

BELIZE:

FINANCIAL SERVICES COMMISSION ACT, 2023

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SCHEDULE



No. 8 of 2023

I assent,

(H.E. DAME FROYLA TZALAM)

Governor-General

15th April 2023

AN ACT to repeal and replace the International Financial Services Commission Act, Chapter 272 of the Substantive Laws of Belize, Revised Edition 2020; to strengthen the regulatory and supervisory framework for financial services; and to provide for matters connected therewith or incidental thereto.

(Gazetted 15th April, 2023).

BE IT ENACTED, by and with the advice and consent of the House of Representatives and Senate of Belize and by the authority of the same, as follows:

PART I

Preliminary

1. This Act may be cited as the

Short title.

FINANCIAL SERVICES COMMISSION ACT, 2023.

Interpretation.

2.-(1) In this Act, unless the context otherwise requires—
“annual renewal date” means the 1st of January in any given year;

“Appeal Panel” means the Financial Services Commission Appeal Panel established under section 56;

“auditor” means a person in good standing with the Institute of Chartered Accountants in Belize and holds a practicing certificate of that Institute;

“accounting services” means providing services such as the posting of transactions and the preparation of financial statements to reflect the financial condition of entity;

Act No.11 of
2022.

“Belize Company” means any company registered or incorporated under the Belize Companies Act;

“bill paying services” means a service offered by a third-party non-bank person contracted by vendors or utility service providers, whereby the third-party company acts as agent in the collection of payments due to those vendors or utility service providers;

“Chairperson” means the Chairperson of the Commission appointed under section 11;

“Commission” means the Financial Services Commission established under section 3;

“Compliance Officer” means a person appointed by a licensee and approved by the Commission as Compliance Officer, and includes a body corporate to whom the provision of compliance function services and obligations have been outsourced;

Cap. 104.

“competent authority” has the meaning assigned to it under the Money Laundering and Terrorism (Prevention) Act;

“connected person” includes any person who is or was the chief executive officer, a director, controller, manager, officer, employee, agent, banker, auditor, secretary, or attorney-at-law of a licensee;

“court” means the High Court of Belize;

“Director General” means the person appointed by the Commission under section 7;

“financial advisory or consultancy services” include the provision of financial advisory or consultative services in private and commercial transactions which are not subject to the Securities Industry Act, 2021 and includes assisting with the creation of financial plans;

Act No. 46 of
2021.

“financial intermediation services” means the process by which a person facilitates financial transactions as the intermediary between a lender and borrower, or borrows money from a non-bank person to lend to a borrower seeking funding, investment, or financial resources;

“financial leasing” means the transfer of all risks and rewards incidental to ownership of an asset from a finance company or other lessor to a client or lessee, similar to secured financing, lending, or a loan arrangement;

“financial services” includes carrying on the business of financial service provider, registered agent or managing services;

“financial service provider” means the business of providing or holding oneself out as providing all or any of the financial services, listed in the Schedule, where such businesses are conducted within or from within Belize, but does not include businesses or services licensed under the Domestic Banks and Financial Institutions Act, the International Banking Act, or the Credit Union Act;

CAP. 263.
CAP. 267.

“FS Practitioner” means any person carrying on the business of financial service provider, registered agents and managing agents, but excluding the International Merchant Marine Registry of Belize;

“international asset protection and management” means providing wealth protection and estate planning advice, including but not limited to investment strategy and portfolio management, management of real estate and tax advice, holding funds on behalf of clients who are conducting business, including real estate transactions, and holding funds and make disbursements for the completion of projects that the client might be working on;

“investment grade credit rating” means a rating that falls within the range of an investment grade credit rating as defined by any of the following credit rating agencies–

- (a) Moody’s Investors Service;
- (b) Standard and Poor’s;
- (c) Fitch Ratings; or
- (d) any other credit rating agency as determined by the Commission from time to time;

“licence” means a licence issued under section 23;

“licensee” means a person holding a licence under this Act;

“managing agent” means the person licensed by the Commission under section 23 to perform the duties set out in section 35;

“managing services” means the business of providing or holding oneself out as providing services required of a managing agent pursuant to section 35, where such businesses are conducted in Belize;

“Minister” means the Minister for the time being responsible for finance;

“money broking” means organising money lenders and borrowers to enable them to enter into a contract for a money transaction, and includes mortgage broking;

“money exchange” means the business of operating a Money Exchange House (Casa de Cambio), which includes the conversion of one currency into another currency;

“money transmission service” means the business of receiving money or monetary value for transmission or transmitting or remitting money or monetary value including order, wire, facsimile, or electronic transfer or other payment instruments;

“mortgage broking” means with respect to a non-bank person arranging mortgage financing and negotiating terms of a mortgage on behalf of a borrower;

“mortgage lending” with respect to non-bank persons means the provision of loans to finance the purchase of real property, and includes lease-to-own arrangements which provide the lessor with an option to purchase and apply either a portion of or the total lease payment toward paying down the sums owing on the relevant real property;

“non-bank person” means any business or person not subject to the Domestic Banks and Financial Institutions Act, the International Banking Act, or the Credit Union Act;

CAP. 263.
CAP. 267.
CAP. 314.

“nominee director” means a person that acts as a director on behalf of another person or in accordance with the directions, instructions or wishes of another person;

“nominee shareholder” means a person registered as a shareholder—

- (a) on behalf of another person; or
- (b) acting on the directions, instructions or wishes of another person;

“payment processing services” means with respect to a non-bank person, providing a person, directly or indirectly, with the means used to charge or debit accounts through the use of any payment mechanism, including, but not limited to, remotely created payment orders, remotely created checks, ACH debits, or debit, credit, prepaid, or stored value cards, whether accomplished through the use of software or otherwise, and includes, among other things–

- (a) reviewing and approving merchant applications for payment processing services;
- (b) providing the means to transmit sales transaction data from merchants to acquiring banks or other financial institutions;
- (c) clearing, settling, or distributing proceeds of sales transactions from acquiring banks or financial institutions to merchants; or
- (d) processing chargebacks or returned remotely created payment orders, remotely created checks, or ACH debits;

“person” includes an individual, company, partnerships, trust, association, and any other organised group, whether corporate or incorporate;

“registered agent” means any person operating in or from within Belize, who, by way of business–

- (a) forms, registers, or manages a Belize Company;

- (b) acts, or arranges for another person to act, as a director, nominee director, secretary, officer, shareholder, or nominee shareholder of a Belize Company;
- (c) provides registered office services for a Belize Company;
- (d) forms, registers, or acts as an agent for an international foundation registered under the International Foundations Act; CAP. 24:02.
- (e) forms, registers, or acts as an agent for an international trust or provides trustee services for an international trust registered under the Trusts Act; CAP. 202.
- (f) forms or registers an international limited liability company under the International Limited Liability Company Act; CAP. 270:01.
- (g) is appointed as the registered representative of a private trust company established under the Belize Companies Act; and Act No. 11 of 2022.
- (h) is the representative of a segregated portfolio company registered under the Belize Companies Act; Act No. 11 of 2022.

“safe custody services” means with respect to a non-bank person, offering safety deposit boxes or other secure storage suitable for high-value items, including any arrangement under which a person is authorised to hold directly or indirectly a customer’s access keys, smart contracts or other forms of digital assets but does not include–

- (a) storage of goods such as luggage, household items or motor vehicles;

- (b) storage of non-physical property like computer data;
- (c) secure transportation of high-value items;
- (d) offering safe custody on an occasional or very limited basis, such as hotels providing a safe for guests; or
- (e) legal professionals storing legal documents;

“Service Agreement” means the agreement between a managing agent and a FS practitioner made in accordance with section 35;

Act No. 46 of
2021.

“trading commodity-based and other financial instruments” means any purchase, sale, or disposition of or dealing in or any solicitation for valuable consideration of a commodity or other financial instrument not defined as a security under the Securities Industry Act, including but not limited to oil, gold, silver, copper, currencies, foreign exchange, and virtual assets;

“virtual asset” means any digital representation of value that can be digitally traded, transferred, or used for payment or investment purposes, including but not limited to cryptocurrencies, stable-coins, non-fungible tokens (NFTs), and in-game currencies that can be cashed out or used outside of their source game, but does not include the digital representation of fiat currencies; and

“wallet services provider” means a person who provides digital wallet services by use of a computer software or program that interfaces with fiat and virtual currencies and assets, stores, private and public keys, and interacts with distributed ledger technology to enable users to send, receive, and monitor their digital assets.

(2) The Commission may from time to time, by Order published in the *Gazette*, amend the Schedule to the Act.

(3) Without limiting the authority of the Commission to implement the requirement for a company registered or incorporated under the Belize Companies Act to comply with substantial economic presence requirements, any reference in this Act to substantial economic presence shall be construed in accordance with the Economic Substance Act.

Act No. 11 of
2022.

CAP. 273:01.

PART II

Establishment, Functions and Duties of the Commission

3.–(1) A body to be known as the Financial Services Commission shall be and is hereby established as an institution governed by the provisions of this Act.

Establishment
of the
Commission.

(2) The Commission may exercise any of the functions entrusted to it by or in accordance with the provisions of this Act.

4.–(1) The Commission shall be a body corporate having perpetual succession and a common seal and, subject to the provisions of this Act, shall have power to acquire, hold and dispose of movable and immovable property of whatever kind and to enter into contracts and do all things necessary for the attainment of its objectives.

Body
corporate.

(2) The Commission may sue and be sued in its corporate name and shall for all purposes be described by that name.

(3) The seal of the Commission shall be authenticated by, and may only be affixed to an instrument or other document in the presence of, the Chairperson or Deputy Chairperson of the Commission and one other member of the Commission specifically authorized to act for that purpose, and the seal thus affixed and authenticated shall be judicially and officially noticed.

(4) The instruments and documents referred to in subsection (3) above shall be signed by the persons present as witnesses to the sealing, and the acts of sealing and authentication shall be recorded in a register to be kept for that purpose.

Functions
of the
Commission.

5. The functions of the Commission are the following—

- (a) promoting and developing Belize as a centre for the carrying on of financial services;
- (b) protecting and enhancing internationally the reputation of Belize as a financial services centre;
- (c) providing, within the framework of local legislation and laws, appropriate supervision, and regulation of the conduct of financial services;
- (d) formulating appropriate policies and providing advice and assistance to the Government on the regulation of financial services;
- (e) preparing, as the occasion demands, reports, and memoranda of interest to the development, protection, and regulation of Belize's financial services sector;
- (f) collecting, storing, and disseminating, to interested parties, reliable and timely information on the growth and trends of Belize's financial services sector.

Powers of the
Commission.

CAP. 104.

6.—(1) Subject to the provisions of this Act, the Commission shall have power to do all things necessary for the carrying out of its duties under this Act and the Money Laundering and Terrorism (Prevention) Act and any regulations or guidelines made under that Act.

(2) Without prejudice to the generality of the provisions of sub-section (1), the Commission may—

- (a) grant licences, permits or authorities for the carrying on of financial services;
- (b) carry out examinations, inspections or investigations of any entity carrying on financial services;
- (c) determine the terms, conditions and limitations of licences issued to FS Practitioners, additional to those provided for in section 27(1), but not in a manner inconsistent with this Act or the regulations;
- (d) determine the terms, conditions and limitations of licences issued to persons to act as managing agents, additional to those provided for in section 27(2), but not in a manner inconsistent with this Act or the regulations;
- (e) undertake any review necessary to ensure compliance with the Act;
- (f) identify breaches and penalties and set the procedures for investigation and determination of alleged breaches for which administrative sanctions pursuant to section 53 may be imposed;
- (g) purchase, lease or otherwise acquire and hold any property (real or personal) required for the purposes of the Commission and dispose of any such property no longer required for such purposes;
- (h) contract with any person for the supply to or by the Commission of any goods, services, or personnel;

- (i) pay expenses properly incurred by the Commission;
 - (j) employ such persons, including advisors and consultants, as the Commission thinks fit to discharge of its duties;
 - (k) establish and maintain schemes or make such other arrangements as it thinks fit for the payment of pensions or other benefits to its employees;
 - (l) compile, prepare, print, publish, issue, circulate and distribute, whether for payment or otherwise, such papers, leaflets, magazines, periodicals, books, and other literary matter as may be conducive to the attainment of the objects of the Commission or the advancement of its functions;
 - (m) by written Order, delegate the Commission's functions, duties, and powers, except the power to make regulations and to hear appeals within its jurisdiction, to the Director General or any standing or special committee established under section 15 and section 56; and
 - (n) make regulations to carry out its duties under this Act.
- (3) The Commission may—
- (a) by administrative notice in writing, specify the mode of fulfilment of the substantial economic presence requirement pursuant to the Economic Substance Act and may specify categories of financial services for which persons holding a

valid licence granted by it must comply with a specific mode of fulfilment;

- (b) cause any administrative notice issued under paragraph (a) to be published and distributed and may make such arrangements as it thinks fit for its distribution.

(4) Any mode of fulfilment in respect of substantial economic presence specified under sub-section (3)(a) may include—

- (a) the requirement for directors to conduct business from an office physically located in Belize;

- (b) the requirement for categories of persons holding a licence granted by the Commission to be physically present in Belize in order to conduct its business;

- (c) notwithstanding section 7 of the Economic Substance Act, the prohibition from outsourcing of core income generating activities by categories of persons holding a licence granted by the Commission; or

CAP. 273:01.

- (d) any other requirement which does not substitute or reduce the standard set by the Economic Substance Act.

CAP. 273:01.

PART III

Appointment of Staff, etc.

7.-(1) The Commission may, with the approval of the Minister, appoint and employ a suitably qualified person, at such remuneration and subject to such terms and conditions as it thinks fit, as the Director General of the Financial Services Commission.

Appointment
of Director
General.

(2) The Director General shall hold office for such period and upon such terms as may be specified in his instrument of appointment.

(3) The Director General shall be the Chief Executive Officer of the Commission and shall perform and exercise such functions, duties, and powers as are conferred upon him by this Act.

(4) The Director General may, with the approval of the Commission, appoint a suitably qualified person as the Deputy Director General and such person shall perform and exercise such functions and duties as are delegated to him by the Director General.

(5) The Director General may, by instrument in writing, delegate any of his functions and duties conferred upon him by this Act to the Deputy Director General appointed under sub-section (4) or to other senior staff of the Commission.

(6) Where the Deputy Director General or other senior staff is delegated, the Director General's functions and duties under this Act, the Deputy Director General or other senior staff shall have the relevant powers necessary to carry-out those functions and duties conferred in the instrument of delegation.

(7) The Commission may terminate the appointment of the Director General if the Commission is satisfied that the person—

- (a) has become bankrupt or made arrangements with his creditors;
- (b) is incapacitated by physical or mental illness;
- (c) has been, in Belize or in any other jurisdiction, convicted of a criminal offence, or found liable in a civil or regulatory action for activities involving fraud or dishonesty; or

- (d) is otherwise unable or unfit to discharge the functions of the position to which that person was appointed.

8.-(1) The Director General may, at such remuneration and general terms and conditions as set by the Commission, appoint and employ other suitably qualified persons as officers and employees of the Commission for the purpose of ensuring the proper performance of the functions and the attainment of the objectives of the Commission.

Appointment of staff.

9. In discharging duties or exercising powers imposed or conferred upon him by this Act, the Director General shall refer to the Commission—

Director General to refer certain matters to Commission.

- (a) all matters coming to his notice or attention which fall to be dealt with by the Commission pursuant to this Act or any other law; and
- (b) all matters which require a policy decision.

10.-(1) The Director General, upon employment of any person, shall administer an oath of confidentiality, which shall be issued by the Commission.

Duty of officers to maintain confidentiality.

(2) By virtue of sub-section (1), an officer of the Commission shall not, without the approval of the Director General—

- (a) make public or cause to be made public;
- (b) communicate or cause communication to the media or any other unauthorized person; or
- (c) make private copies of,

any documents, papers or other information which may come to his knowledge or in possession in his capacity as an officer of the Commission.

CAP. 13.

(3) Sub-section (2) shall not apply to an Order of the Court, the Freedom of Information Act, or any other expressed provision to the contrary in any other law.

(4) Where an officer fails to comply with this section, that officer may be subject to the disciplinary measures established by the Commission for the purposes of addressing a misconduct of officers and employees of the Commission.

(5) A person who fails to comply with sub-section (2) commits an offence and is liable on indictment to a fine not exceeding fifty thousand dollars or to imprisonment for a term not exceeding one year or to such fine and imprisonment.

(6) The Director General, with the approval of the Commission, may establish by administrative policy, the extent of a failure to comply with sub-section (2) which may be dealt with pursuant to sub-section (4).

(7) The Commission may prescribe the extent of a failure to comply with sub-section (2) which may be dealt with pursuant to sub-section (5).

PART IV

Administration

Composition
of the
Commission.

11.-(1) The Commission shall be composed of the members provided in sub-section (2), who shall be appointed by the Minister for such period and for such terms as may be specified in their instruments of appointment.

(2) The members of the Commission will consist of-

(a) four members who have been awarded degrees or professional qualifications and have a minimum of five years post-graduation experience in law, finance, business,

economics, accounting, securities, investment, or management and have demonstrated substantial knowledge of the securities industry of which two members have been recommended by the Belize International Financial Services Association;

- (b) the Financial Secretary or his representative;
- (c) the Director General, who shall be ex officio Deputy Chairperson of the Commission;
- (d) the Governor of the Central Bank of Belize or his representative;
- (e) the Director of the Financial Intelligence Unit or his representative; and
- (f) the Solicitor General or his representative.

(3) The Minister shall appoint a Chairperson from among the public sector members of the Commission.

(4) The names of all members of the Commission as first constituted, their terms of office and every change in such membership shall be published in the Gazette.

(5) Where for any reason the Chairperson is unable to preside at any meeting of the Commission, the Deputy Chairperson shall preside at that meeting.

(6) A member of the Commission shall be a fit and proper person.

(7) No person shall be appointed a member of the Commission if that person—

- (a) is bankrupt or has made arrangements with the person's creditors;

- (b) is incapacitated by physical or mental illness;
or
- (c) has been, in Belize or in any other jurisdiction, convicted of a criminal offence, or found liable in a civil or regulatory action for activities involving fraud or dishonesty.

(8) Members of the Commission shall be paid such remuneration and allowances as the Commission may determine from time to time with the approval of the Minister.

**Meetings of the
Commission.**

12.—(1) The Commission shall meet as often as its business requires, and all meetings shall be convened upon giving members five business days' notice.

(2) The quorum at all meetings of the Commission shall be five members.

(3) Decisions of any issue at a meeting of the Commission shall be by majority of the members present and voting. In the event of equality of votes, the person presiding at the meeting shall have a casting vote in addition to his or her original vote.

(4) All orders and directions of the Commission arising from its meetings shall be signified under the hand of the Chairperson or the person presiding at that meeting.

(5) The Commission shall employ the services of an officer or other member of its staff as secretary and such person shall ensure that proper minutes of the Commission's meetings are recorded, and records of the acts and decisions of the Commission are properly and safely kept.

13.-(1) The Minister shall terminate the appointment of the Chairperson or any other member of the Commission where the Chairperson or such member, as the case may be—

Vacation
of seat as a
member of the
Commission.

- (a) has been absent from three consecutive meetings of the Commission without the permission of the Commission;
- (b) has become bankrupt or made any arrangement with his creditors;
- (c) has been convicted of a criminal offence;
- (d) is incapacitated by physical or mental illness from attending more than three meetings of the Commission; or
- (e) is otherwise unable or unfit to discharge the functions of a member.

(2) Notwithstanding sub-section (1), a member of the Commission may resign his office by giving written notice to the Commission, copied to the Minister and, as the case may be, to the person who, or organisation which, nominated him.

(3) Every termination of membership on the Commission pursuant to sub-sections (1) and (2) shall be published in the Gazette and the member's seat on the Commission shall become vacant on the date of such termination.

(4) Any member of the Commission who ceases to be a member shall be eligible for re-appointment except where he ceases to be a member by virtue of sub-section (1) or where he would have ceased to be a member in that manner but for his voluntary resignation.

14.-(1) A member of the Commission who has any personal, professional, business, or pecuniary interest in any matter coming before the Commission shall on each occasion on

Disclosure of
interest.

which the matter comes before the Commission declare his interest and, unless otherwise directed by the Chairperson, withdraw from the meeting and take no further part in the proceedings or voting of the Commission in relation to such matter.

(2) Any declaration of interest and the withdrawal of a member thereafter as provided in sub-section (1) shall be recorded in the minutes of the proceedings of the Commission.

(3) Unless the Chairperson otherwise directs, any decision reached by the Commission on a matter in which a member has declared an interest in accordance with sub-section (1) shall be recorded in the normal way save and except that the proceedings of the Commission on such a matter prior to the making of a decision shall be recorded separately and that record shall be provided only to those members of the Commission who were present at such proceedings.

(4) In carrying out the member's duties and activities, the member shall act honestly, fairly, with integrity, and in the best interests of the Commission.

(5) For the purposes of this section, a member shall be deemed to have an interest in a matter if the member, a family member of the member or the member's spouse, or the member's nominee, is a security holder or partner in, or an officer or director of, a person having an interest or being involved in a matter before the Commission.

(6) For the purposes of this section a family member includes—

(a) spouse;

(b) the descendants of the member and their spouses;

- (c) parents, including stepparents;
- (d) grandparents;
- (e) parents-in-law, including stepparents-in-law;
- (f) brother, stepbrother, sister, stepsister, and their spouses;
- (g) spouse's grandparents;
- (h) spouse's brother, stepbrother, sister, stepsister and their spouses and children;
- (i) parent's brother, stepbrother, sister, stepsister, and their spouses;
- (j) children of the brother, stepbrother, sister, or stepsister of the individual's parents, both present and future, including stepchildren, and their spouses; and
- (k) children of the member's brother, stepbrother, sister, or stepsister, both present and future, including stepchildren, and their spouses.

15.—(1) The Commission may establish standing or special committees, which expression shall include sub-committees, and may refer to any such committee any matters for consideration, enquiry, or management.

Commission
may establish
Committees.

(2) The Commission shall establish rules of procedure for such committees.

(3) The Commission may appoint as a member of any committee established under sub-section (1) any person who, in its opinion, appears to be qualified to be a member of the committee, whether that person is a member of the Commission or not.

(4) Every appointment under sub-section (3) may be revoked by the Commission at any time.

(5) A committee established under sub-section (1) may elect any of its members to be the Chairperson and shall conduct its business in accordance with the rules of procedure referred to in sub-section (2).

Register to be kept.

16.-(1) The Commission shall keep and maintain a register setting out-

- (a) the name and address of each licensee and registered agents, where applicable;
- (b) the address of the registered office of the licensee;
- (c) the name of the Chief Executive Officer or equivalent officer of the licensee;
- (d) where applicable, the name of the Compliance Officer and the Money Laundering Reporting Officer of the licensee;
- (e) the type of financial services for which the licensee is registered;
- (f) the date on which the licence was issued, varied, suspended, or revoked;
- (g) the name and address of each licensee's agents; and
- (h) any conditions imposed on, or any exemptions granted to the licensee by the Commission.

(2) Where in the opinion of the Commission, the inclusion on the register of a condition imposed on or an exemption

granted to a licensee by the Commission would be detrimental to the interest of the licensee, the Commission may waive the inclusion of such condition or exemption.

(3) The register may be kept in such format as the Commission deems fit and shall be maintained to permit inspection by the public.

17. The Commission may determine fees to be imposed in the performance of its functions or powers.

Power to determine fees.

PART V

Financial Provisions, Accounts and Reports

18. The revenues of the Commission shall consist of the following-

Revenues of the Commission.

- (a) all sums collected by the Commission as fees or charges under the authority of this or any other Act or Regulations made thereunder;
- (b) annual fees payable by the FS Practitioners; and
- (c) all other sums which may in any manner become payable to or vested in the Commission.

19.-(1) All sums referred to in section 18 shall be paid into and placed to the credit of an account of the Commission (hereinafter referred to as the "General Fund") to be maintained in the name of the Commission at a bank approved by the Commission.

Establishment of General Fund.

(2) All expenses incurred or payable by the Commission pursuant to this Act or any Regulations made hereunder shall be paid out of the General Fund and all disbursements therefrom shall be in accordance with accounting regulations which may be made by the Commission from time to time.

(3) The Commission shall be responsible for the management of the General Fund.

Temporary investment of funds.

20.—(1) The Commission may, from time to time, invest any of its funds not immediately required to be expended in meeting its obligations or discharging its functions under this Act, in securities issued by the Government of Belize or by any company in which the Government of Belize has a direct ownership interest of thirty per centum or more, other securities issued by the Central Bank of Belize, other bank deposits, or any other short term securities or financial instruments, as determined by the Commission from time to time, having an investment grade credit rating.

(2) For the purposes of sub-section (1), short term securities and financial instruments includes short term financial investments that can be converted into cash within 5 years, excluding short term securities and financial instruments offered or sold by a licensee of the Commission.

(3) All interest from such investments shall be paid to the credit of the General Fund as provided in section 19 of this Act.

Power to borrow.

21.—(1) Subject to this Act, the Commission may borrow such sums and raise loans from the Government or any other source as it may require for meeting its obligations and discharging its functions and for the purposes of meeting expenditure of a capital nature.

(2) Without prejudice to the generality of sub-section (1), the power of the Commission to borrow under this section shall not be exercised unless a proposal in writing showing—

(a) the amount and particulars of the proposed loan;

(b) the rate of interest to be paid on the loan;

- (c) the source or sources from which the loan is to be obtained;
- (d) the purposes to which the money proposed to be borrowed is to be applied; and
- (e) the manner in which the loan is to be repaid,

is first submitted to the Minister and the Minister may within five days make comments or object to the borrowing or loan.

22.—(1) The Commission shall keep proper books of account of its income and other receipts and expenditures during each financial year and shall also cause a statement of its accounts for each financial year to be prepared within three months after the end of that year in a form which conforms to the best commercial and accounting standards.

Accounts and audits.

(2) The accounts of the Commission for each financial year shall be audited and certified by an auditor to be appointed annually by the Commission.

(3) The auditor of the Commission shall be a person entitled to practice in Belize under the provisions of the Accountancy Profession Act.

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(4) The auditor shall, with reference to the accounts of the Commission, include in the report—

- (a) whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purposes of the audit;
- (b) whether, in his opinion, proper books of account have been kept by the Commission;
- (c) whether the Commission's balance sheet and accounts dealt with by the report agree with the books of account;

- (d) whether in his opinion and to the best of his information and according to the explanations given to him, the said accounts give a true and fair view, in the case of the balance sheet of the Commission's finances as at the end of the financial year and in the case of the income and expenditure account, of the surplus or deficit for that financial year; and
- (e) whether in his opinion the Commission has discharged with diligence its obligations in relation to the collection of its revenues.

(5) Within three months after the end of the audit of its accounts for any financial year, the Commission shall prepare and submit to the Minister a written report of its operations for that year together with a copy of the audited accounts for that year and the Minister shall lay a copy of such report and of the audited accounts on the table of the House of Representatives at the earliest possible opportunity.

PART VI

Licensing of Financial Services Practitioners

Licences for financial services and managing services.

23.—(1) Notwithstanding any other Act, rule, regulation, or law to the contrary—

- (a) no person shall provide the business of financial service provider, registered agent or managing services in or from within Belize unless that person holds a valid licence granted by the Commission under this Act;
- (b) no person shall provide the business of financial service provider, registered agent or managing services unless that person has established a physical presence in Belize consistent with

substantial economic presence as set out in the Economic Substance Act.

(2) Any person who contravenes sub-section (1) commits an offence and shall be liable on indictment, if the offender is a natural person, to a fine not exceeding one hundred thousand dollars, or to imprisonment for a term not exceeding one year, or to both such fine and imprisonment; and if the offender is other than a natural person, to a fine not exceeding two hundred thousand dollars.

(3) Where any person is convicted of an offence under this Act and such offence is a continuing offence, the offender shall be liable, in addition to the penalty prescribed above, to an additional fine of one thousand dollars for every day for which the offence continues.

(4) Where any offence under this Act committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any connected person of the body corporate, such connected person shall be deemed to have committed an offence against this Act and shall be liable to be proceeded against and punished accordingly in addition to or together with the body corporate.

(5) Applications for a licence to provide the business of financial service provider, registered agent or managing services shall be made in the first instance to the Commission and accompanied by such fee and documents as may be prescribed by the Commission by regulations made under this Act.

(6) The Commission may, by regulations, prescribe qualifications and requirements required for persons who may be licensed to provide the business of financial service provider, registered agent or managing services.

(7) Subject to sub-section (13), the period of validity of every licence granted to provide the business of financial

service provider, registered agent or managing services may be up to a period not exceeding 3 years commencing 1st January of the year in which it is issued and shall be subject to renewal.

(8) Every licence granted under this section—

- (a) shall state the duration of a licence;
- (b) may be for a fixed period not exceeding 3 years;
- (c) stands revoked if the holder of the licence ceases to be a person eligible under this Act to apply for the licence;
- (d) if issued for a fixed period may be renewed periodically in accordance with sub-section (9);
- (e) may be varied in accordance with sub-section (10); or
- (f) may be requested by the Commission for the reasons stated in sub-section (11).

(9) For the purposes of sub-section (8)(d)—

- (a) an application for a renewal shall be made in writing to the Commission in the first instance and must be accompanied by the prescribed fee;
- (b) if the Commission is satisfied that the applicant continues to meet the requirements for the issue of a licence, the Commission shall renew the licence;

- (c) if an application for the renewal of a licence has been made prior to the annual renewal date but has not been dealt with by the Commission when the licence is due to expire, the licence continues in force until the application for renewal is dealt with and any renewal in such a case shall be taken to have commenced from the day when the licence would have expired but for the renewal.

(10) For the purposes of sub-section (8)(e)–

- (a) the Commission, having informed the licensee of its intended course of action and having offered them reasonable opportunity to be heard or to make written representations, may at any time–

- (i) vary the duration of the licence;
- (ii) attach conditions to the licence; or
- (iii) vary, add to, or remove terms, conditions, or limitations of the licence;

- (b) if the Commission considers that the licence ought to be amended, it shall give the licensee a written notice of show cause which–

- (i) sets out the proposed amendment;
- (ii) states the reasons for the proposed amendment;
- (iii) invites the licensee to show cause within twenty-one days why the licence should not be amended;

- (c) the Commission may amend the licence if, after considering all representations made within twenty-one days, it considers that the licence must be amended either as suggested in the show cause notice or in any other appropriate manner;
 - (d) if the Commission decides to amend the licence, the Commission shall give the licensee a written notice stating–
 - (i) how the licence has been amended; and
 - (ii) that the licensee of the licence may appeal to the Appeal Panel within twenty-one days;
 - (e) despite paragraphs (b), (c) and (d), the Commission may amend a licence by written notice to the licensee without proceeding under those sub-sections if the licence is amended only–
 - (i) for a formal or clerical reason;
 - (ii) in a manner that does not adversely affect the interests of the licensee; or
 - (iii) at the licensee's request.
- (11) For the purposes of sub-section (8)(f)–
- (a) the Commission may, by written notice, require the licensee to return the licence to the Commission within fourteen days to enable the Commission to alter the licence to show an amendment to it;

- (b) the licensee shall comply with a notice under this section unless he has a reasonable excuse, failing which he may be subject to the prescribed punishment for professional misconduct; and
- (c) the amendment of a licence under sub-section (8)(e) does not depend on the alteration of the licence under this section.

(12) The Commission's authority to undertake a review for fit and proper as well as for compliance shall not be affected by the grant of licence for a period of three years.

(13) The Commission may, for good and proper cause and after giving the licensee an opportunity to make representations, revoke a licence granted under this Act.

(14) Any person who is aggrieved by the decision of the Commission to grant, refuse, amend, or revoke a licence, may, within twenty-one days, apply to the Appeal Panel for a review.

(15) Every person who, at the commencement of this Act, provides, carries on or transacts any of the financial services shall, if he intends to continue to do so, apply to the Commission and obtain a licence within one month of such commencement, failing which he commits an offence under sub-sections (1) and (2).

(16) For the purposes of this section, every company or other entity incorporated and existing under the Laws of Belize shall, if providing, carrying on or transacting any of the financial services anywhere outside Belize, be deemed to be providing such services from within Belize and shall establish a physical presence in Belize consistent with substantial economic presence as set out in the Economic Substance Act.

Disqualification from licensing.

24. A person is disqualified to be licensed under this Act if such person—

- (a) is bankrupt or has made arrangement with the person's creditors;
- (b) is or has been prohibited from being a director by an entity having authority to licence, register or regulate the person whether in Belize or abroad;
- (c) is convicted or has been convicted of an offence under the provisions of any laws relating to the regulation of financial services whether in Belize or abroad, or under the Money Laundering and Terrorism (Prevention) Act;
- (d) is a person whose licence or registration has been revoked for cause by an entity having authority to licence, register or regulate the person whether in Belize or abroad; or
- (e) being a legal entity, has a controlling interest, director or senior manager who is disqualified under paragraphs (a) to (d).

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Right of applicant to be heard or make submission if refusal is under contemplation.

25.—(1) Where the Commission is considering the refusal of an application for a licence or the grant of a licence subject to the attachment of a term, limitation or condition that is adverse to the applicant or is inconsistent with the terms of the application, the Commission shall inform the applicant accordingly and must also inform the applicant that the applicant has a right to be heard or to make written representations to the Commission before the Commission makes a decision on the application.

(2) Oral or written representations under this Act shall be made by the applicant within thirty days of the date of being informed under sub-section (1).

(3) The Commission shall have regard to any representations made by the applicant before making its decision.

26.—(1) Where an application for a licence is refused, no further application may be made within the period of one year beginning with the date when the applicant is notified of the refusal.

Restriction on request to further apply following refusal of application.

(2) Sub-section (1) shall have effect, where an appeal pursuant to section 23(14) is determined or abandoned, as if the reference to the date when the applicant is notified of the refusal was a reference to the date on which the appeal is determined or abandoned.

(3) Where the licence is revoked under section 23(13), no application for a licence shall be made within the period of five years beginning with the date of revocation.

(4) Sub-section (3) shall have effect, where an appeal pursuant to section 23(14) is determined or abandoned, as if the reference to the date of revocation was a reference to the date on which the appeal is determined or abandoned.

27.—(1) The following shall be the standard terms, conditions, or limitations of every licence issued under this Act in respect of a licence to provide the business of financial services—

Terms, conditions and limitations.

- (a) to adhere to the Act and regulations;
- (b) to adhere to the Money Laundering and Terrorism (Prevention) Act;
- (c) to provide the business of financial service provider, registered agent or managing services within the scope and nature of activities for which the licence relates;

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- (d) to take reasonable steps to ensure that any broker, introducer, or white label business has the required authorisations, licences, or registrations for the jurisdictions it operates in;
- (e) to have systems and procedures to maintain relevant records pertaining to the business of financial service provider, registered agent or managing services and provide the Commission with the records required to monitor effectiveness;
- (f) where applicable, to provide the financial service provider, registered agent or managing agent with reports, communications, and other documents to enable it to properly discharge its record-keeping requirements;
- (g) to have adequate and effective systems, policies, processes, and controls to ensure compliance with obligations;
- (h) to notify or request approval of the Commission of material changes to the governance and compliance arrangements as soon as practicable;
- (i) to always remain fit and proper during which the licence remains valid; and
- (j) to comply with the prescribed regulatory capital requirement, which may include a requirement for indemnity insurance.

(2) The following shall be the terms, conditions, or limitations of every licence issued under this Act in respect of a licence to provide managing services—

- (a) to adhere to any code of conduct established by the Commission;
- (b) to adhere to the Act and regulations;
- (c) to ensure that prior approval of the Commission is obtained for the senior executive officers appointed for governance and management to take on additional services in respect of FS practitioners;
- (d) to be always solvent;
- (e) to ensure adequate financial resources, specifically that—
 - (i) cash flow forecasts are valid, updated and approved by the members, Board of Directors, or partners;
 - (ii) if opening cash balance is less than forecasts, examine whether this affects the ability to comply with financial resource requirement and take necessary corrective actions;
 - (iii) the managing agent is able to meet its cash requirements; and
- (f) to comply with the prescribed regulatory capital requirement, which may include a requirement for indemnity insurance in addition to the terms and conditions as expressed in sub-section (1).

(3) The Commission may attach terms, conditions, and limitations, including that of meeting substantial economic presence in accordance with the Economic Substance Act, to a licence to provide the business of financial service provider,

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registered agent or managing services additional to those provided for in this section but not in a manner inconsistent with the Act or the regulations.

(4) Any additional terms, conditions or limitations attached to a licence by the Commission under sub-section (3) shall be set out in the licence.

Publication
of issued
and revoked
licences.

28. The Commission shall publish on the Commission's website, a notice of-

(a) every licence issued under this Act; and

(b) every licence that has been suspended or revoked.

Restriction
on publishing
licence.

29.-(1) A licensee shall not publish or cause to be published a copy or facsimile of the licence issued under this Act on its website or other electronic medium except for the licence or registration number associated with the licence.

(2) A licensee that contravenes sub-section (1) commits an offence and is liable to an administrative penalty in accordance with section 53.

Suspension for
the purpose of
investigation.

30.-(1) Notwithstanding section 23(13) or any other provision of this Act or any other law or any action the Commission may take, where a licensee fails to comply with any requirement made by the Commission, the Commission may suspend any licence which it has issued, for the purpose of conducting any investigation into the activities of any licensee, or any extension thereof, to be determined upon its discretion.

(2) Where the Commission suspends a licence under sub-section (1), such suspension shall not exceed a period of fifteen days at any one time unless extended by the Commission for a further period not exceeding fifteen days.

(3) Notwithstanding sub-section (2), the Commission may apply to the court for an order extending any period of suspension on the grounds that it is in the public interest to do so, which order shall specify the duration of such period of further suspension.

(4) The Commission shall issue a written notice to a licensee setting out—

- (a) the reason for the suspension;
- (b) the duration of the suspension; and
- (c) how the scope of the licensee's business may be restricted during the suspension.

(5) During the period of any suspension, the Commission may direct the licensee to remediate any matters which led to the suspension and the licensee shall immediately comply with the directions of the Commission.

(6) Any suspension made under this section shall not limit or restrict the Commission in taking any further enforcement action against a licensee.

31.—(1) The Commission may revoke a licence issued under the provisions of this Act where the Commission is satisfied that the licensee—

- (a) is no longer qualified to be a licensee or its continuing operation is not in the public interest;
- (b) having had its licence suspended pursuant to section 30, has failed to comply with the Commission's directives within the required period;

Revocation.

- (c) is not functionally able to commence operations providing financial services;
- (d) has not begun operations as a financial service provider, registered agent or managing agent within ninety days after being licensed;
- (e) has been licensed based on false or misleading representation or information;
- (f) has ceased to provide financial services or managing services consistent with its licence;
- (g) is insolvent or bankrupt;
- (h) has resolved to enter into voluntary liquidation or dissolution;
- (i) has failed to acquire or maintain minimum regulatory capital requirements;
- (j) has failed to acquire indemnity insurance or maintain indemnity insurance; or
- (k) has failed to meet any conditions imposed by the Commission for continued licensing.

(2) Upon the revocation of a licence issued under the provisions of this Act, the Commission shall notify any relevant licensing or regulatory authority.

Automatic
revocation.

32.—(1) Notwithstanding section 31, the Commission shall automatically revoke a licence where a licensee fails to—

- (a) renew its licence prior to the annual renewal date and the licensee shall pay an automatic penalty of ten percent of the prescribed annual fee to the Commission, which penalty shall not be set off against the prescribed fee;

- (b) where applicable, submit a current copy of the licensee's indemnity insurance policy to the Commission; or
- (c) pay the prescribed annual fee for more than thirty days after the annual renewal date.

(2) Where a licence has been revoked pursuant to sub-section (1), the Commission may restore the licence if, within thirty days of the revocation date, the licensee—

- (a) applies to the Commission for restoration;
- (b) pays an administrative penalty of twenty percent of the annual fee due; and
- (c) pays the outstanding annual fee.

33.-(1) Where—

Surrender of
licence.

- (a) the Commission has issued a notice pursuant to section 30(4) without objection from a licensee; or
- (b) a licensee has voluntarily surrendered its license,

the licensee shall, within seven days of receiving the Commission's revocation notice or submitting its written notice of surrender, prepare and submit a written plan to the Commission setting out the steps the licensee will follow to cease operations as a financial service provider.

(2) The plan required under sub-section (1) shall stipulate and provide the details with respect to—

- (a) the identity of the individual who will manage the licensee's cessation of business operations;

- (b) the length of time required to cease business operations;
- (c) the manner in which client files will be closed and secured;
- (d) client notification procedures;
- (e) client transfer procedures where applicable; and
- (f) where applicable, the return of any client funds held by the licensee.

(3) Upon the Commission's approval of a plan submitted by the licensee, the Commission—

- (a) shall supervise the execution of the plan; and
- (b) may give directions to the licensee to protect the interest of clients, with which such directions the licensee shall comply.

PART VII

Conduct of business and duties of Financial Service Practitioners

General duty to comply and cooperate.

34.—(1) A licensee shall comply with the provisions of this Act concerning the conduct of its business and shall—

- (a) deal openly, honestly, and cooperatively with the Commission;
- (b) provide to the Commission, as duly required, information relevant to its operations; and
- (c) submit to on-site or off-site examinations, inspection, or investigation, as required by the Commission, in the exercise of its functions.

(2) Every licensee shall, in the conduct of its business, comply with any rules, guidelines or directives made and issued by the Commission and such compliance shall be considered as a part of the minimum criteria for licensing.

(3) Any licensee, or any of its employees, managers, officers, or other connected person, who—

- (a) fails to cooperate with; or
- (b) obstructs or assaults any person appointed by or acting on behalf of the Commission in the conduct of an examination, inspection, or investigation of the licensee,

commits an offence.

(4) For the purposes of sub-section (3), it shall not be relevant whether the employee, manager, officer or connected person was acting on the specific instruction of any individual having control of or responsibility for the management or operation of the licensee.

35.—(1) Where an FS practitioner deals with a managing agent, the FS practitioner and the managing agent shall have a written contractual relationship (hereinafter referred to as the “Service Agreement”) requiring the managing agent to assist with the following—

**Duty of
managing
agent.**

- (a) fulfilling of substantial economic presence required of the FS practitioner;
- (b) maintaining of principal corporate records and other records prescribed by regulations;
- (c) providing assistance in any annual audits of financial statements of the FS practitioner;
- (d) ensuring that operations of the FS practitioner are in compliance with the laws of Belize;

- (e) meeting the records and record-keeping requirements;
- (f) facilitating the inspection of records by the FS practitioner or by any person authorised for inspection purposes;
- (g) employing senior executive officers who meet the prescribed qualifications to undertake duties on behalf of the managing agent; and
- (h) any other terms and conditions of service, including remuneration and other consideration, confidentiality, amendment, termination, resignation, and indemnification agreed upon by the FS practitioner and the managing agent.

(2) The managing agent shall be responsible for the requirements specified in this section with respect to substantial economic presence where the Service Agreement expressly states the responsibility of the managing agent.

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(3) Where an FS Practitioner relies on a managing agent to assist in undertaking its obligations under the Economic Substance Act, the FS Practitioner shall maintain ultimate responsibility for fulfilling its obligations with respect to substantial economic presence.

Duty to
maintain
professional
conduct.

36. In addition to complying with any prescribed requirements, every licensee shall in conducting its business activities—

- (a) act honestly and fairly;
- (b) act with due skill, care, and diligence;
- (c) observe and maintain a high standard of professional conduct; and

- (d) refrain from engaging in any improper or illegal conduct.

37. Where a change occurs in the particulars of a licensee as set out in the application for the licence, the licensee shall immediately notify the Commission upon the occurrence of any change of-

Duty to notify changes relating to registration.

- (a) address for service;
- (b) contact information, including email address, phone contact, or registered and postal addresses;
- (c) principal place of business;
- (d) insurance coverage;
- (e) attorneys and corporate officers; or
- (f) registered office or registered agent.

38. Each licensee shall obtain the written approval of the Commission prior to-

Duty to obtain approval for certain changes.

- (a) merging with another licensee or other entity;
- (b) issuing, transferring, or otherwise disposing of shares in a company or partnership licensed under this Act;
- (c) appointing any director of a company licensed under this Act;
- (d) adding to or reducing the shareholders of a company licensed under this Act; or
- (e) making any change to auditors.

Duty to maintain adequate financial resources and solvency.

39.–(1) Every licensee shall–

- (a) maintain and be able to demonstrate adequate financial resources for the nature and scope of its operations; and
- (b) maintain solvency and be able to meet the risks of its operations.

(2) Every licensee shall maintain regulatory capital as may be prescribed, which regulatory capital may include a requirement for indemnity insurance.

Indemnity insurance.

40.–(1) Except where specifically exempted, every licensee shall secure and maintain adequate insurance coverage in an amount appropriate to the activities, scale, and complexity of its business operations to cover at least professional indemnity.

(2) Every licensee shall review, on an annual basis, the amount and type of insurance held and ensure that such coverage continues to be sufficient to cover the insurable risks of its business.

(3) The Commission shall not renew a licence of any licensee where it considers that the amount or extent of the licensee’s coverage is inadequate.

(4) The Commission may require every licensee to amend its insurance coverage.

Annual audits.

41.–(1) Unless otherwise exempted, the Commission may require a licensee to appoint an auditor who shall make an examination, inspection, or investigation, in accordance with generally accepted auditing standards, of the licensee’s annual financial statements.

(2) A licensee to whom sub-section (1) applies shall submit its audited financial statements and any other requested

financial records annually to the Commission within three months after the close of its financial year.

(3) The Commission may by regulations exempt a licensee from the requirement to comply with sub-section (1) where it is of the opinion that it would not be practical for that licensee to comply with that sub-section.

42.-(1) Where, during an audit, an auditor of a licensee becomes aware of any matter which gives the auditor reasonable grounds to believe that-

Duties of auditors.

- (a) there has been a material adverse change in the risks inherent in the business of the licensee with the potential to jeopardise the ability of the licensee to continue as a growing concern;
- (b) the licensee may be in contravention of this Act, any regulations made under this Act, any guidelines or directions issued by the Commission;
- (c) a financial crime has been, is being or is likely to be committed;
- (d) serious irregularities have occurred; or
- (e) there has been non-compliance with the laws of Belize,

the auditor shall report such matter in writing to the Commission.

(2) Notwithstanding any other enactment, no duty to which an auditor of a licensee may be subject shall be regarded as breached by reason of his communicating in good faith to the Commission any information under sub-section (1).

43.-(1) A licensee shall produce its licence on demand by an officer of the Commission.

Documents and records to be produced on demand.

(2) An officer of the Commission shall have power to do all things necessary for verification of compliance with this Act, regulations, and other laws during an onsite inspection of a licensee.

Compliance
function.

44.—(1) A licensee shall establish and maintain adequate systems and controls for ensuring its compliance with the requirements of, and its obligations under—

- (a) this Act and any other relevant enactment applicable to a licensee; and
- (b) rules, guidelines, orders, directives, notices, and bulletins issued by the Commission from time to time.

(2) Without limiting sub-section (1), a licensee shall establish and maintain a compliance procedures manual complying with such requirements as may be specified by the Commission.

(3) A licensee shall appoint an individual approved by the Commission as its compliance officer to have responsibility for overseeing the licensee's compliance function, as specified in sub-section (1), and for—

- (a) reporting to the Commission in such manner and with such frequency as may be specified in the Regulations; and
- (b) reporting to the directors of the licensee; and
- (c) acting as the liaison between the licensee and the Commission,

with respect to the licensee's compliance function.

(4) The Commission shall not approve an individual as a licensee's compliance officer unless it is satisfied that he satisfies the Commission's fit and proper criteria.

(5) Where the Commission approves an individual as a licensee's compliance officer, the individual shall, for the purposes of a relevant financial services legislation applicable to the licensee, be deemed to be a senior officer.

(6) Without limiting sub-section (3), the compliance officer of a licensee shall have responsibility for—

- (a) establishing and maintaining a program for training the staff and other officers of the licensee concerning the licensee's compliance function, and their individual responsibilities with respect thereto; and
- (b) overseeing the implementation of the compliance procedures manual.

(7) The Commission may, by regulations, set out provisions with respect to the compliance function and with respect to the responsibilities of compliance officers.

(8) Without limiting sub-section (6), the regulations may specify or provide for—

- (a) requirements for the systems and controls to be established and maintained by a licensee under subsection (1), including requirements for the establishment and maintenance of one or more compliance procedures manuals;
- (b) persons who may, or who may not, be appointed by a licensee to oversee its compliance function under sub-section (3);
- (c) the requirements for the person appointed under sub-section (3) to report to the directors of the licensee, including the manner and frequency of such reporting; and

- (d) the requirements for the person appointed under subsection (3) to report to the Commission, including the manner and frequency of such reporting.

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(9) A person appointed by a licensee as its money laundering compliance officer for the purposes of the Money Laundering and Terrorism (Prevention) Act may, with the approval of the Commission, be approved as the licensee's compliance officer under sub-section (3).

(10) For the purposes of approval by the Commission or appointment by a licensee of a compliance officer under this section, the compliance officer shall not be treated as a licensee or as holding a licence.

Corporate
Compliance.

45.—(1) Subject to section 44(1) and this section, the Commission may, upon receipt of an application in writing, approve a body corporate (hereafter referred to as “the applicant”) to undertake the duty of providing compliance function services for and on behalf of a licensee.

(2) No licensee shall engage the compliance function services of an applicant, unless—

- (a) the licensee has applied in writing identifying a senior officer within the licensee who shall have responsibility for overseeing the compliance function of the licensee;
- (b) the senior officer is approved by the Commission as the person responsible for overseeing the licensee's compliance function; and
- (c) the licensee has paid the prescribed fee.

(3) An application received under sub-section (1) shall only be considered and approved by the Commission if the

Commission is satisfied that the following requirements have been met or will be met after the applicant is granted approval—

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- (a) the applicant is incorporated under the Belize Companies Act and has not been struck off or dissolved;
- (b) the applicant is physically resident in and carrying out its business within Belize;
- (c) all the applicant's employees are always physically resident in Belize;
- (d) the applicant has provided a written undertaking indicating that it will not assign or deploy any of its employees to perform compliance functions for and on behalf of a licensee unless such employees have been—
 - (i) approved by the Commission for appointment as compliance officers in accordance with section 44(3); and
 - (ii) appointed formally by the licensee in relation to which the Commission gave its approval;
- (e) the applicant's primary responsibility is to provide compliance function services to licensees that are based and carrying on business in or from within Belize;
- (f) the applicant has, or will have within 180 days and before commencement of business, the relevant number of employees considered by the Commission to be qualified to perform compliance officer duties, having regard to

the number, nature, size, and complexity of licensees the applicant intends to provide compliance function services to;

- (g) the applicant understands the type, nature, and complexity of the business of the licensees which the applicant intends to provide compliance function services to;
- (h) the applicant has paid the prescribed fee; and
- (i) the Commission does not consider it to be against the public interest to grant approval.

(4) Where the Commission is not satisfied that one or more of the requirements outlined in sub-section (3) has been met or will, if granted approval, be met, it may refuse to approve the application received pursuant to sub-section (1).

(5) Where an applicant, after receiving approval under sub-section (1), becomes aware that it no longer satisfies any of the requirements of sub-section (3), it shall immediately notify the Commission of that fact, indicating whether it expects to satisfy the requirement concerned and, if so, within what time frame.

(6) Where the Commission receives a notification under subsection (5) or on its own motion discovers that an applicant no longer satisfies any requirement of sub-section (3), it may—

- (a) direct the applicant to remedy the requirement that is no longer satisfied within such period as the Commission considers fit, in which case the applicant's employees performing compliance functions for and on behalf of a licensee shall cease performing such functions

within the period specified by the Commission or, if granted an extension under sub-section (7), within the period of extension; or

(b) withdraw the approval given to the applicant under sub-section (1) and direct—

(i) the applicant to cease providing compliance function services to licensees; and

(ii) the applicant's compliance officers to cease performing compliance functions for and on behalf of licensees.

(7) The Commission may, for the purposes of sub-section (6)(a), grant an extension of not more than 30 days, whether in aggregate or otherwise, to an applicant to remedy a requirement that it no longer satisfies.

(8) Where an applicant fails to comply with a directive under sub-section (6)(a) within the period specified or within the period of extension granted under sub-section (7), if applicable, the Commission shall withdraw its approval of the applicant pursuant to sub-section (6)(b).

(9) Where the Commission withdraws an approval given to an applicant under sub-section (1), every employee of the applicant that had been approved for appointment as a compliance officer under section 44(3) whose appointment is subsisting on the date of withdrawal of approval shall, subject to sub-section (10), cease to function as a compliance officer.

(10) Sub-section (9) is without prejudice to a compliance officer in the employment of the applicant applying to the Commission to be independently considered and approved to continue serving as the compliance officer of a licensee.

(11) An employee of an applicant that is approved for appointment as a compliance officer of a licensee shall not perform compliance functions for and on behalf of a licensee other than the licensee for which he or she has been approved and appointed, unless the Commission approves otherwise.

(12) Nothing contained in this section shall be construed as absolving an employee of an applicant appointed as a compliance officer of a licensee from liability for any compliance failures or breaches attributable to a compliance officer under this Act, the Regulations or other enactment, or in relation to the licensee.

(13) The Commission may, by Regulations—

- (a) provide additional requirements in relation to the approval by the Commission of an application made under this section; and
- (b) require applicants under this section to provide such reports, including annual reports, to the Commission regarding the performance of their duties or other matters concerning the compliance officers in their employment as the Commission considers fit.

(14) For the purposes of sub-sections (1), (2), 3(e), (f) and (g) and (6)(b)(i), compliance services mean the provision by an applicant of compliance officers approved by the Commission to a licensee to perform compliance functions for and on behalf of the licensee.

PART VIII

Commission's power to restrain, enter, inspect, etc.

Commission's
power to
restrain.

46.—(1) Notwithstanding any action which may be taken by the Commission to suspend or revoke a licence, or impose an administrative penalty or sanction, the Commission may

by written notice, for the purpose of any investigation being carried out by the Commission or for the protection of the public interest, order—

- (a) any person having on deposit, under control or for safekeeping, any sums or property reasonably believed to be the proceeds of unlicensed activity to cease dealing with such funds or property for a period not to exceed five days; and
- (b) any licensee to cease operations for a prescribed period as determined by the Commission and such period shall not exceed ten days at any one time.

(2) The Commission may apply by *ex parte* application to the court for an extension of the periods specified under sub-sections 1(a) and (b).

(3) Any person aggrieved by the action taken by the Commission under sub-section (1), may apply to a judge in chambers for an *inter partes* hearing to discharge the Commission's order.

47.—(1) The Commission, or a person authorized by the Commission, may enter the premises of any licensee at a reasonable time for the purpose of conducting any examination, inspection, or investigation into the activities of a licensee.

Power of entry.

(2) Where the Commission or an agent appointed by the Commission is conducting an examination, inspection or investigation, the Commission or its agent shall be entitled to—

- (a) search the premises and take possession of any documents or material appearing to be

such documents or material relevant to the inspection or investigation;

- (b) take any necessary steps for the preservation of the relevant documents or material; and
- (c) take copies or extracts from the relevant documents or material.

(3) A person authorized by the Commission to conduct an examination, inspection, or investigation into the activities of a licensee shall produce, upon demand, identification duly issued by the Commission.

Power of inspection.

48.—(1) The Commission, or a person authorized by the Commission, shall carry out examinations, inspections, or investigations for the purposes of ascertaining whether any person—

- (a) is carrying-on any activity requiring a licence under this Act or any other Act that the Commission administers;
- (b) is representing or has represented that the person is in the business of providing or holding oneself out as providing all or any of the services, listed in the Schedule in breach of section 23;
- (c) is complying with the provisions of this Act, any other Act that the Commission administers, the Money Laundering and Terrorism (Prevention) Act and Regulations made thereunder, or any other relevant Act;
- (d) is qualified or has been qualified to be licensed in accordance with section 23;

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- (e) has made a false or misleading representation or omission with respect to an application made pursuant to section 23; or
- (f) has breached any order made or directive issued, or condition imposed by the Commission.

(2) With respect to sub-section(1), the Commission or a person authorized by the Commission shall be entitled at any time to conduct on- site examinations or inspections or off-site surveillance of the business of a licensee.

(3) During the course of an examination, inspection, or investigation, the Commission or a person authorized by the Commission may require a licensee to—

- (a) produce any books, records, and other documents that the licensee is required to maintain;
- (b) supply such information or explanation as may be reasonably required by the Commission; and
- (c) produce relevant documents within the person's possession or control for the purpose of ascertaining whether any information provided by such person is correct.

(4) Where the Commission deems it necessary, it may appoint an agent at the expense of the licensee to conduct an inspection or investigation.

49.—(1) The Commission shall have power to investigate the activities of a licensee, or any other person purporting to offer financial services as defined by this Act, for compliance with the provisions of this Act or any other relevant Act.

**Power of
Investigation.**

(2) The Commission shall commence an investigation by issuing written notice of the investigation to the subject of the investigation, or any other connected person and such notice shall also direct the subject to—

- (a) provide, at such time and place as may be specified in the notice, such information as the Commission requires for the purpose of the investigation;
- (b) produce, at such time and place as may be specified in the notice, such documents or material as the Commission requires for the purpose of conducting such investigation; or
- (c) attend, at such time and place as may be specified in the notice, and answer questions relevant to the investigation.

(3) For the purposes of sub-section (2), the Commission shall be entitled to—

- (a) specify the form in which the documents shall be provided;
- (b) specify the date by which the documents shall be provided;
- (c) specify whether the documents shall be verified by the production of original documents or certified copies of original documents;
- (d) inspect and take copies of relevant documents; and
- (e) take possession of and retain relevant documents for a specified period.

50.—(1) The Commission may, by written notice served on a licensee, require such licensee to produce, within such time and at such place as may be specified in the notice, information or documents of such description, being such information or documents as the Commission may require for the performance of its functions and exercise of its powers under this Act.

Power to
require
provision of
information
etc.

(2) The power to require the production of specified documents from a licensee shall include the power to require the person to—

- (a) produce documents; or
- (b) to state who has custody or control of documents,

and where such documents are not produced, to certify where the documents are or who has custody or control of the documents to the best of his knowledge, information, and belief.

(3) A notice under sub-section (1) shall have effect notwithstanding any obligation as to confidentiality or non-disclosure imposed by any law or any requirement as imposed thereunder, any rule of law, any contract, or any rule of professional conduct.

(4) Notwithstanding sub-section (3), a person shall not be required to disclose information or to produce a document which he would be entitled to refuse to disclose or to produce on the grounds of legal professional privilege in court proceedings, where such privilege arises from—

- (a) the giving of legal advice to a client, or the client's representative by a legal advisor;
- (b) communications between a person, or a representative of such person, seeking legal advice from the legal advisor; or

- (c) communications from any person in contemplation of, or in connection with, legal proceedings for the purpose of those proceedings.

(5) A person required to provide any information or explanation, or to produce any document with respect to a notice under sub-section (1) who—

- (a) without reasonable excuse fails to comply with a notice issued under this section by the Commission;
- (b) provides any information or explanation or produces any document which that person knows to be false, does not believe to be true, or is negligent as to whether the information, explanation or document is false; or
- (c) intentionally suppresses any fact material to such information, explanation, or document,

commits an offence and is liable on indictment to a fine not exceeding one hundred thousand dollars or to imprisonment, or to both such fine and imprisonment, or to a fine not exceeding one thousand dollars for each day or part thereof that the offence continues after conviction.

(6) The provisions of this section shall apply *mutatis mutandis* to the exercise of the Commission's powers of examination, inspection, and investigation under sections 48 and 49.

PART IX

Information Sharing

51. For the purpose of this Part—

Interpretation
of this Part.

“designated third party” includes—

- (a) a person or body responsible for supervising the relevant regulatory authority;
- (b) any authority responsible for carrying out the supervision, investigation or enforcement of laws alleged to have been breached; or
- (c) any authority of the foreign jurisdiction, other than the requesting overseas regulatory authority, exercising a function that corresponds to a regulatory function of the Commission under this Act;

“domestic regulatory authority” means the body or person in Belize that exercises regulatory, supervisory, enforcement or similar functions as the Commission, and includes—

- (a) authorities that regulate or supervise financial intermediaries;
- (b) the Central Bank;
- (c) securities exchanges;
- (d) self-regulatory exchanges;
- (e) law enforcement agencies;
- (f) governmental or regulatory agencies not mentioned in paragraphs (a) to (e); or
- (g) any other authority in Belize as prescribed;

“enforce” means to enforce through criminal, civil, or administrative proceedings;

“material” means any document or information in any form; and

“overseas regulatory authority” means an authority in a jurisdiction outside Belize that exercises similar functions as the Commission and includes a designated third party.

Power to cooperate.

52.—(1) At the request of a domestic regulatory authority, the Commission may exercise its powers under this Act to assist with the performance by the domestic regulatory authority of its functions.

(2) Notwithstanding section 10, the Commission may provide information, documents, or material it has acquired in the exercise of its functions under this Act to any other domestic regulatory authority where the Commission considers such information may be relevant to the functions of such other domestic regulatory authority or as a necessary part of a framework for consolidated supervision, oversight, or regulation of the financial services sector.

(3) The Commission may provide assistance to an overseas regulatory authority where satisfied that—

(a) such assistance may be relevant to the functions of the overseas regulatory authority and is intended to enable such authority to carry out the supervision, investigation, or enforcement to which the request relates;

(b) overseas regulatory authority has given a written undertaking that any material obtained pursuant to its request shall not, except with the approval or consent of the Commission be—

- (i) used for any purpose other than a purpose that is specified at the time of the request; and
 - (ii) disclosed to any third party, other than a designated third party;
- (c) the material requested is of sufficient importance to the carrying out of the supervision, investigation, or enforcement to which the request relates and cannot reasonably be obtained by any other means;
- (d) the matter to which the request relates is of sufficient gravity; and
- (e) the provision of the requested assistance will not be contrary to the national interest of Belize or the interest of the investing public.

(4) The Commission may, in determining whether to provide assistance to an overseas regulatory authority, consider whether the overseas regulatory authority has given or is willing to give an undertaking to the Commission to—

- (a) comply with a future request by the Commission to the overseas regulatory authority for similar assistance; and
- (b) contribute towards the costs of providing the assistance that the overseas regulatory authority has requested.

(5) Pursuant to sub-section (3) and notwithstanding any obligations as to secrecy or restrictions on the disclosure of information by virtue of any written law, any rule of law, any contract or any rule of professional conduct, the

Commission may in relation to a request from an overseas regulatory authority—

- (a) transmit to the overseas regulatory authority any material in the possession of the Commission that is requested by the authority;
- (b) order any person to furnish the Commission with any material that is requested by the overseas regulatory authority, that the Commission may then transmit to that authority;
- (c) order any person to give the Commission assistance in connection with a request made by an overseas regulatory authority; or
- (d) order any person to make an oral statement to the Commission on any information requested by the overseas regulatory authority, record such statement, and transmit the recorded statement to that authority.

(6) A person shall not be required to disclose information or produce a document which that person would be entitled to refuse to disclose or produce on the grounds of legal professional privilege in court proceedings, and the information or documents shall be deemed to be privileged if it was given to the person as a professional legal advisor—

- (a) by, or by a representative of, a client of the advisor in connection with the giving of legal advice to the client;
- (b) by, or by a representative of, a person seeking legal advice from the advisor; or
- (c) by any person—

- (i) in contemplation of, or in connection with, legal proceedings; and
- (ii) for the purpose of those proceedings.

(7) Where a person in possession of any document required to be produced in response to an order made under sub-section (5) claims a lien on the document—

- (a) the requirement to produce the document shall not be affected by the lien;
- (b) no fees shall be payable for or in respect of the production; and
- (c) the production shall be without prejudice to the lien.

(8) No civil or criminal proceedings, except for an offence under sub-section (9) shall lie against any person, who in compliance with an order made under sub-section (4)—

- (a) furnishes the Commission with any information or material in any form, including any document or copy thereof;
- (b) makes a statement to the Commission in good faith; or
- (c) gives assistance to the Commission by doing or omitting to do any act, the doing or omission of the act is done in good faith.

(9) It shall be an offence, punishable on indictment to a fine not exceeding one hundred thousand dollars in the case of natural person or in the case of a company a fine not exceeding two hundred thousand dollars, for any person, in response to an order made under sub-section (5), to—

- (a) without reasonable excuse, refuse or fail to comply with the order;
- (b) knowingly furnish the Commission with any false or misleading information or material in any form, including any document or copy thereof; or
- (c) knowingly make a statement to the Commission that is false or misleading in a material particular.

(10) The Commission may, in the exercise of its cooperative power under this Part, enter into memoranda of understanding with overseas regulatory authorities subject to the following—

- (a) the memoranda of understanding shall be—
 - (i) for the mutual and reciprocal assistance of an overseas regulatory authority, or any designated third party, in carrying out supervision, investigation or enforcement functions;
 - (ii) related to the consolidated supervision with an overseas regulatory authority, or designated third party; or
 - (iii) for the purpose of the Commission's supervision, investigation or enforcement functions under this Act, or any other lawful purpose;
- (b) the scope of the memoranda of understanding shall not exceed the Commission's powers under the provisions of this Part; and

- (c) notice of the memoranda of understanding is issued to the Minister and published on the Commission's website and in the *Gazette*.

PART X

Administrative Penalties

53.—(1) Where the Commission is satisfied that an FS Practitioner or a managing agent, or company has breached this Act or regulations, terms, conditions or limitations, the Commission may, by written notice, impose on the FS Practitioner, managing agent or company, as the case may be, a prescribed penalty which shall not exceed one hundred thousand dollars.

Administrative
penalty and
right of appeal.
2 of 2019.

(2) Whereby this Act, or regulations, directive or guideline given, an FS Practitioner, a managing agent or company is required, by a specified time—

- (a) to take a certain measure or action; or
- (b) to cease a particular activity, behaviour, or practice,

and the Commission is satisfied that the FS Practitioner, managing agent or company, as the case may be, has failed to do so, the Commission may impose on the FS Practitioner, managing agent or company an additional penalty of one thousand dollars for every day or part of a day that the FS Practitioner, managing agent or company fails to take such measure or cease the particular activity, behaviour, or practice.

(3) A penalty under this section shall not be imposed on an FS Practitioner, a managing agent or company unless such person is first given an opportunity to be heard and to show cause as to why the action must not be taken.

(4) Notwithstanding sub-section (1) or any other provision of this Act, the Commission may impose any of the following administrative sanctions on a licensee if satisfied that a FS Practitioner, managing agent or company has breached this Act, regulations, terms, conditions, or limitations–

- (a) issuing a public reprimand;
- (b) prohibiting a licensee from carrying on certain activities or operations;
- (c) temporarily suspending a director or manager;
- (d) imposing conditions or restrictions on a licence;
- (e) an order–
 - (i) requiring that a licensee comply with a directive issued by the Commission;
 - (ii) withdrawing an exemption or waiver;
 - (iii) prohibiting a person from acting as a director, partner, or officer of another person;
 - (iv) prohibiting a person from being appointed as an auditor; requiring a licensee to make changes to its practices and procedures;
 - (v) requiring the removal of a director, officer or other senior manager or general partner;
 - (vi) for restitution;
 - (vii) for disgorgement of profits or unjust enrichment;

- (f) applying to the court for an order to take such action as the Commission considers necessary to protect the interest of clients or creditors of a licensee; or
- (g) imposing any other penalties, sanctions, or remedies as the circumstances of the matter may require.

(5) Where the Commission imposes a sanction pursuant to sub-section (4)–

- (a) the order shall be in writing;
- (b) the order shall specify the breach committed by the licensee and the sanction imposed by the Commission;
- (c) a copy of the order shall be given to the licensee; and
- (d) the order may be enforced in the same manner as an order of the court.

(6) A person who is aggrieved by a decision of the Commission may appeal pursuant to section 54 to the Appeal Panel against the decision.

54.–(1) The notice of an appeal made under section 53(5) shall be made to the Appeal Panel in writing before the end of the period of twenty-one days commencing on the date on which the Commission notifies of its intention to impose an administrative penalty.

Appeal to the
Appeal Panel.

(2) The notice under sub-section (1) shall state the ground of appeal.

(3) The Appeal Panel may assess a penalty in the prescribed amount against an FS practitioner, managing

agent or company if the FS practitioner, managing agent or company makes a representation to the Appeal Panel in the manner set out under this section.

(4) Before assessing a penalty, the Appeal Panel shall require from the Commission, a report–

- (a) setting out the facts and circumstances that, in the Commission's opinion, renders the person liable to a penalty;
- (b) specifying the amount of the penalty that the Commission considers appropriate in the circumstances;
- (c) setting out any additional information including the recommendations considered in the circumstances.

(5) No penalty shall be assessed by the Appeal Panel more than three years after the act or omission that renders the person liable to a penalty first came to the knowledge of the Appeal Panel.

(6) After considering any representations, the Appeal Panel may–

- (a) confirm the penalty imposed by the Commission;
- (b) re-assess and substitute the penalty which the Commission would have power to impose and set a date by which the penalty is to be paid in full; or
- (c) determine that no penalty should be assessed.

(7) The Appeal Panel shall serve a copy of its decision pursuant to sub-section (6) on the person who made the representations.

(8) The Commission may file, in the Court a certificate signed by the Chairperson of the Appeal Panel and setting out—

- (a) the amount of the penalty assessed pursuant to sub-section (6); and
- (b) the person from whom the penalty is to be recovered.

(9) A certificate filed pursuant to this section has the same force and effect as if it were a judgment obtained in the Court for the recovery of a debt in the amount set out in the certificate, together with reasonable costs and charges with respect to its filing.

(10) The Appeal Panel may assess a penalty pursuant to this section notwithstanding that the facts and circumstances giving rise to the penalty arose due to the actions of an employee, helper, contractor, or agent of the FS practitioner, managing agent or company required to pay the penalty.

55. A penalty under this Act shall be paid before the end of the period of thirty days commencing on the date which the penalty is notified or, if an appeal was made, the date specified by the Appeal Panel in accordance with section 54(6)(b).

Enforcement
of
administrative
penalties.
2 of 2019.

PART XI

Financial Services Commission Appeal Panel

56.—(1) There is established a Financial Services Commission Appeal Panel to hear and determine all appeals in respect of any matter which may be referred to the Appeal Panel under this Act.

Establishment
of the
Financial
Services
Commission
Appeal Panel.

(2) The Appeal Panel shall consist of three persons who shall be—

- (a) the Chief Justice or other judge of the High Court nominated by the Chief Justice, who shall be the Chairperson of the Panel; and
 - (b) two persons, appointed by the Minister, who have been awarded degrees or professional qualifications and have a minimum of five years post-graduation experience in law, finance, business, economics, accounting, securities, investment management and have demonstrated substantial knowledge of the securities industry.
- (3) The Minister shall not appoint a person to be a member of the Appeal Panel if that person—
- (a) is bankrupt or has made arrangements with the person's creditors;
 - (b) is incapacitated by physical or mental illness;
 - (c) has been, in Belize or in any other jurisdiction, convicted of a criminal offence, or found liable in a civil or regulatory action for activities involving fraud or dishonesty; or
 - (d) is a serving staff member of the Commission, member of the Commission, any licensee or registrant of the Commission, staff member of a licensee or any person who within the previous five years has had a matter brought before the Appeal Panel.
- (4) The names of all members of the Appeal Panel as first constituted, their terms of office and every change in such membership shall be published in the *Gazette*.

(5) Members of the Appeal Panel shall act honestly, fairly and with integrity.

57.—(1) The Appeal Panel may make rules to regulate its procedure for hearing appeals, provided that such procedure shall comply with rules of natural justice.

Procedure.

(2) In the event of any doubt or dispute arising on any questions of practice and procedure, it may be settled by the Chairperson of the Appeal Panel, whose decision shall be final.

(3) The quorum at any sitting of the Appeal Panel shall be two members, one of whom shall be the Chairperson.

(4) At any meeting of the Appeal Panel, a decision may be taken by a majority of its members, provided that the members constituting the majority shall include the Chairperson.

(5) The decisions of the Appeal Panel may be published in the *Gazette* or via any other medium as determined by the Appeal Panel.

58. A member of the Appeal Panel who has any personal, professional, business, or pecuniary interest in any matter coming before the Appeal Panel shall on each occasion on which the matter comes before the Appeal Panel declare his interest and withdraw from the meeting and take no further part in the proceeding or voting of the Appeal Panel in relation to such matter.

Disclosure of interest.

59. A member of the Appeal Panel appointed by the Minister may resign by giving written notice to the Minister and copied to the Chairperson of the Commission and such resignation shall become effective as of the date indicated in the written notice.

Resignation.

- Termination.** **60.** The Minister may terminate the appointment of a member of the Appeal Panel appointed by him if that member is unable or unfit to discharge his functions.
- Remuneration.** **61.** Members of the Appeal Panel shall be paid an honorarium as the Commission may determine from time to time with the approval of the Minister.

PART XI

Offences and penalties

**Offence of
fraudulent
information.**

62.—(1) Any person who, for the purpose of obtaining a licence under this Act, gives false, untrue, or misleading information or fails to disclose material facts or circumstances commits an offence and shall be liable on indictment to the penalty of—

- (a) in the case of a company, a fine of five hundred thousand dollars;
- (b) in the case of a natural person, a fine of one hundred thousand dollars or to imprisonment for a term not exceeding two years or to both such fine and imprisonment, and in addition, the licence granted to such person may be revoked by the Commission.

(2) Any person who, for any other purpose, gives false, untrue, or misleading information to the Commission commits an offence and is liable on indictment to a fine not exceeding one hundred thousand dollars.

(3) Where the commission by any person of an offence under this section is due to the act or default of some other person, the other persons commit an offence and may be charged with and convicted of the offence whether or not proceedings are taken against the first-mentioned person.

(4) If a company commits an offence under this Act and it is proved that the offence occurred with the consent or connivance of or was attributable to any neglect on the part of, a director, manager, secretary or other similar officer of the body, or any person who was purporting to act in any such capacity, that person, as well as the company, commits the offence.

63.—(1) A person commits an offence if, without reasonable excuse, the person—

**Obstructing
an authorized
person.**

- (a) obstructs an authorized person in the exercise of the authorized person's powers under section 47; or
- (b) fails to provide such reasonable assistance as an authorized person may require when the authorized person is exercising his powers under section 47.

(2) A person who intentionally alters, suppresses or destroys any document that has been specified in a notice of the Commission commits an offence.

(3) A person who contravenes sub-section (1) is liable on indictment to a term of six months imprisonment or to a fine of twenty-five thousand dollars.

(4) A person who contravenes sub-section (2) is liable on indictment to a term of two years imprisonment or to a fine of one hundred thousand dollars.

(5) Where it is established that a person, to which this section applies, acted upon the instruction or direction, or with the complicity of a director, partner, officer, or other person concerned with the management of the company or partnership, such director, partner officer or other person is also liable to be convicted for the relevant offence.

Liability of officers, FS practitioners and managing agent. CAP. 273:01.

64.—(1) If an employee, manager, officer or connected person of a FS practitioner or managing agent, or a person acting or purporting to act on behalf of the FS practitioner or managing agent commits an offence against this Act, the Economic Substance Act or the Belize Companies Act or the Securities Industry Act, for which the FS practitioner or managing agent would have been liable had it been committed by the FS practitioner or managing agent on premises to which the licence relates, the FS practitioner or managing agent is to be taken also to have committed an offence and is liable to the same penalty as is prescribed for the principal offence.

(2) An FS practitioner or managing agent may be proceeded against and convicted under sub-section (1) although the employee, manager, officer or connected person has not been proceeded against or has not been convicted under this Act.

(3) It is not a defence to an offence under the Act or Regulations to show that the FS practitioner or managing agent did not know or could not reasonably have been aware of or have prevented the offence committed by the employee or agent or had taken reasonable steps to prevent the commission of the offence.

Criminal complaint.

65. Where the Commission reasonably suspects that an offence has been committed under this or any other Act dealing with the regulation of financial services in Belize, the Commission may refer the matter to the relevant authority in Belize responsible for the investigation or prosecution of criminal matters.

General offence and penalty.

66.—(1) Any person who contravenes any of the provisions of this Act or incites or attempts to incite a person to contravene any of the provisions of this Act commits an offence.

(2) Any person who contravenes any of the provisions of this Act for which no penalty is specifically provided is

liable on indictment to a fine not exceeding one hundred thousand dollars.

PART XII

Miscellaneous

67. Neither the Minister, the Commission nor any officer or person acting pursuant to any authority conferred by the Minister or the Commission, as the case may be, is liable to any action suit or proceeding for, or in respect of, any act or matter done or omitted to be done in good faith in the exercise or purported exercise of the functions conferred by or under this Act or any Regulations made thereunder.

Protection of members and officers of the Commission from legal process.

68. Service of any process or notice on the Commission may be effected by leaving it at, or sending it by registered post to, the principal office of the Commission.

Service of process.

69. No execution by attachment of property or process in the nature thereof shall be issued against the Commission.

Restriction on execution.

70.—(1) The Commission shall be exempt from the payment of income tax, business tax, property tax, customs duties and all other duties, taxes, rates, charges, and imposts charged or levied by the Government or a local authority.

Exemption from taxes, etc.

(2) All instruments executed by or on behalf of the Commission shall be exempt from stamp duty.

71. No acts done, or proceedings taken under this Act, shall be questioned or invalidated on the grounds of the existence of any vacancy in the membership, or of any defect in the constitution of the Commission, or of any omission, defect, or irregularity.

Validity of Commission's acts.

72.—(1) The Commission's power to disclose information under this Act or regulations made in regard to substantial

Confidentiality.

economic presence has effect despite any obligation as to confidentiality or other restriction on the disclosure of information imposed by any other law, contract or otherwise.

(2) The disclosure of information under this Act or any Regulation does not contravene—

- (a) any obligation of confidentiality in relation to the information so disclosed; or
- (b) any other restriction on the access to or disclosure of the information so accessed.

Certificate of good standing.

73.—(1) The Commission shall, upon request by any person, issue a certificate of good standing under its hand and seal certifying that an FS practitioner or managing agent licensed under this Act is of good standing if the Commission is satisfied that the FS practitioner or managing agent—

- (a) is in possession of a valid licence issued under this Act; and
- (b) has paid all fees, licence fees and penalties due and payable.

(2) The certificate of good standing issued under subsection (1), must contain—

- (a) a statement as to whether the FS practitioner or managing agent has any outstanding requests for merger, consolidation, wind-up and dissolution or other arrangement; and
- (b) any other statement which the Commission approves by administrative order.

Restriction on advertisement.

74.—(1) No person other than a person licensed, authorised, or approved under this Act shall publish or cause to be published an advertisement in connection with the conduct of

an activity or provision of a service which requires a license, approval, authorisation or registration under this Act.

(2) No person licensed, authorised, or approved under a relevant enactment shall publish or cause to be published an advertisement in connection with the conduct of an activity or provision of a service which requires a licence, approval, authorisation, or registration under this Act in a manner which is unclear, false, or misleading in any material particular.

(3) Where the Commission is satisfied that a person has contravened this section, the Commission may direct persons to immediately cease or modify the advertisement.

(4) A person who fails to comply with a directive issued pursuant to subsection (3) commits an offence and is liable to an administrative fine as set out in regulations by the Commission.

75. Where the Commission has revoked a licence in any circumstances, the Commission may apply to the court—

Winding up or
dissolution.

(a) for the licensee to be wound up or dissolved;
or

(b) for the supervision of the court in respect of
the application for winding up or dissolution.

76.—(1) The Commission may, with the approval of the Minister, from time to time make Regulations prescribing all matters and things required or authorised by this Act to be prescribed or provided, or which are necessary or convenient to be prescribed or provided, for the carrying out of, or the giving full effect to, the provisions of this Act and its due administration.

Regulations.

(2) Notwithstanding anything contained in the Interpretation Act, any regulations made by the Commission

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under this Act may provide that a contravention or breach thereof shall be punishable on indictment by such fine not exceeding fifty thousand dollars or by such term of imprisonment not exceeding one year as may be specified in such regulations, or by both such fine and imprisonment.

Rules,
guidelines, etc.

77. The Commission may make and issue rules, guidelines, orders, and directives, and publish notices and bulletins—

- (a) regarding the interpretation, application, or enforcement of the provisions of this Act;
- (b) for the better regulation of the provision of financial services under this Act;
- (c) in connection with the manner by which licensees shall carry on activities as a financial service provider; and
- (d) to provide guidance to licensees as to the—
 - (i) duties, requirements, and standards with which they shall comply; and
 - (ii) sound principles to be observed when carrying on activities as a financial service provider, registered agent or managing agent.

Issuance or
submission of
documents.

78. Any certificate or other document required to be issued by or submitted to the Commission under this Act shall be in the form approved by the Commission, which may be in electronic format or such other format as approved by the Commission.

Electronic
acceptance of
documents.

79. The Commission may accept any document signed, notarized, apostilled, or sealed electronically and such documents shall have the same force and effect as if the signature or seal is affixed to a paper copy of the document.

80. The Electronic Transactions Act shall apply to this Act and Regulations made under this Act, except where specified otherwise by regulations made under this Act.

Applicability of the Electronic Transactions Act.

81.—(1) Subject to sub-section (5)(b), except where licensed under this Act, no person shall, as a business, conduct on behalf of any other person—

Act No. 25 of 2021. Restriction on virtual assets.

- (a) negotiation, brokerage, or exchange, between virtual assets and fiat currencies whether such currency is the legal tender of Belize or any other country;
- (b) negotiation, brokerage, or exchange between one or more forms of virtual assets;
- (c) transfer of virtual assets;
- (d) loan, deposit, custody, safekeeping, management, or administration of—
 - (i) virtual assets; or
 - (ii) instruments enabling control over virtual assets; or
- (e) participation in and provision of financial services related to the issuance or an issuer's offer or sale of a virtual asset.

(2) Nothing in this section shall entitle any person to apply for or be granted a licence under this Act to provide any service not set out in the Schedule.

(3) Notwithstanding anything contained in this Act or any other enactment, the Commission shall not issue a license in accordance with section 23 to any person in respect of—

- (a) trading virtual assets;
- (b) operating as a wallet service provider; or
- (c) any activity or operation set out in sub-section (1) which does not fall within the scope of sub-section (3)(a) and (b),

on or before the 31st day of December, 2025.

(4) A licence issued prior to the commencement of this Act shall not be construed as permitting an activity or operation referred to in sub-section (3).

(5) Any person who prior to the commencement of this Act was carrying on an activity or operation referred to in sub-section (3) shall—

- (a) within one month of the commencement of this Act, notify the Commission in writing that it is carrying on such activity or operation; and
- (b) within three months of the commencement of this Act, cease such activity or operation.

(6) A person who fails to comply with sub-section (5)(a) commits an offence and is liable on indictment to a fine not exceeding one hundred thousand dollars.

(7) A person who fails to comply with sub-section (5)(b) commits an offence and is liable on indictment to the same penalty as applies to an offence under section 23(1)(a).

Repeal and savings.

82.—(1) The International Financial Services Commission Act is repealed.

(2) Notwithstanding the repeal of the International Financial Services Commission Act—

- (a) every licence issued under the repealed Act and in force immediately before the coming into force of this Act shall continue to be in force; and
- (b) nothing in this Act shall affect any proceedings taken or a right which has accrued or a liability which has been incurred under the repealed Act.

(3) Notwithstanding the repeal of the International Financial Services Commission Act, all Regulations, By-laws, Rules, Orders, and other subsidiary laws made under the repealed Act, shall, to the extent they are not inconsistent with this Act, continue in force until repealed by Regulations, By-laws, Rules, Orders, and other subsidiary legislation made under this Act.

83. Where in any enactment in force prior to the commencement of this Act, reference is made to the “International Financial Services Commission Act”, “International Financial Services Commission” or “international financial services”, that reference shall be deemed to be a reference to the “Financial Services Commission Act”, “Financial Services Commission” or “financial services” as the case may be.

Reference
in other
enactments.

SCHEDULE
[section 2]

FINANCIAL SERVICE

1. Accounting services
2. Bill paying services
3. Financial advisory or consultancy services
4. Financial leasing
5. Financial intermediation services
6. International asset protection and management
7. Nominee director services
8. Nominee shareholder services
9. Money broking
10. Money exchange
11. Mortgage lending
12. Money transmission services
13. Payment processing services
14. Registered Agent
15. Safe custody services
16. Trading commodity-based and other financial instruments
17. Wallet services provider