

Red Tape personified

Retirement has been a series of adjustments. We have faced them as they surfaced, dealt with them, learned from them and grown in wisdom, knowledge and fear of red tape.

One of the easiest transitions in the past was the electronic transfer of money from a personal account in the United States to a personal account in Ireland. It was as easy as learning to drive on the left side of the road again and getting into the car on the right side.

All one had to do was to sign an electronic global transfer of funds form with the amount requested. One forwarded the pdf form by email to the bank in the United States and within a few hours, the transfer of funds were completed along with the necessary charges for the transfer. It seemed so easy, so efficient and so instant and predictable. But all that has now changed.

The other day, I sent the necessary, completed, global transfer form, to my friend at the bank I did business with for twelve years. Anticipating that there would be no problem and the transfer would take place immediately, I expected a confirmation email from my friend at the bank.

Instead, I received an email with a statement that the rules had changed; that what seemed so simple and direct now needed to be both complicated and expensive and involved global travel instead of a simple global electronic transfer form.

My friend's email included the following statement: "In order to comply with Reg E Dodd-Frank Act requirements the Bank must provide certain disclosures to customers who transfer funds out of the United States for personal purposes. For Reg E wires, the customer must come into branch to initiate and sign the Global Funds Transfer Request form. Fax, email and telephone requests to Bank associates are not allowed for Reg E wires. **All Personal Cross Border wires fall under Reg E and must be initiated in person. There are no exceptions.**"

When I read the statement, I presumed the instigators of the red tape were both Dodd and Frank – seasoned lawmakers in the United States.

In other words, what Mr. Dodd and Mr. Frank want me to do is this: I need to purchase an airline ticket for travel from Ireland to Bay St. Louis. I then must visit my bank in Bay St. Louis, and sign the same electronic transfer of funds in person that I could have signed and sent electronically in the past.

So, financially, what would this cost me? First of all, if I wanted to transfer fund in person from the bank in Bay St. Louis to my bank in Ireland – say \$10,000. I would pay a transaction fee of \$40 dollars to the Bank in Bay St. Louis to transfer the money electronically. I would pay another \$20 for my bank in Ireland to receive and process the deposit in its bank. So, far, just to transfer the funds in person would cost - \$10,060.

In order for such personal transfer of funds to take place, I would have to purchase a round-trip ticket from Ireland to Gulfport at a cost of around \$1,800. So far, in transferring funds in person, I am not really transferring \$10,000 dollars, It is costing me, \$1,860. So, the total cost of the global transaction in person is really \$11,860. Basically, instead of transferring \$10,000, in reality, I have only \$8,140 after all costs and travel expenses.

Now there is one more step in the equation. The transaction has to be converted from dollars to euros and there is a sizeable loss there also. Presently the exchange rate is \$1.40 equal to one euro. So, I end up with 5,814 euros for my high flying, complicated experience..

Thank you, Mr. Dodd and Mr. Frank! You sure know how to simplify things in an age of easy communications and complicated transactions. You know how to make sure that more ex-patriots visit the States to claim their rightful inheritance. You know how to keep airlines in business and help people eventually accumulate enough travel miles to claim a free ticked sometime in the next century.

Someone said, life was difficult. It is not! It is complicated and some people love to make sure it stays that way.