



ISSUES RELATING TO FINANCE

BOLIVIA

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- 1. What instruments are used to create a lien on real estate to secure an indebtedness (e.g., a mortgage or deed of trust)?**

A mortgage is used to create a lien on real estate in order to secure indebtedness.

- 2. Describe national or local mortgage recording or other similar taxes payable on making a loan secured by real estate or perfecting a lien on real property.**

A tax of $4 \times 1000 = 0.004$ is payable on making a loan secured by real estate, and no tax is required to perfect a lien on real property.

- 3. Describe manner in which a lien secured by real property is foreclosed.**

Real property is foreclosed as a result of a judicial public auction.

- 4. Describe any significant costs of or impediments to foreclosing a lien on real property.**

There are no impediments to foreclose a lien on real property, and the only cost incurred is to create a deposit.

- 5. What is the customary time period for foreclosing a lien on real property?**

A petition to foreclose must be filed to the court, it take approximately 7 days for proceeding to take place, if the petition is accepted the court issues an order to foreclose, and a depositary is also appointed.

- 6. Are there national or other governmental permissions, approvals or licenses required for foreign banks or other foreign lenders to make real estate loans secured by real property? If so, please describe.**

The Commerce Code allows entrepreneurs to perform occasional acts of commerce, though, if these acts become habitual acts, then a local branch or subsidiary must be established.

- 7. What legal limits are imposed on the amount of interest which may be charged on a loan secured by real property?**

The law provides a legal 6% annual interest, and a conventional 3% monthly interest that can be charged on a loan secured by real property.

- 8. Describe any laws that restrict the ability to make a borrower or guarantor personally liable for indebtedness secured by real property.**

There are no laws that restrict the ability to make the borrower or guarantor personally liable for indebtedness secured by real property.