

S O V E R E I G N M A N

**HOW TO MOVE AND  
SECURELY STORE GOLD  
OVERSEAS**

2009 EDITION

# Introduction

We live in extraordinary times where deep economic uncertainty rules the day. It's unfortunate that the mass of Americans sit naively by, worried about their future, but unable or unwilling to do anything to protect themselves from the errors of their government's out-of-control economic policies.

If you're reading this, you're probably different. You see the writing on the wall and you've probably already taken steps to protect yourself from current and future economic upheaval.

At the time of writing, US Government deficit spending is expected to reach \$9,000,000,000,000 over the next 10 years. Trillions more in private wealth have been wiped away in the last two years, but the worst may be yet to come.

The purpose of this report is to aid productive savers by illustrating several ways you can better ensure the security and purchasing power of your savings. We believe privately secured gold is one of the world's best savings vehicles because the value of gold keeps in step with inflation... so you can be sure that an ounce of gold will generally buy the same basket of goods in 2050 as it does today.

As such, one of the main reasons for accumulating gold as a savings instrument is to mitigate sovereign risk-- risk that governments and central banks will confiscate wealth by devaluing the currency and running mind boggling deficits.

But ask yourself an important question-- what is the point of protecting your savings against sovereign risk if you are going to keep your gold in that same risky country?

Sure, you can probably bury a safe in your backyard... not exactly an elegant solution, but it could work-- that is, of course, until you need to leave and exchange controls have been implemented.

Internationalization is a much better solution-- storing your gold overseas is the ultimate insurance policy against US government meddling and wealth confiscation.

# The Simple Strategies

We recognize some of our readers are more advanced than others so, let's start with the easy strategies for buying and storing gold overseas. If you currently have no assets located outside your home country and want an easy way to safely buy and store gold overseas, you might love the Perth Mint Certificate (PMC) program and GoldMoney.com. Both of these programs are designed for ease of use, quick implementation, and can be set up without having to leave your home. **[Advanced subscribers are encouraged to skip to page 6]**

## **The Perth Mint Certificate: Easy to Buy & Sell with Government Guarantee**

The Perth Mint was founded as a branch of Britain's Royal Mint in 1899. At the time, gold sovereigns and half sovereigns were used throughout the British Empire as everyday circulating coins and it was the Royal Mint's responsibility to supply them.

Rather than shipping gold to London and then distributing them back to Britain's colonies, the Royal Mint built a number of branch mints throughout the Empire in places where gold was found. The Perth Mint was one of these – built to refine gold mined in Western Australia and turn it into sovereigns. When sovereigns were withdrawn from circulation in 1931, the Mint used its skills in the production of other coins, while still continuing to refine gold. It remained under British ownership until 1970 when control passed to the Western Australian Government, who owns it to this day.

Today, The Perth Mint facilitates investment in precious metals not only by supplying coins and bars, but by also offering a unique investment vehicle, The Perth Mint Certificate (PMC). The PMC is a reliable, secure and flexible precious metals program available to global investors seeking discreet alternative investments.

Ownership of certificates conveys all the benefits of precious metals ownership without the transport and security problems associated with physical bullion. If you're looking for an extra blanket of security, you might like the fact that PMC is the only Government guaranteed precious metals storage program out there.

Best of all, if you just feel the need to take some action quickly, PMCs make that possible. They are easy to purchase and simple to liquidate.

Perth Mint Certificates must be purchased through an authorized dealer. Our favorite dealer is Asset Strategies International, Inc. Contact Michael or Rich Checkan for more information:

Michael & Rich Checkan

<http://www.assetstrategies.com/>

### **GoldMoney.com “The best way to buy gold & silver”**

If gold ever does replace paper money, we're convinced 'sound money' pioneer James Turk will play a big part in it. In 2001 James Turk founded GoldMoney.com which gives it's customers one of the easiest ways to buy and hold gold.

Perhaps you've heard of GoldMoney.com or other electronic gold storage services before. Several have popped up in the last few years, but we believe GoldMoney is the best due to their governance policies and transparency.

When you purchase precious metals through your GoldMoney account, you actually hold and own the metal in your name. GoldMoney is not a "paper gold" product, which means that your gold ownership is not dependent upon an exchange traded fund's (ETF's), certificate issuer's or pool account operator's ability to obtain and redeem metal for you when you want to sell it.

Nearly all of these types of "paper metal" programs work on a fractional reserve basis, so if the majority of the program's customer wanted to redeem their metal for cash, the program operator would not be able to meet all of its obligations. In other words, "paper metal" products represent merely a promise to pay metal; they are not products that give you direct ownership of metal, and therefore expose you to counterparty risk since you are dependent upon the program issuer's ability to meet all of its obligations.

Contrary to the fractional reserve nature of "paper metal" programs, the quantity of customer metals recorded in GoldMoney's database is always equal to the quantity of metals in the vaults. This one-to-one ratio is a critical part of GoldMoney's governance model.

### **GoldMoney: Securely stored, insured and independently audited**

The gold bullion purchased through GoldMoney is stored securely at the VIA MAT vaults in London, England and Zurich, Switzerland. VIA MAT International is part of Mat Securitas Express AG, of Switzerland, one of Europe's largest and oldest armored transport and storage companies. Your gold and silver are insured against theft from the vault.

Administration of all metals is provided by an independent party (Andium Trust Company Limited) that safeguards your metal by making sure gold is only removed from the vaults under the direction of its owners, i.e., GoldMoney's customers.

A Big Four accounting firm annually audits GoldMoney's operational procedures as well as the precious metal bar inventory at the vaults and metal circulating electronically in our system. GoldMoney customers who have completed the account opening process can obtain the latest SAS 70 Type II report upon request.

As a bonus, GoldMoney has a patented process for making and receiving digital gold currency payments. Maybe someday you'll be paying all your bills and collecting your salary in secure and insured digital GoldMoney instead of the "backed by nothing" dollars you use right now.

The process of opening a GoldMoney account is much like opening a bank account. Recently, GoldMoney made their process more simple. If you live in the United States or the United Kingdom, you can do the entire process online in about 15min.

To open an GoldMoney account go to:

<https://secure.goldmoney.com/user/opnhld.php>

## European Location: Vienna, Austria

### Why Austria

If you find yourself frequenting Europe, you should definitely consider Austria as a jurisdiction to store gold and silver. Austria has a long, well-tested tradition of privacy. The country is among the most civilized in the world-- free of corruption with a modern infrastructure. Banking privacy is safeguarded with the same legal authority as its constitution, so the country would certainly be among the last in Europe to begin mass confiscation.



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### Austrian Gold and Silver

In 1192 AD, King Richard the Lionheart of England was shipwrecked off the Italian coast while on his way home from the Crusades. With only four attendants at his side, Richard was forced to take a dangerous land route through Central Europe in order to return home. He disguised himself as a Knight Templar in order to maintain secrecy, but the ruse did not last. Richard was captured near Vienna shortly before Christmas of that year.

In this case, the king's ransom was 100,000 'marks silver', roughly \$3 billion in 2009 dollars... the money was raised through a series of taxes and confiscations in England, and Richard was released on February 4, 1194 after roughly 14 months of captivity.

With so much silver at their disposal, the Austrians founded a mint to produce and circulate coins; the Austrian mint survives to this day, producing the 'Philharmonic' (similar to the American Eagle coin), one of the most popular coins in the world.

Today, the mint produces roughly 350,000 ounces of gold and silver coins each year and adjusts its production according to customer demand. In September 2008, for example, the mint produced and sold 100,000 ounces of gold coins in that month alone.

The Philharmonic coin is struck in four sizes at 999.9 weight-- 31.103 grams (1 troy oz), 15.552 grams (.5 troy oz), 7.776 grams (.25 troy oz), and 3.121 grams (.10 troy oz). Each carries legal tender face value of 100 euro, 50 euro, 25 euro, and 10 euro respectively.

The Austrian mint also produces a one troy ounce silver Philharmonic coin, as well as gold bars in 1 gram, 2 gram, 5 gram, 10 gram, 20 gram, 50 gram, 100 gram, 250 gram, 500 gram, and 1000 gram weight.



### How to buy coins

Philharmonics and gold bars can be purchased at the Austrian Mint's shop in Vienna (Am Heumarkt 1), Innsbruck (Adamgasse 2). Coins and bars cannot be purchased on the mint's website.

Also, virtually every bank in Austria sells Philharmonics, usually kept behind the cashier's station near the bank tellers. Larger banks tend to keep more inventory, so if you're looking to make large purchases, try main branches in the downtown area of Vienna like **Bank Austria** or **Raiffeisen Zentralbank**.

### Where to store gold and silver in Austria

Vienna is home to a fantastic facility called Das Safe ([www.dassafe.com](http://www.dassafe.com)), located at Auerspergstrasse 1 near the city center.

Das Safe provides anonymous safety deposit boxes starting at 400 euro (\$560) per year, and anonymous means anonymous... all you have is the box key and a PIN code to access the secure room.

To be honest, you will feel a little bit like Jason Bourne when you walk into the place; the facility is completely secure and monitored at all times, though video surveillance is not recorded so you need not worry about your privacy.

I have done business with Das Safe in the past and find their level of service and professionalism to be spectacular; if you want to move your bullion offshore and make sure that no one knows about it, Das Safe is for you.

If, on the other hand, you don't care about anonymity, Austrian banks will be happy to rent you a safety deposit box regardless of your nationality. They do require a photo ID, but the costs start at 65 euro (\$90) per year for a small box.

## Asia Location: Dubai

### Why Dubai

Before the emirates were united, merchants in the tiny settlement of Dubai were trading gold with Indians and Persians across the gulf. The emirate's gold tradition is woven in the fabric of the culture; known as the 'City of Gold,' Dubai is still famous today for its bustling gold souk where over 10 tons of gold is present at any given time.

Moreover, the country's currency, the dirham, is pegged to the US dollar... so locals can see their purchasing power evaporate in step with Americans'. Consequently, Emiratis have been long-time precious metals investors in order to maintain the purchasing power of their savings.

### Dubai Gold

Dubai is well on its way to establishing itself as a global financial center; the emirate has already positioned itself as the financial and business hub of the Middle East, which was further solidified with the opening of the Dubai Multiple Commodities Centre (DMCC), the region's most established commodities exchange.

In 2007, DMCC launched Dubai's first-ever commemorative gold coin, "Visions of Dubai," which was cast at 916 fineness (22 carat) in 1 ounce, 1/2 ounce, 1/4 ounce, and 1/10 ounce units.



### How to buy gold

The easiest way to buy gold in Dubai is to visit the famous Gold Souk in Deira, which has over 300 merchants crammed within just a few city blocks competing to provide the best price. Premiums are among the lowest in the world in Dubai, which is more than made up for by the sheer volume of transactions.

In my experience, the best time to visit the Gold Souk is in the evening after sunset; most of the tourists will have gone home and your chances of finding a merchant willing to make a deal be-

fore he heads home increase dramatically. Additionally, while credit cards are accepted, you will get a much better deal by paying in cash.

### **Where to store gold and silver in Dubai**

Abu Dhabi Islamic Bank (ADIB), one of the largest banks in the Middle East, rents safety deposit boxes to foreigners, including Americans, starting at 350 dirham per year (about \$97). You need a passport to rent a box.

I'm confident in saying that Middle Eastern banks will absolutely be the last in the world to roll over to western governments, so sovereign risk is extraordinarily low in Dubai.

## Transporting Gold

So once you decide to go international and have selected your jurisdiction, how do you move it?

One of the most cost effective options is international parcel. Send your gold via FEDEX, just as you would jewelry... you can insure your shipment against loss. Retail price to ship 50 one-ounce coins (roughly 3 pounds of gold) via FEDEX from the US to Panama, fully insured, runs about 500 dollars, or \$10 per coin. You can even order through the US Mint ([www.USMint.gov](http://www.USMint.gov)) and have the coins delivered overseas, perhaps to your hotel when you know you will be in Dubai or Austria.

Another option is to actually fly them down yourself. According to our friends at US Customs and Border Patrol, "It is not a crime to carry more than \$10,000, but it is a federal offense not to declare currency or monetary instruments totaling \$10,000 or more to a CBP Officer upon entry or exit from the U.S. Failure to declare may result in seizure of the currency and/or arrest."

Aha! But what actually constitutes monetary instruments? According to both US Customs and the Department of Treasury's Financial Crime division, monetary instruments are:

1. Coin or currency of the United States or of any other country,
2. Traveler's checks in any form,
3. Negotiable instruments (including checks, promissory notes, and money orders) in bearer form, endorsed without restriction, made out to a fictitious payee, or otherwise in such form that title thereto passes upon delivery,
4. Incomplete instruments (including checks, promissory notes, and money orders) that are signed but on which the name of the payee has been omitted, and
5. Securities or stock in bearer form or otherwise in such form that title thereto passes upon delivery.

Gold, as we regrettably know, is not considered legal tender or currency, therefore carrying it on a plane is a permissible, cost-effective approach to transport, particularly if you have reason to travel to that jurisdiction anyway.

One thing to watch out for-- just because you do not have to declare gold as a monetary instrument upon departing the United States, there are certain countries that require you to declare upon entry-- Taiwan and Uruguay are two of these countries.

Since laws change all the time, make sure you check the country's customs information before departing.

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