

# MONEY MARKET

www.money-marketuk.com

UNITED KINGDOM

Controlled by PGD PRICE £3

N°112 - OCTOBER 2014

## Scotland votes to stay in the UK, sending relief through markets

### Money Market

Scotland has voted to stay in the United Kingdom, rejecting independence and sending waves of relief through markets and the political establishment in Westminster. With the vote, culminating a

two-year campaign by the SNP lead by Alex Salmon, the margin of victory was some 55% to 45%, politicians from all sides called for unity. Talks will now begin on devolving more powers to Scotland. UK Prime Minister David Cameron said he was delighted the UK

would remain together and said commitments on extra powers would be honoured. The pound recovered steam, hitting a two-year high against the euro and the US dollar in the aftermath of the No to independence victory. Shares also were higher.

RBS said it would not be moving its registered head office. "The likes of RBS, Lloyds Banking Group and SSE, along with other key financials, have seen some of the biggest rises," said one analyst.

page 4

## NEWS

### SPENDING

#### Secrets and lies

Secrets spenders: Little white lies between couples could cause big problems for future finances; some spenders even found to be hiding credit card debt

page 18

### CONSUMER

#### Hotel scams

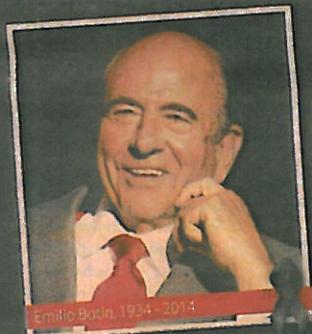
Very often going on holiday is more expensive than just the cost of the hotel, entertainment or air transport. There are tricks that some hotels and scammers use

page 25

ANA PATRICIA BOTIN IN THE SPOTLIGHT AS SHE TAKES TOP JOB AT GRUPO SANTANDER

# Santander

## backs winner for top job



22%

Santander profits jumped by 22% in the first half of 2014 compared with the same period in 2013.

102m

Grupo Santander has 102 million customers in ten key markets around the globe.

It must have been a dark day for Ana Patricia Botin when she walked into her office at Santander UK, part of Grupo Santander, the euro zone's largest lender, and told her team "The chairman has died." The chairman, Emilio Botin, 79, had died in Madrid of a heart-attack on September 10th - he was also her adored father, and the brilliant mind which had steered the bank for 28 years.

page 3



## SPECIALREPORT

Smart TVs how they work, what they do and what they cost



What is a smart TV? Well, it is one that lets you use apps, surf the web, stream music, videos and chat online. Most modern TVs are now smart and fast

p 26

### INVESTMENT

#### Mining profit

Microsoft Corp has agreed to buy Mojang, the celebrated Stockholm-based game developer "Minecraft" for \$2.5bn

page 7

### BUSINESS

#### Online or off?

Starting a business online has huge cost advantages; but the learning curve is steep as owners need to navigate a number of new fronts

page 6

## BUSINESS

### JLCA&S LOOK AT SPAIN

#### JLCA&S talk about property investments

page 16



### INVEST IN SPAIN

#### Rising star

After several years of being on the blacklist for foreign investors, Spain is back again and positioning itself as one of the top-ranked candidates for investors

page 15



## Pamela Hernandez Erzsik

Jose-Luis Campillo is the founder and Senior Partner of JLCA & AS Lawyers, based in Spain. The main office of JLCA is in Alicante, and also has offices in Madrid, Barcelona and Marbella as well as affiliate offices in London, Miami, and Moscow. JLCA & AS is a "Boutique Service" law firm with more than 17 years of experience in International Real Estate law, inheritance and litigation (civil, family and criminal law). The Investments Department was born on recognising the need for reliable legal advice for investors when purchasing distressed properties in Spain as a result of the economic downturn. Being a well established and reputable law firm, with specialised experience in Real Estate in Spain, JLCA definitely has a great competitive advantage.

Javier Valiente is Director of Real Time Investments Inc., a U.S. investment company with offices in Michigan and London. RTI's strategy focuses on residential housing in distressed global markets. The Company makes direct property acquisitions, adding value through intensive refurbishment and/or efficient property management. RTI has been operating in the U.S. since 2009. I am here this morning with Senior Partner and Founder of JLCA Lawyers in Spain, Mr. Jose-Luis Campillo and with London-based Real Time Investments' Director, Mr. Javier Valiente.

Good Morning to you both. Let's start with the first question for Javier:

**-What does Real Time Investments do?**

Answer: Javier Valiente (JV): We research and identify profitable housing markets around the world; we have turned around the traditional way of investing in a property, in terms of looking for returns. Historically, in order to get good returns in property you will go to emerging or developing nations, but that comes with all the inherent political, currency and economic risks, etc. So we have turned that around and actually looked for similar profitable levels in the housing markets, but in more developed nations, for example in the U.S. which is the largest economy in the world.

Very Interesting, thanks. Now tell me,

**How long has Real-Time Investments been in business for and in what cities and countries?**

Jose-Luis Campillo is the founder and Senior Partner of JLCA & AS Lawyers, based in Spain. The main office of JLCA is in Gran Alacant (Alicante), and also has offices in Madrid, Barcelona and Marbella as well as affiliate offices in Miami, London and Moscow. JLCA & AS is a "Boutique Service" law firm with more than 17 years of experience in International Real Estate law, inheritance and litigation (civil, family and criminal law). The



# Real-time investments for serious investors

The best property returns are to be had in emerging markets, but these too have the highest risk; Spain is a safe bet

Pamela Hernandez Erzsik, Merced de Dineró Columbia's director, talks to JLCA Lawyers founder Jose Luis Campillo and Javier Valiente during a meeting in London



Jose-Luis Campillo is the founder and Senior Partner of JLCA & AS Lawyers; Javier Valiente is Director of Real Time Investments Inc.

Investments Department was born on recognising the need for reliable legal advice for investors when purchasing distressed properties in Spain as a result of the economic downturn. Being a well established and reputable law firm, with specialised experience in Real Estate in Spain, JLCA definitely has a great competitive advantage. Javier Valiente is Director of Real Time Investments Inc., a U.S. investment company with offices in Michigan and London. RTI's strategy focuses on residential housing in distressed global markets. The Company makes direct property acquisitions, adding value through intensive refurbishment and/or efficient property management. RTI has been operating in the U.S. since 2009.

Answer: (JV) Real Time Investments was founded in 2004 and up until 2009 we dealt with the UK property market during its boom years. With the credit crunch and

subsequent recession, we looked to go overseas and we decided to look into the hard-hit US market. Within the U.S. we have operated in Florida, Atlanta (Georgia), Metro Detroit (Michigan) and in Western New York.

**For bargain residential investment, it would have to be mainly in the Costa Blanca**

**Ok thanks**

**How does Real-Time Investments work and what is its added value?**

Answer: (JV) Ok, Real-Time Investments looks for depressed housing markets, where there is a high supply of distressed stock, in need of comprehensive rehabilitation, and a rising demand for affor-

**JLCA & AS**  
LAWYERS - ABOGADOS

dable housing. We add value by taking homes and apartments that are unliveable due to foreclosure or mismanagement and bringing them up to market standard. This involves providing homes to rent as well as sell. RTI also has experience in managing properties and property transactions, meaning we are more efficient than most others operating in the same space.

**With your company being in London and in the US, and Jose-Luis' law firm being in Spain, how did you two end up working together and why?**

Answer: (JV) Well, we have actually known each other for some time. The principle of JLCA, Jose-Luis Campillo (smiles), and I have been friends for some time and not just friends but business associates as well. As we started talking about business opportunities we both decided that Spain was now at an optimum stage of recovery for investment and we decided to collaborate together, putting together our resources and strengths. Real Time Investments is in a position where it's looking for other markets and we have had Spain in our crosshairs for some time. We have been observing it for a number of years and about a year ago we teamed up with JLCA as our experts in the Spanish property

market. Why? because they have the contacts, the knowledge, and more importantly they're in-situ. JLCA provides us with all the logistics and we hopefully will help with the investment side of things.

**Thank you Javier. I now would like to hear from Jose-Luis. Good Morning José-Luis, I think our readers would be very interested in knowing what does JLCA Lawyers do in Spain?**

Answer: Jose-Luis Campillo (JLC): (laughs) Good question! We are a Spanish law firm, which specializes in Real Estate law and Investment Business Opportunities.

**How would you categorize the role of JLCA as partner of Real-Time Investments in Spain?**

Answer: (JLC) Okay, as a law firm, we have access to a lot of privileged information; we know which are the best distressed properties and the best business opportunities. For example, if a developer sold only 30% of its beach front building, and has no cash flow because he was not able to sell at least half of the building, he would be in a situation where he has no cash and increasing expenses and running out of time, since the bank is threatening to foreclose on the property. This would be a perfect investment opportunity in which we would negotiate directly with the developer or with the bank on behalf of the investor, take care of the due diligence and negotiate downward.

In short we will:

- A. Find a good product
- B. Do the Due Diligence
- C. Negotiate
- D. Marketing (if needed)



Where would you say are the most profitable places to invest in Spain?

Answer: (JLC) I would say that for residential investment, it would have to be mainly in the coast of Spain, specifically Costa Blanca, where prices are still at an all time low (Alicante) and also Costa del Sol, which refers to Malaga and Marbella. And for commercial investment, Barcelona and Madrid.

In your opinion, why would you say that Spain is the best place to invest in right now?

Answer: (JLC) Because I am Spanish (laughs and Javier laughs, too). No, seriously, right now in Spain, real estate prices are down as much as 50% from their peak during the housing bubble. It is a great chance for investors looking to buy cheap and turn their investments into profitable deals. One way we can help investors make money is by taking advantage of our tourists. This year we had a historic record of 36 million tourists visiting Spain as of August 2014, and a record 8.3 million visitors just in the month of July! These figures are great for our country and great for investors as well, as they can invest in a block of apartments or a hotel and renting them for a profit. Spain took the number three spot in world tourism from China, luring a record of 66 million international visitors, behind only France with 83 million, and the

United States with 67 million. Even Donald Trump, the well known real estate mogul, was quoted in CNBC (the American business news television channel), saying that right now is the best moment to take advantage of the low prices of properties in Spain.

In today's economy, investment consultants, in the form of a law firm, are becoming quite popular. Why do you think that is?

Answer: (JLC) Personally, I think it is because as a law firm we have the know-how, access to privileged information and a lot of contacts. In our services we include all the due diligence and oversee the process from a legal point of view thus making the investment safe. "A controlled investment is not a risky investment".

Based on the last question which economic activities would you advise the investors who wants to invest in Spain

Answer: (JV) Jose-Luis I will answer that question if you don't mind (they both laugh) ... We find that Spain has exceptional potential for real estate investors. We would cer-

We find that Spain has exceptional potential for real estate investors. We would certainly recommend Spanish hotels in the right areas, as the economic climate for tourism is improving all the time. Demand for hotels, rental apartments will grow.

tainly recommend Spanish hotels in the right areas, as the economic climate for tourism is improving and, in many cases, there is room to significantly improve hotel management and, thereby, the income generated. Rental apartments are also attractive for the same reasons, provided they are in economically stable regions of Spain where demand will grow.

One of the competitive advantages you have as a law firm is to simplify administrative and legal procedures, as well as after-sell

service in order to better help your client. Why do you think you are successful at this?

Answer: (JLC) I think our competitive advantage is that we take care of everything for our clients, from beginning to end: Locating the business opportunity, due diligence, negotiation and closing. But most important is our well established reputation.

Why do you think that the investor that decided to invest his money in Spain has made the best choice by having chosen both of

your companies?

Answer: (JLC) Umm because we are the One and Only (they both laugh)

(JV) They obviously haven't looked hard enough, that's why! (laugh again)

(JV) No, all joking aside, we are not the largest firms offering this service; however, we are very dedicated to our clients. Our knowledge and contacts makes us stand out and due to our size we dedicate our service to clients individually and on a personalized basis.

## Trade and investment

### Money Market

The rapid growth in imports and exports has made Spain one of the most internationally-oriented countries in the world, with figures for Spanish foreign investment reaching \$22,000 million in 2010.

Spain's main trading partners are the 27-nation EU Member States, accounting for 66.4% of total exports and 52.8% of imports, followed by Asia and Africa (respectively accounting for 7.7% and 5.3% of total exports and for 19.8% and 9% of total imports) which have displaced Latin (except in exports) and North America from their traditional role as Spain's main trade partners outside the EU2.

Spain is one of the most active countries trading goods and services. With regards to the trading of goods, it is ranked 18th in the world as an exporter and 14th as an importer; while in the trading of services it occupies 8th place as an exporter and 14th place as an importer.

The Spanish share in global export and import of goods (Spanish exports/global exports) is 1.6% and 2% respectively. The Spanish share in global export and import of services stands at 3.3% and 2.5%.

In recent years, Spain has been one of the main recipients of foreign direct investment

The breakdown by industry of foreign trade is relatively diversified, as can be seen in the following table:

With regard to investment, it is worth highlighting the increase in inward investment received since 1996. In recent years, Spain has been one of the main recipients of foreign direct investment. According to the World International Report 2011, in 2010 Spain ranked seventh worldwide in foreign direct investment.

### Infrastructure

Spain is ranked 1st in the EU in terms of the number of high-capacity toll roads and highways and 1st in the EU and 2nd worldwide after China, in terms of the number of kilometers of high-speed railway tracks. In addition, it boasts 47 airports and 46 international ports which, when combined with the country's geographic position, make Spain one

Breakdown of main exports and imports in 2011\* (as % of total)

EXPORTS	IMPORTS		
Capital goods	19.8%	Energy products	21.1%
Automobile industry	15.8%	Capital goods	17.8%
Food	14%	Chemical products	14.4%
Chemical products	13.8%	Consumer goods	10.6%
Semi-manufactured non-chemical products	12.2%	Automobile industry	10.5%
Consumer goods	8.2%	Food	10.4%
Energy products	7.5%	Semi-manufactured non-chemical products	7.6%
Other goods	4.3%	Raw materials	4.3%
Raw materials	2.7%	Durable consumer goods	2.5%
Durable consumer goods	1.7%	Other goods	0.8%

of the leading hubs for passenger and goods transportation.

Of even greater importance is the Transportation Infrastructure Strategic Plan, with total invest-

ments of 248 billion projected for the 2005-2020 period.

\* Data available at January-November 2011 Source: Ministry of Industry, Energy and Tourism.

### STEPS TO ESTABLISH A COMPANY SPAIN

1. The principals should grant sufficient powers of attorney to the person who is to incorporate the new company
2. Request of a foreigner identification number (N.I.E.) / tax identification Number (N.I.F.) for the non-resident shareholders and directors
3. Request of name availability certificate from the Central Companies Register
6. Request of the company's provisional Tax Identification Number (N.I.F.)
4. Open of a bank account for initial contributions and obtaining of a Bank Certificate
5. Incorporation before a Spanish notary public
7. Settlement of the Transfer Tax
8. Registration in the Companies Register
9. Legalization of the Official Books
10. Tax Procedures
11. Occupational Procedures