Banking in Latin America

Student’s Name:

Institutional Affiliation:

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I selected the role of venture capitalist in Latin America. The reason I chose this role is that it is a new technique of financing to inject the long term capital into the medium and small sector and it is making a notable contribution in the developed countries. The reason as to why chose this role in Latin America is because it is a new industry that has demonstrated remarkable evolution from the early 2000s (Gruss, 2014). In counties that have venture capitalist activity, government, NGOs, development agencies have promoted innovation, entrepreneurship and the first breed of the venture capitalist managers. With developing economies in Latin America, the managers and entrepreneurs are still exploring mode with regards to finance, create and internationally grow high potential firms.

The kind of pension plan that I would choose is open pension plan because it takes the form of the deferred annuities that are inflation indexed. The major players in this sector are the insurance companies that carry out the main services of the pension system which include benefit payment, asset management, account administration, and contribution collection. It offers the assured 6% real return rate and between 75% and 50% of the real excess return (Central Intelligence Agency, 2014). After retirement, the investor has the two option of drawing wholly or partially the balance accumulated. The open pension plans also offer other benefits like disability, survivors and life insurance. The other different type of pension plan that I would select is the PGBL that has flexible investment and contributions options without the return guarantees. Firms use the PGBL plans for the workers, and the contribution rates might be changed, and the investors might choose to select between three different funds that compromise of the missed income fund, fixed income fund, and the sovereign funds. The administrator of the PGBL could invest the contributions in just one of the three funds that are managed by the mutual fund's firms exclusively. At retirement assets accumulated are utilized by the administrator of the PGBL to purchase the inflation-indexed annuity.

Pension funds manager has been beneficial in Latin America. The pension plan managers manage the strategic decisions and daily affairs involved with the pension plan or fund. The fund manager ensures that the money is funded into the pension fund, appropriate asset distribution decisions are made and the payouts are distributed evenly among the qualified pension plan beneficiaries or participants. The pension plan systems in Latin America have had development in the past years, and most of the people have benefited from the employer pension plans (Gruss, 2014). People having pension funds managers have benefited from the pension plans which offer other benefits like disability, survivors and life insurance. The pension plan manager ensures that the pension fund or plans are administered according to the countries regulation. They are also accountable to all the pension plan of all the participators compromising the regulatory authorities, sponsors, and beneficiaries. The manager also delegates all or some of the responsibilities to different service providers.

Entrepreneurs have been of benefit to Latino America. Startup business has been rising in Latin America with the availability of capitals Latin America have closed deals worth $2.3 billion. However, the investments are taking place in Mexico and Brazil mostly (International Monetary Fund, 2014). Most of the business outside these two countries raises funds from the venture capitalist. The entrepreneurs have improved the economy of Latin American by providing employment and source of income to most of the inhabitants. The entrepreneurs have also increased the cash flows in the country that assist in improved ease of business and increase in economy of the country.

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