



BELIZE

**INTERNATIONAL FINANCIAL SERVICES COMMISSION ACT
CHAPTER 272**

REVISED EDITION 2000
SHOWING THE LAW AS AT 31ST DECEMBER, 2000

This is a revised edition of the law, prepared by the Law Revision Commissioner under the authority of the Law Revision Act, Chapter 3 of the Laws of Belize, Revised Edition 1980 - 1990.

This edition contains a consolidation of the following laws-	Page
ARRANGEMENT OF SECTIONS	3
INTERNATIONAL FINANCIAL SERVICES COMMISSION ACT	6
Amendments in force as at 31st December, 2000.	



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Page

ARRANGEMENT OF SECTIONS

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**INTERNATIONAL FINANCIAL SERVICES
COMMISSION ACT**

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CHAPTER 272

**INTERNATIONAL FINANCIAL SERVICES
COMMISSION**

ARRANGEMENT OF SECTIONS

PART I

Preliminary

1. Short title.
2. Interpretation.

PART II

*Establishment, Functions, and
Duties of the Commission*

3. Establishment of the Commission.
4. Body corporate.
5. Functions of the Commission.
6. Powers of the Commission.
7. Licences for international financial services.

PART III

Appointment of Staff, etc.

8. Appointment of Director General.
9. Appointment of Deputy Director General.
10. Appointment of junior staff.
11. Director General to refer certain matters to Commission.

PART IV

Administration

12. Composition of the Commission.
13. Meetings of the Commission.
14. Vacation of seat as a member of the Commission.
15. Disclosure of interest.
16. Commission may establish Committees.

PART V

Financial Provisions, Accounts and Reports

17. Revenues of the Commission.
18. Establishment of General Fund.

19. Temporary investment of Funds.
20. Power to borrow.
21. Accounts and audits.
22. Preparation and submission of budget estimates.

PART VI

Legal and General

23. Protection of members and officers of the Commission from legal process.
24. Service of process.
25. Restriction on execution.
26. Exemption from taxes, etc.
27. Validity of Commission's acts.
28. Regulations.
29. Commencement.

CHAPTER 272**INTERNATIONAL FINANCIAL SERVICES COMMISSION**

9 of 1999.
 22 of 2000.
 Commencement
 [1. 7. 1999]
 S. I. 70 of 1999.

[3rd May, 1999]

PART I*Preliminary*

- Short title. 1. This Act may be cited as the International Financial Services Commission Act.
- Interpretation. 2. In this Act, unless the context otherwise requires:-
- “Chairman” means the Chairman of the Commission appointed under section 12 of this Act;
- “Commission” means the International Financial Services Commission established under section 3 of this Act;
- 22 of 2000. “Deputy Director General” means the person appointed by the Commission under section 9 of this Act;
- 22 of 2000. “Director General” means the person appointed by the Commission under section 8 of this Act;
- 22 of 2000. “international financial services” means the business of providing or holding oneself out as providing all or any of the following services, that is to say, the formation or management of international business companies, the formation and management of offshore trusts, the provision of offshore trustee services, international insurance services, international asset protection and management and international collective investment schemes, where such businesses are conducted within or from within Belize, exclusively with persons non-resident

in Belize, and in a currency other than the currency of Belize, but does not include banking or financial business carried on by banks or financial institutions licensed under the Banks and Financial Institutions Act or the Offshore Banking Act;

CAP. 263.
CAP. 267.

“IFS Practitioner” means any person or entity carrying on the business of international financial services (as defined by this Act) including all registered agents qualified or designated under section 43 of the International Business Companies Act, (as amended) but excluding the International Business Companies Registry, International Merchant Marine Registry of Belize and Belize International Services Limited;

CAP. 270.

“Minister” means the Minister for the time being responsible for investment and international financial services industry.

PART II

Establishment, Functions and Duties of the Commission

3.-(1) A body to be known as the International 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 Chairman or Deputy Chairman 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 center for the carrying on of international financial services;
- (b) protecting and enhancing, internationally the reputation of Belize as an international financial services center;
- (c) providing, with the Minister's concurrence and within the framework of local legislation and laws, appropriate supervision and regulation of the conduct of international financial services;
- (d) formulating appropriate policies, and providing advice and assistance to the Government, on the regulation of international financial services;
- (e) preparing and submitting to the Government on a regular basis and as occasion demands, reports and memoranda of interest to the development, protection and regulation of Belize's international financial services sector;
- (f) collecting, storing and disseminating to interested parties, on

a continuous basis, reliable and timely information on the growth and trends of Belize's international financial services sector.

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. Powers of the Commission. 22 of 2000.

(2) Without prejudice to the generality of the provisions of subsection (1), the Commission may:- 22 of 2000.

(a) grant licences, permits or authorities for the carrying on of international financial services; 22 of 2000.

(b) 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;

(c) contract with any person for the supply to, or by the Commission of any goods, services or personnel;

(d) pay expenses properly incurred by the Commission;

(e) employ such persons (including advisors and consultants) as the Commission thinks fit for the proper discharge by the Commission of its duties;

(f) establish and maintain schemes or make such other arrangements as it thinks fit for the payment of pensions or other benefits to its employees;

(g) 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;

(h) make regulations to carry out its duties under this Act.

Licences for international financial services. 22 of 2000.

7.-(1) Notwithstanding any other Act, rule, regulation or law to the contrary, no person shall provide, carry on, transact or hold himself out as providing, carrying on, or transacting any of the international financial services in or from within Belize unless that person holds a valid licence granted by the Commission under this Act.

22 of 2000.

(2) Any person who contravenes subsection (1) above commits an offence and shall be liable on summary conviction (if the offender is a natural person), to a fine not exceeding five 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 twenty thousand dollars.

22 of 2000.

(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 not exceeding five hundred dollars for every day for which the offence continues.

22 of 2000.

(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 director, chief executive officer, manager, secretary or other similar officer or servant of the body corporate, such director, chief executive officer, manager, secretary or other similar officer or servant 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.

22 of 2000.

(5) Applications for a licence to provide, transact, or carry on international financial services shall be made in the first instance to the Director

General, 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 required for persons who may be licensed for any of the international financial services. 22 of 2000.

(7) Subject to subsection (8) below, every licence granted under this Act shall be valid for one year and shall be subject to renewal. 22 of 2000.

(8) The Commission may for good and proper cause and after giving the licensee an opportunity to make representations, cancel or suspend a licence granted under this Act. 22 of 2000.

(9) Any person who is aggrieved by the decision of the Commission to grant, refuse, cancel or suspend a licence, may within twenty one days, apply to the Minister for a review, and the decision of the Minister thereon shall be final. 22 of 2000.

(10) Every person who, at the commencement of this Act, provides, carries on or transacts any of the international 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 subsection (1) and (2) above. 22 of 2000.

PART III

Appointment of Staff, etc.

8.-(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 International Financial Services Commission. Appointment of Director General. 22 of 2000.

- 22 of 2000. (2) The Director General shall hold office for such period and upon such terms as may be specified in his instrument of appointment.
- 22 of 2000. (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.
- Appointment of Deputy Director General.
22 of 2000. 9.-(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 Deputy Director General of the International Financial Services Commission.
- 22 of 2000. (2) The Deputy Director General shall hold office for such period and upon such terms as may be specified in his instrument of appointment.
- 22 of 2000. (3) The Deputy Director General shall be an executive officer of the Commission and shall perform and exercise such functions, duties and powers as are conferred upon him by this Act.
- Appointment of junior staff.
22 of 2000. 10. The Director General may, with the written approval of the Commission, appoint and employ, at such remuneration and subject to such terms and conditions as the Commission thinks fit, 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.
- Director General to refer certain matters to Commission.
22 of 2000. 11. In discharging duties or exercising powers imposed or conferred upon him by this Act, the Director General shall refer to the 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.

PART IV

Administration

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

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

(a) five members from the private sector of whom three will be recommended by the Belize Offshore Practitioners Association and two by the Belize International Services Limited;

(b) the Governor of the Central Bank of Belize or his representative;

(c) the Financial Secretary or his representative; and

(d) the Director General, who shall be *ex officio* Deputy Chairman of the Commission. 22 of 2000.

(3) The Minister shall appoint a Chairman from among the 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 Chairman is unable to preside at any meeting of the Commission, the Deputy Chairman shall preside at that meeting. 22 of 2000.

13.-(1) The Commission shall meet as often as its business requires but not less frequently than once every month in the year, and all meetings shall be Meetings of the Commission.

convened upon giving members five business days notice.

22 of 2000.

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

(3) Decisions of any issue at a meeting of the Commission shall be by majority of the members present and voting.

(4) All orders and directions of the Commission arising from its meetings shall be signified under the hand of the Chairman 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.

Vacation of seat as a member of the Commission.

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

- (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 punishable by a term of imprisonment of three months or more;
- (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 subsection (1) above, 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 subsections (1) and (2) above 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 subsection (1) above or where he would have ceased to be a member in that manner but for his voluntary resignation.

15.-(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 and every occasion on which the matter comes before the Commission declare his interest and, unless otherwise directed by the Chairman, withdraw from the meeting and take no further part in the proceedings or voting of the Commission in relation to such matter.

Disclosure of interest.

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

(3) Unless the Chairman otherwise directs, any decision reached by the Commission on a matter in which a member has declared an interest in accordance with subsection (1) above shall be recorded in the normal way save and except that 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.

Commission may
establish
Committees.

16.-(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.

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

(3) The Commission may appoint as a member of any committee established under subsection (1) above 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 subsection (3) above may be revoked by the Commission at any time.

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

PART V

Financial Provisions, Accounts and Reports

Revenues of the
Commission.

17. The revenues of the Commission shall consist of the following:-

- (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 IFS Practitioners;
- (c) all other sums which may in any manner become payable to or vested in the Commission;

- (d) any sums lawfully contributed, donated or bequeathed to the Commission from any source.

18.-(1) All sums referred to in section 17 above 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.

19.-(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 and bank deposits locally.

Temporary investment of funds.

(2) All interest from such investments shall be paid to the credit of the General Fund as provided in section 18 above.

20.-(1) Subject to this Act, the Commission may, with the approval of the Minister, 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.

Power to borrow.

(2) Without prejudice to the generality of subsection (1) above, 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, and approved by, the Minister.

Accounts and audits.

21.-(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.

(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.

CAP. 305.

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

(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 are in agreement 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.

22.-(1) The Commission shall prepare and submit to the Minister, estimates of income receivable and the expenditure to be incurred during each financial year, including capital expenditure and such additional information and explanations as may be considered necessary, and the Minister shall present the said estimates to the National Assembly with such amendments and modifications, if any, as he may consider necessary.

Preparation and submission of budget estimates.

(2) The budget estimates referred to in this section shall be prepared not later than three months before the commencement of each financial year.

(3) The financial year of the Commission shall be such period as may from time to time be prescribed:

Provided that the first financial year of the Commission shall commence

on the date of the establishment and constitution of the Commission and end on the 31st day of March next ensuing thereafter.

22 of 2000.

(4) The Commission may delegate the preparation of the budget estimates to the Director General.

PART VI

Legal and General

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

23. No matter or thing done and no contract entered into by the Commission, and no matter or thing done by a member or an officer or servant of the Commission shall, if the matter or thing was done or the contract was entered into *bona fide* for the purposes of executing this Act, subject them or any of them personally to any action, liability, claim, or demand, whatsoever.

Service of process.

24. 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.

Restriction on execution.

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

Exemption from taxes, etc.

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

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

Validity of Commission's acts.

27. 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.

28.-(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 under this Act may provide that a contravention or breach thereof shall be punishable on summary conviction by such fine not exceeding five 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. CAP. 1
22 of 2000.

29. This Act shall come into force on a date to be appointed by the Minister by Order published in the *Gazette*, and different dates may be appointed by the Minister in pursuance of this section for different provisions or different purposes of the same provision. Commencement.