's available on their website. You can download it so you can fill it in. List **all** your local and overseas banks, bank contacts, their phone numbers and e-mail addresses, your stockbroker and investment adviser information, contact information re pensions, code for your safe, and where valuable jewelry is stored, etc.

When you have filled it in keep a copy for yourself stored in a safe place with your will (preferably in a safe). Then give a copy to your beneficiaries so that they have this information too.

Now I'd like to talk about banking here in Mexico.

### OPENING AN INVESTMENT ACCOUNT AT ANY INVESTMENT BROKERAGE FIRM OR BANK

- Open the account with a co-owner and beneficiaries.
- Make sure the current addresses of your co-owner and beneficiary(ies) are registered at the bank.

### WHAT IS THE DIFFERENCE BETWEEN CO-OWNERS AND BENEFICIARIES?

- A **co-owner** has the same rights as the main owner of the account. (Basically a joint account.)
- **Co-owners** have the right to withdraw money from the account so your co-owner must be someone you completely trust.
- If you have a **co-owner** you do not need to pay for a power of attorney (which costs around 1,700 pesos). Plus the power of attorney expires after 5 years.

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- *In case of an accident or if you are in the hospital unable to sign to withdraw money and pay for your hospital expenses, you will always have the option of your **co-owner** being able to sign.*
- **Beneficiaries** on the account are probably your children or another family member who will inherit if the owner and co-owners of the account die.
- **Beneficiaries** on the account have a right to money from the account – but only after probate.
  - In this case the **beneficiary(ies)** – maybe your children - present a letter claiming the money with a certified copy of the death certificates.
  - They also need to present their own identification
  - If the amount in the account is less than 436,000 pesos the **beneficiaries** will receive that money immediately.
  - If the amount in the bank is more than 436,000 pesos, then 75% will be given immediately to the **beneficiaries** and the remaining 25% will be probated.

### **IF YOU DON'T HAVE A CO-OWNER OR BENEFICIARY ON YOUR INVESTMENT ACCOUNT**

- When the owner of the account dies and assuming there is a will, with an executor or beneficiaries:
  - The account will be probated in Mexico.
  - The wait is long and a lawyer needs to be hired by the executor on behalf of the beneficiaries who are due to inherit the estate.
  - The lawyer will charge a fee from 15 to 20% of all of the World-wide assets and the probate will take approximately 6 months to a year.

### **IF YOUR PARTNER OR SPOUSE DIES**

- You will need to open an account in your own name (again with a co-owner and beneficiaries).

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- You will need to transfer funds from the partner's account to your new account. As co-owner of your partner's account you can do that immediately.
- When you receive your first statement, please go the financial institution and meet your account executive so that he or she can teach you **how to read and interpret your statements**.
- You can receive your statements on-line – you need to set this up at the bank.
- It is very easy to manage your funds and make wire transfers as well as issue or write checks from your checking account in USA or Canada and cash them immediately into pesos.
- You can ask your account executive for wiring instructions as well as the procedure on how to cash a check.
- You can get a bank card to use to access your cash.

## BANK TRANSFERS AND SOCIAL SECURITY CHECKS

- Keep your American or Canadian bank accounts open.
- Be sure to leave written instructions with your bank in USA, Canada or elsewhere, so that they accept your faxes or e-mail instructions for wire transfers in case you need to wire funds urgently to Mexico.
- You can also send via wire transfer your social security checks: please ask your account executive for instructions on the procedure.
- For US citizens, remember that the first Wednesday of each month, the American Consulate sends representatives to the Lake Chapala Society to help their citizens with difficulties they are having. This includes giving instructions to wire the social security checks directly to your account at Actinver-Lloyd. The costs for these transfers are 3 dollars per month.
- For both Canadian and US citizens, you can avoid this charge if you just deposit your social security checks to your checking account in the USA or Canada and you can write a US or Canadian check at Actinver-Lloyd and get cash immediately.

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I am willing to help people who are not even customers of our bank to sort through the difficult times and things they have to deal with after the death of a loved one. They will need a reliable lawyer. I can help them deal with their financial issues.

Remember it's very important to find someone who will not take advantage of you, to help you with your finances.

We are now starting a series of free conferences upstairs our offices in Ajijic and in our Chapala office, to inform all our clients of all the investment alternatives you can invest in – to quote Warren Buffet: “during these times of opportunities”. Ask for details and sign up for these free conferences at our booth or at the reception desks at either the Ajijic or Chapala Actinver-Lloyd offices.

**Talk given by Aurora Michel of Actinver-Lloyd, at the Safety, Finance and Legal Fair, 28<sup>th</sup> October 2008**