



RAYMUNDO & HOPMAN ABOGADOS

**Independent
Solicitors
& Barristers**

**Newsletter
March 2016**

You must be the change you wish to see in the world -Mahatma Gandhi



WHAT'S NEW

BREXIT: What it would mean if Britain were to leave the EU.



There are an important number of articles referring to the possible legal consequences that UK expats could face if Britain eventually leaves the EU. However, to talk about this matter is to talk about hypotheses as to anticipate what it would happen is absolutely impossible.

The UK Government has published a number of papers about the referendum; we do recommend reading it, please, find below the links:

Outlining the Process for Withdrawal

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/504216/The_process_for_withdrawing_from_the_EU_print_ready.pdf

The Alternatives to Membership

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/504604/Alternatives_to_membership_-_possible_models_for_the_UK_outside_the_EU.pdf

Explaining the Outcome of the Renegotiation

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/504220/The_best_of_both_worlds_the_UKs_special_status_in_a_reformed_EU_print_ready.pdf

Probably, the issue around what would happen if Britain were to leave the EU may be best answered from one of these papers, which is the following:

"The withdrawal negotiation would need to address a wide range of difficult issues related to withdrawal itself, and also to our future relationship with the EU. Article 50 does not set out explicitly what issues would need to be resolved and there is no precedent to draw on. The UK's relationship with the EU has built up over 40 years of membership and affects many aspects of life in the UK, and of UK citizens living across the EU; the terms of exit would have to cover the full extent of that relationship.

This would include the status and entitlements of the approximately 2 million UK citizens living, working and travelling in the other 27 Member States of the EU. They all currently enjoy a range of specific rights to live, to work and access to pensions, health care and public services that are only guaranteed because of EU law. There would be no requirement under EU law for these rights to be maintained if the UK left the EU. Should an agreement be reached to maintain these rights, the expectation must be that this would have to be reciprocated for EU citizens in the UK."

The British Consulate in Alicante strongly recommends registering to vote. Please, follow the poster link to register to vote.

UK Expats #YourVoteMatters



Apply by post

At the 2015 General Election almost **106,000** people registered as overseas electors - the **highest number ever!**



Apply online

Register **sooner rather than later.**

If you aren't registered **you can't vote.**



It only takes **5 minutes**

Do you qualify?



Overseas

UK nationals who have been registered to vote in the UK within the last 15 years can register as overseas electors, to be able to vote in UK Parliamentary General Elections, UK-wide referendums, and European Parliamentary elections.



Register

You will need to know your National Insurance number and date of birth, and have your passport to hand if you have one. If you don't have a National Insurance number you can still register, but you may have to supply more information to show who you are.



Declare

You have to sign an annual declaration once you are registered to renew your registration every year. So if you were registered to vote for the 2015 General Election you will have to renew your registration with your local Electoral Registration Officer in the UK or register again.



Vote

You can choose how you wish to vote. You can vote by post, by proxy (voting by appointing someone you trust to vote on your behalf), or even in person at your polling station.

www.gov.uk/register-to-vote

BURGLARS ARRESTED IN VEGA BAJA AND MARINA ALTA.

By Ignacio Ganga. Lawyer.



Recently, 3 men responsible for 17 Country House robberies all along Alicante and Murcia, have been arrested in two different operations in la Vega Baja and Marina Alta. The bands' main activity was the farming theft of machinery and fruits in many Vega Baja Towns between Orihuela and Cartagena and Marina Alta.

In Vega Baja, two men aged 22 and 36, are suspects and identified as the culprits. The offences were committed during the weekends, or rest time for the farmers, when they were not at the properties. The operation started up by the ROCA Group of Guardia Civil last October and many of those items, including 40 plastic pallets and a white van used by the thieves have been already retrieved. A 120.000 euro figure is the estimated value of the items stolen.

On the other hand, a 56 years old man was arrested in the Marina Alta, as a suspect of the 5 farm robberies in that area. The Courts in Denia are opening proceedings for the issue and, also, same ROCA Group have already handed back some of the farm tools stolen to the owners.

Unfortunately, robbery is a very common offence, punished between 1-3 years imprisonment under Spanish Criminal Code. As a **quick guideline** about **how to proceed if you suffer a robbery** at home:

- **Do not touch**, move or change anything in the house (but take some photos), and close the property (if possible).
- **Call the Police** or Guardia Civil to come to your house; if they cannot come immediately, then go to your nearest Police Station or Guardia Civil to inform them about the facts and process a denuncia.
- **You should ask for a Scientific Police Squad** to visit your house to find finger prints, evidence or any other relevant details important for the investigation.
- **Contact your lawyer**, as we will monitor the process from the beginning and requesting the relevant information, evidence, and witness for the legal process to begin and also to protect your rights in a future Criminal Court process.

If you need any further information in regards to the above or any other Criminal query, do not hesitate and contact us.

Ignacio Ganga – Lawyer & Barrister at Raymundo & Hopman Abogados.

EU INVESTORS PROTECTION (Part 1).

By Connie Raymundo. Lawyer.



All European Union countries have their own regulations for the investor's protection however, and since the MiFID regulations came into force, all these countries had to adjust their Laws and Acts to the European rules. That does mean that we as investors will have the same level of protection when operating from UK, from Spain or any other EU country.

MiFID is the acronym for Markets in Financial Instruments Directive.

This Directive came into force the 1st of November of 2007 and its purpose was to unify criteria in the Financial Markets regulations of the different EU countries and by doing so, to increase the investor's protection.

MiFID protection is addressed to financial products that usually involve some complexity, consequently, easy products as current accounts are not under the Directive protection. By the contrary, funds, bonds or debt products are covered.

In relation to the above, the Directive mentions three categories of investors/clients and makes a distinction on the level of protection they should get from Financial Institutions and Advisers, briefly:

- **Enterprising:** These clients have the highest knowledge and skills in Investments so they do not need protection (Financial Advisers, etc).
- **Professionals:** These clients are professionally qualified and might have a better idea on how to invest and the associated risks. The Directive will protect them but not with the same intensity as to the next category.
- **Retail clients:** Anyone not included in the above categories will be considered a retail client, in fact, almost all investors will be included in this group. The Directive provides the highest level of protection for these investors.

But, how do Financial Institutions or Advisers know to which of the above mentioned categories a client belongs?

Read the next Investments article in April's Newsletter to know the answer. Also, this matter will be closely discussed in our next **Investments & Law Free Seminar** (La Marina, May 2016) **please, contact us to reserve your place.**

Connie Raymundo – Lawyer & Barrister at Raymundo & Hopman Abogados.

WHERE NOT TO INVEST?

By David Diggle. Financial Adviser.



As it has been the worst start to the year for financial markets ever recorded and investors are split between a mentality of bargain hunting and a want to protect against further downside in more defensive ways.

But where should you **not** invest if you want the potential for return.

Government Bonds: Whether you are looking at gilts or treasuries or anything in the developed market then you are looking at yields that are close to their historic lows and you are looking at inflation that, whilst benign today, should start to rise soon. Today if you're buying government bonds, you're locking in to negative real returns going forward.

Adrian Lowcock , head of investing at AXA Wealth, also says sovereign debt, particularly from the UK government, is best avoided.

Commodities: In the short term, inexperienced investors should steer clear of these as there could be a lot more pain to come. At the moment there is just too much volatility about which can result in unpleasant results.

Savings and deposit accounts: The Bank of England could be forced to cut interest rates to combat low inflation and kick-start the economy, according to official forecasts.

A spokesperson for The Office for Budget Responsibility, the Treasury watchdog, said the outlook for rates in the UK has changed significantly in recent months.

"Our forecast is consistent with the bank rate being reduced below 0.5% for some of the next two years,' it said in a 254-page report published alongside the Budget. It added that rates are not expected to reach 0.75% until 2019, a full decade after the Bank cut rates to 0.5 per cent with only rise to 1.1 per cent by 2021.

In the EU rates could maybe even go negative and when they might rise is anyone's guess maybe 2025?

central bank interest rate	region	percentage	Date of change
<u>FED interest rate</u>	United States	0.5 %	12-16-2015
<u>RBA interest rate</u>	Australia	2. %	05-05-2015
<u>BACEN interest rate</u>	Brazil	14.25 %	07-30-2015
<u>BoE interest rate</u>	Great Britain	0.5 %	03-05-2009
<u>BOC interest rate</u>	Canada	0.5 %	07-15-2015
<u>PBC interest rate</u>	China	4.35 %	10-23-2015
<u>ECB interest rate</u>	Europe	0.000 %	03-10-2016
<u>BoJ interest rate</u>	Japan	0.0 %	02-01-2016
<u>CBR interest rate</u>	Russia	11.00 %	07-31-2015
<u>SARB interest rate</u>	South Africa	7.00 %	03-17-2016

But don't be fooled into rushing to your nearest Bank of Brazil Branch to attain excellent interest rates. Once you have converted your cash to local currency to attain the rates on offer you would then have an unacceptably high currency risk. "Currency risk" means risk the currency rate moving in the wrong direction to your "home" currency. Currency loss can easily outstrip any interest rates gained. I only have to remind you that once the Euro was 1.74 to the pound and moved to 1 for 1. Be honest, to the British expat readers of this article that is when you felt the pinch wasn't it? No amount of interest gained at a bank could have offset that pain.

Get rich quick schemes: At the moment there are lots of get rich quick schemes being touted by cold callers, be it via the phone or via post. One that has recently been highlighted is being offered by a company called TB Options.

According to the letter you received: 'The realistic earning potential with a £10,000 account doing £500 trades is £400 PROFIT per trade, and even if we only have an 81.7% success rate, you will still look to achieve weekly profits in the region of £1,000 – £2,000.'

You do not even have to decide whether stocks and shares, or currencies and commodities, are going to rise or fall. TB Options 'will find all the best trades and do all the analysing on your behalf'. All you need do is hand over your savings and the firm will tell you how to place spin-of-a-coin bets on price movements, with instant profit – or total losses.

And I am afraid TOTAL LOSSES it will be, remember if it sounds too good to be true is usually is, so run a mile and don't get suckered in.

If you want to know what investment options are out there for YOU?

Blacktower Financial Management has been established for 30 years and have worked with clients through the good and the bad times, offering sound independent advice.

We are here to help you find the right solution to make your money work for YOU, to arrange an independent, professional and impartial consultation please contact me by email dave.diggle@blacktowerfm.com or call me on **615 607 278**. If you live in the Costa Blanca South as I do, it maybe more convenient for us to meet at your home or in a neutral place rather than going to our offices in Javea. Your choice !

Dave Diggle C.A.T., DipFA, (based in Costa Blanca South but covering all areas, Main office: Edificio Palau III, local 7, Javea 03730, Alicante, Spain)

The above information was correct at the time of preparation and does not constitute investment advice and you should seek advice from a professional adviser before embarking on any financial planning activity.



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NEW PROCESS IN CASE OF TRAFFIC ACCIDENTS.

By Maria Navarro. Lawyer.



The process to seek compensation for a car accident has varied after the amendment of the Criminal Code in July 2015. Now, in order to claim financial compensation for the consequences of a traffic accident the way forward is the Civil Court instead of the Criminal Court.

Through this post I will try to explain what will happen with traffic accidents following the amendment of the Criminal code and the problems that might arise.

Until the new Criminal Code came into force, the traffic accidents have been processed as a criminal misdemeanor or offence (depending on the results and consequences of the accident), asking within the process for both criminal and civil responsibilities.

During this criminal process the victim could request an expert's report from the Coroners to establish, fully impartial (and free) a process to determine how much they could claim. So with this impartial valuation almost all processes ended with an agreement between the insurance company of the guilty vehicle that caused the accident and the complainant (victim) because, normally, the Company offered the amount estimated in the Medical examiner's report.

With the new Criminal code all this process has changed just because, as mentioned above, now the road or traffic accident is no longer a criminal offence.

The most important changes are:

- **EXPERT REPORT DONE (and paid) BY THE VICTIM.**

Until now the report of an impartial expert was done directly by the Court's medical experts but after the changes of the Criminal code it will be directly the victim the one who will need to prove his injuries/damages, therefore, it will be required attaching a complete expert valuation about the extent of their injuries and its financial quantification.

Obviously, the medical valuation will increase the costs of the process because it will not be for free anymore. Also another problem of this report is that it will not be as impartial as the one done by the Court's medical experts, it is a party report, so its evidence strength is not as good as the Court one could be.

- **TIME SPENT AND PROCESS.**

The time spent during a civil process is longer than in a criminal case.

The time scale will also depend on the compensation claimed as damages because there are different types of processes, more or less longer, with different stages, depending on the financial quantification of the claim. Due to it, the Expert report will be essential to determine if the longer or shorter process should be followed.

- **COSTS OF PROCESS**

A Criminal case is usually free but a civil process involves a lot of legal costs. The looser of the case will be required not only for the payment of his own legal costs, but also for the legal costs of the winner.

So, now the risks of starting a Court process asking for the damages caused during a road accident are much higher than with the previous criminal process.

In case of a car accident please, contact your Lawyer immediately, someone of your trust, as the Civil cases are not as simple as the criminal ones and every step matters to get the car damages and any possible injuries properly compensated.

And if you still have any doubts or queries about the new process do not hesitate to contact me, my email is maria@rhv-lawfirm.com and I will be please to help you.

Maria Navarro – Lawyer & Barrister at Raymundo & Hopman Abogados.

Can I drive in Spain with my foreign driver's license?

By Oana Dragoi. Lawyer.



The answer to this question is yes. You can drive in Spain using a foreign driver's license but for a certain and legally fixed period of time, after which, all foreigners driving in Spain must obtain a Spanish driver's license.

There are two different possibilities:

- A. Tourists (from countries out of EEA zone) visiting Spain for 6 months or less.
- B. EEA zone residents in Spain.

In today's article I will speak about the first case and will continue with the driving license for residents in the April's article.

Tourists (from countries out of EEA zone) visiting Spain for 6 months or less.

You can legally drive in Spain with an international license or national permits from other countries, provided they have been issued in accordance with Annex 9 of the Geneva Convention or Annex 6 of the Vienna Convention, or, if only differ from these two models in non-essential headings.

It can be also accepted driving licenses from other countries if written in Spanish or are accompanied by an official translation, also, if these licenses are recognized in any international conventions in which Spain participates.

So, you can drive with your national driving license for the first six months or you can use a valid foreign driving license together with an international driving license for one year.

If you are applying for residency and it is not approved before the international driving license runs out, then you'll be driving using an illegal driving license. But if at any point residency is granted, the six-month rules will come into force.

The International driving licence cannot be issued and used in the same country, i.e., if you are visiting Spain from UK then, you cannot apply for the International driving licence in Spain, it should be obtained in the UK before you are travelling.

If any doubt please, contact me and I will help you, my email is oana@rhv-lawfirm.com.

DEFECTS & PURCHASER'S RIGHTS.

Part 2: Previously-owned homes:

By Connie Raymundo (article published in Costa Blanca News on January 2016)



The previous article (January Newsletter) examined the various rights, options and time limits available under the law to buyers of newbuild homes regarding any defects found after completion of the purchase.

However, does the law provide any rights to a buyer should defects appear following the purchase of a resale/previously-owned property? The answer is yes, although the rights, time limits and legal options that would assist him do vary considerably from those available to new-build purchasers.

To start with, the law reduces to only two categories the range of defects that can be legally pursued; "Important Hidden Defects" and "Very Important Hidden Defects". The "important" category has a time limit of only 6 months from when the house was bought, and the time limit for the "very important" category is in line with the new 5 years rule recently introduced by Law 42/15 approved on 7th October 2015.

Also, and as shown above, note the inclusion of the word 'hidden' in each of the two category designations: the law will not protect the buyer of a previously-owned house if the defects were visibly detectable before completion of the purchase.

Returning to the two categories of defects:

1. "Important Hidden Defects":

As stated above, the time period for bringing a legal action before the Court is a maximum of 6 months from the day the house was purchased – and this time limit may not be extended for any reason whatsoever. The law defines firstly that any or all such defects have to have been existing defects affecting the house before it was bought by the new owner and secondly, that such defects should not be perceptible to the purchaser's eyes; ie they are "hidden defects" and because of this, cosmetic faults and/or imperfections are not legally covered when speaking of second hand homes. Finally, the defect has to be important" in a way that if known beforehand, the buyer would either not have completed the purchase at all or at the very least would have offered a lower price.

2. "Very Important Hidden Defects".

This covers those defects that are of such a serious nature that they directly threaten the stability or structural integrity of the building fabric itself, or otherwise render the house unsuitable for living in. In this situation Court action will be by means of the Breach of Contract action, and the applicable time limit will be in accordance with the 5 years time limit as set out in the new Law 42/15.

So to summarise, purchasers of previously-owned houses will have two possible avenues for seeking legal redress against any defects found in the home they have bought provided that such defects were 'hidden' and not known about before the purchase, and can be classed either as "important" or "very important".

Lawyers at Raymundo & Hopman are specialised and very experienced in such house defects and breach-of-contract actions, and will be pleased to study any case and to produce a preliminary legal report about a purchaser's possibility of success

Connie Raymundo – Lawyer & Barrister at Raymundo & Hopman Abogados.

And if you are **selling or buying** please, visit our website for some **basic guidelines** on these processes. You can also contact us, we will provide you with a free estimate of costs for the conveyancing services with no obligation.

BUY SAFE or pasting the link in your browser:

<http://www.rhv-lawfirm.com/CONVEYANCING-BUYING.html>

SELL SAFE or pasting the link in your browser:

<http://www.rhv-lawfirm.com/CONVEYANCING-SELLING.html>

HOME STAGING TO SELL YOUR HOUSE SOONER.

By Angie Castello. Estate Agent at Seagull Villas.



In this article, we offer our professional experience as estate agents to help you to make the house you sell is converted into an attractive real estate property in the opinion of the greatest possible number of potential buyers. Although if you follow our advice, we would anticipate that few visits would be necessary to fall in love with your house at first sight.

Studies have shown that falling in love with a house at first glance happens in the first 90 seconds and that is our proposal, with **Home Staging**: to sell your house in a very short time.

Our team of architects and decorators would be pleased to help you when requested. We offer Home Staging services, that is to say, only small arrangements like painting or flooring, reviewing decoration,... in short, we put all our Home Staging know-how to get your house beautiful and welcoming. We know how to revalue your property and we can ensure you will not have to spend too much money in a series of improvements that if not carried out often deters visitors. With our Home Staging you are going to spend a modest amount of money but you know that this modest amount is going to allow you to maintain your asking price, and you can anticipate selling your house up to 7% more.

Meanwhile contacting us, we are going to indicate **basic recommendations** to take in account:

The Home Staging is based on two very simple but essential principles to make that any buyer falls in love and can project himself into the house and into each room at first glance, and also each room must appear functional at the first glance. Theses two principles are:

To neutralize the inside, that is to say, depersonalizing, tidying, removing all unnecessary items and making clean. Because a well-ordered room is a room where we feel good;

To modernize: providing light colors, improving the lighting...

Here are some examples:

The bedrooms are usually the most personalized rooms because they are the innermost parts of the house. So, if you had painted the walls with intense colors, we probably have to think about returning the walls to neutrality.

You need simple brush strokes, painting with neutral tones or softer walls and wardrobes if needed, add some matching carpet with a couple of pillows on the bed and that's all to obtain a nice result. And don't forget to remove personal photos hanging on the walls!

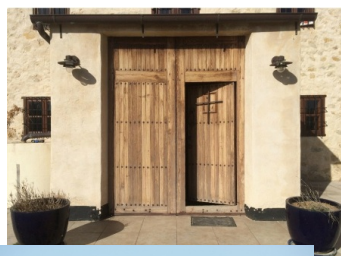
In the living-room, remove all small objects capturing the view and recharging the atmosphere unnecessarily. If there is a slightly aged sofa it is better to cover it with a nice and soft tone plaid, accompanied with a good thick carpet, and if you have hung strong colors curtains it is better to replace and choose another with a neutral tone.

In the kitchen, the floor may be a little spoiled or it darkens the kitchen. Don't worry, you can cover it with a clear and economic material, and with the worktops you can also add an anti projections plate made of steel which will be very practical and will bring a touch of modernity, and why not place a pair of green plants in the kitchen to bring freshness.

Remember. A well-ordered and bright house is a house where you feel good. Our team will be pleased to help you (info@seagullvillas.com).

DEAL OF THE MONTH

And if you are thinking about buying a new house, we would like to present to you our Deal of the Month:



265.000 euro. Wonderful and luxurious VILLA of the beginning of the 20th century (1917) completely renovated and tastefully decorated, positioned among pine forests and mountains in the beautiful district of Relleu, Alicante.

Three floors, 340 sqm, 5 BEDROOMS and 4 bathrooms. Guests house with independent access, **amazing sea and mountain views** from its garden, sunny terraces and solarium. Very large plot of 30 000 sqm assorted with olive trees and a beautiful garden that also counts with a two horses stable.



Large lounge with chimney and original wood beams. The kitchen is fully fitted and decorated with traditional style. Ideal as a business for rural accommodation.

10 minutes drive to all amenities (Restaurants, Golf courses...) to the Relleu Town core and 25' to other important towns as Villajoyosa, Benidorm.

See more here: <http://seagullvillas.com/listing/traditional-and-luxurious-villa/>

THIS MONTH'S ADVICE

EURIBOR BELOW ZERO (0), CHECK YOUR MORTGAGE.

By Roberto Fernández. Lawyer.



Recently, there has been big news in the mortgage market, with the modification of the interest rate most used in Spanish banking, **EURIBOR**, which now for the first time is below 0%, standing at **-0.002%**.

This means that for those who have a mortgage with variable interest will save a significant amount of money per year.

Although the rate is below zero, Banks will not pay for lending money as surely the rate will be considered as a type 0, at no cost to the customer (except if you have agreed an extra rate "diferencial", usually from 0.75% to 1% on the EURIBOR). Obviously, Banks will get a lesser benefit from mortgages so they will ease the granting of new ones.

Anyway, from July and for a period of six months, Banks will test a new rate called EURIBOR PLUS that in theory is as low as the current EURIBOR so it will supposedly not increase the interest on mortgages.

Therefore, if you have a mortgage at a variable interest using EURIBOR as reference, your Bank will be revising it in due course (usually once per year, please, see your mortgage deed to know which would be your revision date) and applying the proper reductions in your monthly payments.

And if you have any doubt please, do not hesitate to contact me at Robert@rhv-lawfirm.com.

SEMINARS

CHANGE OF DATE.

The next **Free Investments and Law Seminar** in which some of our Lawyers are going to participate together with speakers from other Companies and that was planned for April 2016 will be now offered in **May 2016**. All we know at the present time is that it will be offered in **La Marina** so the exact date, time, programme and venue information will be sent to you as soon as we are receiving it.

OUR FIRM

We are a Multidisciplinary and Multilingual International and Independent Lawyers and Barristers Firm based in Alicante Town's core and with collaborators all around Spain, UK, France, Netherlands, Ukraine, Russia and USA.



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