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Is your banking / investment firm problematic?

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If you are worried about continuing with your current bank or investment house, you may find this article helpful.

In these rapidly changing, unstable, times it is important to regularly review financial relationships to make sure you will not be:

- unfairly taxed
- possibly having assets impounded
- losing assets due to overnight devaluations
- experiencing losses due to limited investment choices
- suffering from unstable institutions, economies, governments, etc.

In addition, many are currently being asked to take their business elsewhere, whether because their:

- U.S. bank/broker will not allow accounts that are registered overseas.
- International and offshore institutions no longer want or can no longer easily serve American, British, French, German or other nationalities.
- Domestic financial institutions are unwilling to report to the IRS or other non-local tax agencies and thus no longer want to work with you because you have a second nationality.
- Local money laundering regimes regularly demand new, more detailed reports.
- Formerly AAA financial institutions may no longer be fiscally strong (e.g. UBS, RBS, plus many other major European and American banks).
- You have increasing concerns about confidentiality, counterparty risks, prompt order execution, high fees, staffing issues, etc., at one or more of the institutions currently used.

Every day one can find ads in the local press from service providers willing to solve one or two pieces of this expanding puzzle. Unfortunately, these bankers and stockbroker types generally have only one solution, 'one size fits all'. They would like you to believe that their solution and money management abilities are the only good one available. This usually is not the case.

Having counseled many on these issues, we have found that each of the problems mentioned above has at least 3 potential solutions.

- a) Often the problem can easily be solved by talking to the existing provider, to understand the reason for the problem and why you fell into the 'no longer wanted' client category. Large bureaucracies are rarely thoughtful about the needs of minorities. Often there is an easy solution, to again be reclassified as a non-problematic client.
- b) We regularly find parallel institutions that are just as good or better, that are more dynamic, and waiting to take over the business (totally legally) from the withdrawing institution.
- c) The problem is often a wake up call as to how one's finances should be reorganized. Start by reviewing goals and ideal 'style' allocations, then research which institutions provide the best benefits, including better managers and greater tax efficiency. A complete review often leads to surprisingly satisfying solutions.

Doing a thorough analysis of the problem, examining both the account holders needs, and then the institutions, can at the end of the day help turn lemons into lemonade. See the problem as a wake-up call, to re-explore where you are, what is going on, and where you want to go; while reducing risks and improving the bottom-line results. Look at more than one or two possible solutions. The results may be impressive.

We would be happy to quickly explain to readers, via a brief phone call or e-mail exchange, potential options for specific situations.

Mark van Gelderen is the manager of the Jerusalem office of the Financial Resource Network, that has been helping clients make financial decisions since 1992. Contact Mark to learn more, or to have a no-obligation initial consultation.

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