

Important general information about the market of financial advice in Germany for consumers from abroad.

Up until 2007, the German financial advisory business was not regulated.

Therefore, more than approximately 400.000 people used to roam the cities and the country as "Finanzberater" without need or proof of knowledge, training and even a liability insurance in case of faulty advice. You can still find many car-salesman-turned-financial-adviser in Germany and currently out of the 400.000 individuals offering financial advice, 318.000 are registered as part-time only and are either fully tied or multi-tied advisers working for a pyramid structured sales-organization, which allows them to choose for the clients only from a limited number of insurances or investments. Most often the selection process is steered more by the wish to increase own commissions than to find the best product for the client on the market.

The new regulation through the VVG is starting to change things step by step and it is only a matter of time when most of the dependent/tied sales personnel of pyramid-structure-sales-organizations will drop out of the market!

But until this has been achieved, you need to check with any person approaching you and offering you insurances, pension plans or investment advice in Germany about the background: is he/she independent or multi-tied (German: Mehrfachagent) or tied (German: gebundener Vertreter)? What is the foundation of their skills, what is their training and so on. If they offer you any insurance related products (even if it is only a pension plan including some life insurance or income protection) the advisor or his company must be licensed to do so and must show you the registration code which can then be found online (<http://www.vermittlerregister.info/selektion/suche.aspx>) so that you can verify this information. By law they have to offer you this information right at the beginning, but even if they forgot to do so, they have to disclose their status when you ask them directly. This is the difference by legal definition:

-Independent financial adviser: Can advise you on products from the whole of the market. Has to advise you based on the "best advice" principle

-Multi-tied adviser (German: Mehrfachagent - most large financial distribution organisations belong to this group): these advisers can only advise you on products from a limited range offered/preselected by the organisations to which they are tied, also they still have to choose and recommend the most suitable ones out of this diminished selection

- Tied adviser (German: Gebundener Vertreter): this group of advisers can only recommend the products of one company (insurance/bank) to which they are tied, usually by employment.

What is our own status, legally?: We at Chambervelt, Rooselain and Cie. are a truly independent broker and financial advisers and are neither connected nor bound to any insurance company or bank or financial sales organization. You find all our licencen and registration information at the “Impressum” of our website.

What’s even more important: we are specialized on the typical problems and issues ExPats face in Germany as opposed to the “normal” German advisor which is another reason why we, having this specific experience and knowledge, can be much better in finding client-tailored solution for your individual situation.

Now why is truly independent advice so important?

The following is a quote from the website of the British regulation agency FSA and sheds a bright light on this important question:

“Getting financial advice

When you're shopping around for a financial product, it's important to know who's offering what and what will suit your needs best. There are two ways of finding this out. You can:

** gather information available from banks, building societies, adverts or online; or*

** get financial advice face-to-face from an adviser.*

When you gather information it's 'off the shelf' and is the same for everyone - so your own money situation is not looked at.

Financial advice is when someone has studied your personal circumstances, and assesses and recommends financial products that are suitable for you.”

And this is what we do for you. We assess your individual situation, whether you plan to stay in Germany only for a short term or for a rather long period of time, whether you are single or married with children, young or older and more. And only then will we start to select from the ample products of the insurance and/or investment markets a number of options which we will discuss with you before we work out together with you a final recommendation and decision. To be able to do this it should be evident that you need a free choice as an adviser from all the market offers for any client in order to give truly independent best advice.