



Calle 16 de Septiembre No. 15
Col. Centro 23000 La Paz, B.C.S.

Purchase procedure

The first document you will see is an Offer to Purchase form that your Real Estate agent will fill out on your behalf when you are making your offer. On this form will be detailed all the conditions of the purchase, including the standard ones requiring clear title and a No Liens certificate.

Once an Offer is accepted, and this may require several rounds of offer and counter offer, the final amount agreed is attached to a Promise to Trust Agreement and forms part of your legal right to the property pending the creation of the Fideicomiso (Bank Trust) in your name. At this point a deposit of 10% is usually required.

The Seller is responsible for providing the Buyer with all the existing documents proving title, as well as the latest receipts for the Property Taxes and utilities. If the property is in a Condominium Regime, a statement is required from the Homeowners Association showing any outstanding Homeowners Dues.

You have to designate who your second beneficiaries are going to be so that they will have their names in the notarized document. The second beneficiaries will inherit the property if anything should happen to you during the life of the trust.

While the Bank is obtaining the Permit from the Department of Foreign Affairs, the Notary will be drawing up the Title Deed in the name of the Bank appointing you as the first beneficiary. At the same time the No Liens Certificate and the Appraisal will be obtained.

Once all these paperwork is ready, it is possible for the Notary Public to calculate the taxes and prepare the final documents for signature and registration with Foreign Investment Registry and the Public Records Office (Catastro and Registro Publico).

We recommend to perform final payment with a cashier or certified check directly to seller at final closing before the Notary.

Capital Gains Taxes are paid by the Seller and any outstanding taxes or homeowners dues would be prorated to the date of possession.

The Buyer has to pay an Acquisition Tax of 2%, also the Notary, the Bank charges for setting up the Trust and all fees to cover permits, appraisals and registration of the sale.

The total closing costs can amount to around 6% for a property below \$100,000, dropping to about 3-4% for more expensive investments. At the time of your offer you should ask your agent for an estimate of the closing costs for which you would be liable, based on the latest information and experience.

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