



Seventh Follow-Up Report

BELIZE

November 27, 2014

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BELIZE – SEVENTH FOLLOW-UP REPORT

I. Introduction

1. This report presents an analysis of Belize's report to the Caribbean Financial Action Task Force (CFATF) Plenary regarding progress made to correct the deficiencies identified in its third round Mutual Evaluation Report (MER). The third round Mutual Evaluation Report of Belize was adopted by the CFATF Council of Ministers in May 2011 in Honduras. Belize was placed on expedited follow-up and required to report every Plenary. Belize submitted follow-up reports in November 2011, May and November 2012, May and November 2013 and May 2014. In May 2013, the Plenary placed Belize on a list of jurisdictions with strategic anti-money laundering/combating the financing of terrorism (AML/CFT) deficiencies that have not made sufficient progress in addressing the deficiencies and required Belize to take specific steps to address these deficiencies by November 2013. As a result of the assessment of measures in the Fifth Follow-Up Report, Plenary in November 2013, agreed that Belize be identified in a formal CFATF statement as not taking sufficient steps to address its AML/CFT deficiencies and that CFATF Members be called upon to consider implementing counter measures to protect their financial systems from the ongoing money laundering and terrorist financing risks emanating from Belize. Belize has submitted information in the attached matrix on measures taken since the adoption of the third round Mutual Evaluation Report to comply with the examiners' recommendations. Belize was rated partially compliant or non-compliant on 14 Core and Key Recommendations and 27 other Recommendations. The Core and Key Recommendations are indicated in *italics* in the table below.

Table 1; Ratings of Core and Key Recommendations

Rec.	1	3	4	5	10	13	23	26	35	36	40	I	II	III	IV	V
Rating	PC	LC	PC	NC	PC	PC	PC	PC	PC	LC	PC	PC	PC	PC	PC	NC

2. With regard to the remaining Recommendations, Belize was rated partially compliant or non-compliant on twenty-four (24) as indicated below:

Table 2: Non Core and Key Recommendations rated Partially Compliant and Non-Compliant

Partially Compliant (PC)	Non-Compliant (NC)
R. 12 (DNFBP – R.5,6,8-11)	R. 8 (New technologies & non face-to-face business)
R. 15 (Internal controls, compliance & audit)	R. 9 (Third parties and introducers)
R. 16(DNFBP – R.13-15 & 21)	R. 17 (Sanctions)
R. 18 (Shell banks)	R. 19 (Other forms of reporting)
R. 21 (Special attention for higher risk countries)	R.22 (Foreign branches & subsidiaries)
R. 27 (Law Enforcement authorities)	R. 24 (DNFBP – regulation, supervision and monitoring)
R. 29 (Supervisors)	R. 25 (Guidelines & Feedback)

R. 39 (Extradition)	R. 30 (Resources, integrity and training)
SR. VI (AML requirements for money value transfer services)	R. 31 (National co-operation)
SR. IX (Cross-border Declaration & Disclosure)	R. 32 (Statistics)
	R. 33 (Legal persons – beneficial owners)
	R. 34 (Legal arrangements – beneficial owners)
	SR. VII (Wire transfer rules)
	SR. VIII (Non-profit organizations)

3. The following table gives some idea of the level of risk in the financial sector by indicating the size and integration of the sector in Belize.

**Table 3: Size and integration of Belize's financial sector
As at December 30, 2014**

		Domestic Banks \$'000	Int'l Banks \$'000	Other Credit Institutions \$'000	Securities \$'000	Insurance \$'000	TOTAL \$'000
Number of institutions	Total #	6	6	9		14	34
Assets	US\$	\$1,490, 220	\$857, 366	\$370,350		\$118,453	\$2,836,389
Deposits	Total: US\$	\$1,220,261	\$686, 851	\$311, 948			\$2,219, 060
	% Non-resident	1.43% of deposits	100% of deposits	0.28% of deposits			
International Links	% Foreign-owned:	72.39% of assets	71.90% of assets	0% of assets	% of assets	61.79% of assets	% of assets
	#Subsidiaries abroad	N/A	N/A	N/A		N/A	N/A

II. Summary of progress made by Belize

4. New Anti-Money Laundering and Combating the Financing of Terrorism Guidelines (AML/CFT Guidelines) were issued by the Central Bank and took effect in June 2010. These are applicable to banks, financial institutions, credit unions and money transfer services providers that fall under the Central Bank's regulatory powers, and replace the previously issued Guidance of 1998.

5. As noted in the MER, the AML/CFT Guidelines issued by the Central Bank were not considered "other enforceable means" (OEM) since there were no penalties for breaching any of the measures outlined except for those which directly mirrored requirements in legislation with penalties. However, it was indicated that the AML/CFT Guidelines were considered OEM for licensees under the International Financial Services Commission (IFSC) due to regulations 3 and 33 of the International Financial Services Practitioners (Code of Conduct) Regulations (IFSPCCR) which empowers the IFSC to impose penalties on its licensees for breaches of the AML/CFT Guidelines issued by the Central Bank. It is noted that due to the enactment of the Money Laundering and Terrorism (Prevention) (Amendment) Act 2013 (MLTPAA 2013) in February 2013, section 18 of the MLTPAA 2013 revises section 83 of the MLTPA providing for

the imposition of a penalty for failure to comply with a guideline issued by a supervisory authority which include the Central Bank, the IFSC, the Supervisor of Insurance (SOI), the Financial intelligence Unit (FIU) and the Ministry of Finance. The penalty consists on summary conviction to a fine not exceeding twenty-five thousand dollars or to imprisonment for a term not exceeding three years. Given the above, the AML/CFT Guidelines of the Central Bank are now OEM.

6. The MLTPAA was enacted in February 2013 and includes provisions covering customer due diligence (CDD) record-keeping and retention, reporting and internal AML/CFT control systems, wire transfers, introduced customers, foreign branches and subsidiaries and sanctions. In October 2013 legislation was enacted and became enforceable as follows:

- Financial Intelligence Unit (Amendment) Act, 2013
- International Financial Services Commission (Amendment) Act, 2013
- Customs Regulations (Amendment) Act, 2013
- Gaming Control (Amendment) Act, 2013
- Firearms (Amendment) Act, 2013
- Interception of Communications (Amendment) Act, 2013
- Non-Governmental Organization (Amendment) Act, 2013
- International Foundations (Amendment) Act, 2013
- Trusts (Amendment) Act, 2013
- Companies (Amendment) Act, 2013.
- Misuse of Drugs (Amendment of Schedule) Order, 2013

7. Since the follow-up report of November 2013, legislation was enacted and became enforceable in February 2014 as follows:

- Companies (Amendment) Act 2014
- Domestic Banks and Financial Institutions (Amendment) Act 2014
- Financial Intelligence Unit (Amendment) Act, 2014
- Money Laundering and Terrorism (Prevention) (Amendment) Act 2014
- Mutual Legal Assistance and International Co-operation Act 2014
- Insurance (Amendment) Act 2014
- Money Laundering and Terrorism (Prevention) (National Anti-Money Laundering Committee) Regulations 2014
- Money Laundering and Terrorism (Prevention) (Designated Non-Financial Businesses and Professions) Regulations 2014
- International Financial Services Commission (Licensing) (Amendment) Regulations, 2014

8. As reported in the November 2013 report the enactment of the various pieces of legislation in October 2013 resulted in improvement in the level of compliance of Belize with several Recommendations (Rec. 1, 8, 13, 19, 25, 26, 29, 30, 32, 33, 34, and SR. III, SR. VIII). Additionally Belize is fully compliant with Rec. 3, Rec. 10, SR. II and Rec. 4. The previous

follow-up report indicated that the enactment of the various pieces of legislation in February 2014 improved the level of compliance of Belize with several Recommendations (Recs. 1, 5, 8, 9, 12, 13, 15, 16, 18, 21, 22, 23, 24, 25, 26, 27, 29, 30, 31, 35, 40, SR. I, SR. III, SR. V, SR. VII, SR. VIII and SR. IX). Among the just mentioned Recommendations Belize is fully compliant with Rec. 1, 5, 8, 9, 13, 15, 16, 18, 21, 22, 23, 25, 26, 27, 35, 40, SR. I, SR. III, SR. VII and SR. IX. Belize is compliant in twelve of the fourteen Key and Core Recommendations originally rated PC and NC. In accordance with present procedures the following is a report on measures taken by Belize since May 2014 to deal with the recommended actions in those Financial Action Task Force (FATF) Recommendations rated partially compliant (PC) or non-compliant (NC) which are still outstanding.. An overall conclusion and a recommendation on the status of the follow-up process are presented at the end of the report.

Core Recommendations

Special Recommendation IV

9. As noted in the last report while the examiners made no recommendation for SR. IV, the specific rating factor was the low number of STRs submitted by financial institutions suggesting that STR reporting was ineffective. The authorities submitted information regarding reporting of STRs by financial institutions for the period 2010 to April 2014 in the last report which suggested that STR reporting was ineffective among the non-bank reporting entities. The authorities have reported that the Central Bank has conducted training regarding compliance including STR reporting on July 31, 2014 and the Supervisor of Insurance (SOI) incorporated training on STRs into the recently conducted on-site inspections of trust company service providers (TCSPs). The FUI has published guidelines for DNFBPs including sector specific guidance on suspicious transaction “red flag” indicators and instructional notes on making STRs for all reporting entities and is conducting workshops based on same. The first work shop was conducted on August 30, 2014 for over 50 people representing all credit unions in Belize. Since the supervisory authorities began conducting outreach to non-banking sectors, including insurance and DNFBPs the number of STRs from non-banking entities have increased. From May 2014 to August 2014 non-banking entities have submitted 6 STRs compared to 13 for all of 2013, 8 in 2012 and 2 in 2011.

10. The FIU continues its outreach programs and authorities strongly believe the trend of increased STR reporting, particularly by non-banking entities will continue. Given the above and that all the examiners’ recommendations with regard to Rec. 13 have been met and there is no examiners’ recommendation, SR.IV is considered compliant.

Key Recommendations

Special Recommendation V

11. There are two outstanding examiners’ recommendations. The first recommendation advised that the legislative and other deficiencies noted in the areas of the financing of terrorism, terrorism and terrorist organizations should be remedied to facilitate for improved international cooperation. In order for this recommendation to be met the deficiencies identified in SR. II and SR. III will have to be addressed. As noted in a previous report SR. II has been met. SR. III as noted in this report has been met. As such, this recommendation has been met.

12. As indicated in the last report one recommendation was outstanding which required that noted deficiencies concerning extradition should be remedied to facilitate improved

international co-operation consistent with SR. V. Compliance with this recommendation would require dealing with all examiners' recommendations for R. 39 which as of this report have been addressed. Consequently, all examiners' recommendations have been met.

Other Recommendations

Recommendation 12

13. The only outstanding examiners' recommendation requires the transaction threshold level for casinos to be amended in the MLTPA to comply with the requirements of Rec.5 and Rec.10. As noted in the last follow-up report subsection 8(d)(ii) amends subsection (6) of section 16 of the MLTPA to require casinos or licensed gaming premises to apply the obligations in subsections (1),(3) and (4) when engaging in a transaction equal to or above six thousand Belizean dollars which is equivalent to US\$3,000. Subsections (1), (3) and (4) detail record keeping requirements, which would suggest that these obligations are only applicable to transactions equal to or above BZD\$6,000. However, record keeping requirements in accordance with Rec. 10 should be applicable to all transactions. Additionally, it is noted that the requirement for Rec.5 which obliges customer due diligence for all transactions equal to or above US\$3,000 is not addressed. No additional measures have been implemented to deal with this recommendation which remains outstanding. Overall this Recommendation has achieved a substantial level of compliance.

Recommendation 24

14. The last report indicated that two examiners' recommendations were outstanding and one had been partially met. The examiners' recommendations which was partially met require that DNFBPs except for casinos and trust and company service providers be subject to a comprehensive regulatory and supervisory regime that ensures they are effectively implementing the AML/CFT measures required under the FATF Recommendations. The FIU is the designated supervisory authority for casinos and other DNFBPs except for trust and company service providers and an amendment to section 85B of the MLTPA requires all DNFBPs supervised by the FIU to register with the FIU. The AML/CFT Guidelines for DNFBPs issued by the FIU are OEM and are acceptable for compliance with FATF requirements. As noted in the previous follow-up report the FIU commenced the registration of certain sectors of DNFBPs that it supervises. As of 31 October 2014, 566 DNFBPs were registered and included as follows:

- Vehicle Dealers: 48
- Dealing in real estate: 97
- NGO/NPO: 95
- Dealing in precious metals & stones: 22
- Business operating in a free zone area: 248
- Casinos: 7
- Attorneys/Notaries/Accountants: 49

15. The total number of registered DNFBPs increased by 70 since the last follow-up report. The FIU issued surveys to persons dealing in real estate and non-governmental

organizations to assess risk and was due to commence on-site inspections of DNFBPs apart from casinos after the initial survey based assessment. Additionally, the MLTPDNFBPR 2014 which provide for the imposition of a wide range of sanctions and administrative penalties became enforceable in February 2014. As indicated in the last follow-up report the FIU planned to focus on registration and outreach for six months, familiarizing DNFBPs new to the system with the requirements and obligations. At the completion of this implementation and outreach period, the FIU was due to reassess, based on the number of DNFBPs registered, its projected schedule of 20 on-site visits per month and consider the adequacy of its compliance staff complement which as noted in the last report stood at 3 compliance officers. As of September 1, 2014 the FIU secured the services of a former multinational financial institution executive in charge of implementing and supervising compliance programs to head its Compliance Department thereby significantly enhancing the FIU's supervisory capacity. FIU compliance officers sent out warning notices to registered DNFBPs in all sectors who had not nominated a money laundering compliance officer (MLCO). Of the 291 notices sent, 284 DNFBPs have responded positively and applied for approval of their MLCOs. Applications in respect of MLCO nominees who did not meet the fit and proper test were refused and new nominees were proposed. Also compliance officers met with Free Zone supervisors and representatives of Free Zone businesses to address supervisory expectations and to remedy shortcomings in information provided on applications for registration and approval of MLCOs. Based on the above the system appears to be still in its implementation and outreach phase. Information on the continued implementation of the above measures and in particular the assessment of the proposed on-site schedule, adequacy of compliance staff complement given the final number of registered DNFBPs and the commencement of on-site inspections should be submitted in future reports. Given the above, the examiners' recommendation concerning DNFBPs except for casinos and trust and company service providers to be subject to a comprehensive regulatory and supervisory regime that ensures they are effectively implementing the AML/CFT measures required under the FATF Recommendations remains partially met.

16. The first of the two outstanding recommendations require the obtaining of information on natural persons behind the corporate shareholders of applicants for licences for the provision of gaming facilities by hotels for their guests. The Gaming Control (Amendment) Act, 2013 became enforceable in October 2013. While the Act requires that every applicant for a gaming licence disclose the full particulars of all directors, chief executive officer, managing director, executive officer and shareholders, there is no specific requirement that information on the natural persons behind the corporate shareholders be obtained. The Gaming Control (Amendment) Act 2014 which came into force on October 15, 2014 in section 4 requires every application for a gaming licence to include among other things identification information on any beneficial owner of 5% or more of any class of outstanding shares held by a legal person or in the name of nominee shareholder. While the above provisions do not have a specific requirement that the beneficial ownership information must be on a natural person the definition set out in the MLTPA which specifically refers to the natural person who ultimately owns or controls a customer, the person on behalf of whom a transaction is conducted or the person who exercises ultimate control over a legal person or legal arrangement will be applied. Authorities of the Gaming Control Board advise that they are bound to follow the MLTPA in their role as gaming regulator and, as a matter of policy, the MLTPA definition of beneficial owner is the one used by the Board when seeking information on applicants for gaming licenses. As such, this recommendation is met.

17. The last recommendation required adequate measures in relation to the granting of licences for gaming premises and the use of gaming machines to prevent criminals or their associates from holding or being beneficial owner of a significant or controlling interest or holding a management function in or being an operator under these licences. The obligation under the Gaming Control (Amendment) Act 2013 as noted above only provides for the obtaining of information about the control and management of an applicant for a gaming licence and does not

provide measures for the use of fit and proper criteria for assessing an applicant to prevent criminals or their associates from holding or being beneficial owner of a significant or controlling interest or holding a management function in or being an operator under these licences. Section 6 of the Gaming Control (Amendment) Act 2014 provides for the assessment of the applicant and each associate of the applicant concerned in or associated with the management or operation of a premises to be used for gaming. The basis for such assessment is fit and proper criteria which are itemized in the provision. The definition of associate as stipulated in section 2 of the Gaming Control (Amendment) Act 2014 includes any person holding or being beneficial owner of a significant or controlling interest in an applicant. Additionally, the above measures are applicable at the annual renewal of licences. These provisions fully comply with the examiners' recommendation. Given the above, two recommendations are met and one is partially met.

Recommendation 30

18. As noted in the last follow-up report most of the examiners' recommendations for increasing the technical and human resources of the FIU, the Customs Department, the Major Crimes Unit (MCU) the Anti-Drugs Unit (ADU) and the Ministry of Foreign Affairs along with the provision of training in AML/CFT to these agencies and the judiciary had been met. The only outstanding recommendation was the consideration of providing greater office space to the MCU to facilitate it in carrying out its functions. The authorities have advised that during a reorganization of the Belize Police Department, the MCU and the ADU were merged to ensure efficient deployment of human and technical resources. Given the above, it is impossible for the authorities to comply with the recommendation. Consequently, the recommendation will not be considered in assessing compliance. It should be noted that the recommendations regarding the provision of training in AML/CFT for the above agencies is a continuous one and information demonstrating compliance has to be submitted for every report. No information regarding AML/CFT training for staff in the above agencies has been submitted for this report.

19. It is noted that with regard to the recommendation for the FIU to consider augmenting its staff to effectively carry on its functions as a supervisory authority that in September 2014, the FIU secured the services of a former multinational financial institution executive in charge of implementing and supervising compliance programs to head its Compliance Department thereby significantly enhancing the FIU's supervisory capacity. Given the above, the recommendations concerning the provision of AML/CFT training to the various agencies remain outstanding.

Recommendations 32

20. The examiners' recommendations included the maintenance of statistics on the following:

- formal requests for assistance made or received by the FIU, including whether the request was granted or refused,
- spontaneous referrals made by the FIU to foreign authorities
- formal requests for assistance made or received by supervisors relating to or including AML/CFT including whether the request was granted or refused.

21. As noted in a previous report a database system was created to comply with the above recommendation. The authorities advised in the last report that the FIU and the ILAD met to coordinate requirements for statistics on mutual legal assistance and international co-operation and to establish protocols. The FIU provided the following statistics regarding the requests for assistance it has made and received from January 1 to date:

- The FIU received 79 requests for assistance. All of these requests were granted and some are ongoing.
- The FIU made 3 requests for information, all of which were met.
- The FIU made 1 spontaneous disclosure.

22. Further statistics related to these requests were provided, including data on requesting country and underlying offence. It should be noted that the examiners' recommendations for the maintenance of statistics is an ongoing requirement which has to be met for every report to be considered continuously compliant. Given the above, the recommendation is partially met since statistics regarding supervisors have not been submitted for this report.

23. The recommendation for the authorities to develop a mechanism to review the effectiveness of their systems for combating money laundering and terrorist financing on a regular basis remains outstanding. The authorities have advised that the National AML Committee in carrying out its legislative function to advise the Minister in the development of policies to combat money laundering, terrorist financing and financing of proliferation necessarily reviews the effectiveness of Belize's AML/CFT framework. Information as to how this review is conducted and the frequency of the review should be submitted for verification. As such, this recommendation is partially met. As result of the above, both recommendations have been partially met.

Recommendation 33

24. As at the last report, one recommendation was partially outstanding. As noted in a previous report with the regard to the recommendation for registered agents to be subject to measures to ensure that the beneficial ownership information on international business companies (IBCs) that they maintain is adequate, reliable and timely section 2 of the International Financial Services Commission (Amendment) Act, 2013 empowers the IFSC to carry out on-site inspections of any entity carrying on international financial services which includes registered agents. This measure should allow for the IFSC to ensure that the beneficial ownership information on international business companies (IBCs) maintained by registered agents is adequate, reliable and timely. The IFSC had developed an on-site inspection schedule inspections which began on 4th November 2013 and three service providers had been inspected for AML/CFT compliance. The IFSC appointed the SOI to conduct compliance visits for the IFS sector. As of this report, inspections of all trust service providers, most of whom are also company service providers have been completed. The SOI reported high levels of compliance, including maintenance and availability of current beneficial ownership information. A report on general findings, including recommendations for disciplinary action for deficiencies was submitted to the General Director, IFSC. In cases where deficiencies were identified, the General Director took disciplinary action in the form of issuing strong warnings. The IFSC confirms that the response to these warnings was positive and all identified deficiencies have been remedied. Further, the Authorities report that the IFSC has hired additional personnel and specifically assigned existing personnel to address supervisory functions. The above measures demonstrate the commencement and effective implementation of an on-site inspection regime. Further information on the results of the disciplinary action taken and their effect on compliance should be submitted in the next report to demonstrate continuing compliance. Consequently, this recommendation is met.

Recommendation 34

25. As indicated in the last report two examiners' recommendations were outstanding. With regard to the recommendation that the register of international trusts should include information on beneficiaries of trusts the authorities had indicated in the last report that the Trusts

(Amendment) Act 2014 which addressed this issue had been approved by Cabinet and was scheduled for consideration by the National Assembly when it next met. Presently the authorities have advised that based on the high levels of compliance demonstrated during on-site inspections of trust and company service providers, the previous proposed amendment was not considered necessary at this time. Consequently, the recommendation is considered met.

26. With regard to the recommendation to implement measures to ensure the scope and reliability of information on domestic and international trusts maintained by relevant DNFBPs and trust agents respectively, both entities are under the supervision of the IFSC. With regard to trust agents and DNFBPs who maintain information on trusts, as noted in relation to R.33, the IFSC appointed the SOI as compliance inspector and onsite compliance visits were completed and a general report indicating high levels of compliance was submitted to the General Director IFSC. Disciplinary action in the form of warning notices was taken against trust agents and relevant DNFBPs with identified deficiencies in their AML/CFT regimes. The IFSC reports that all agents and relevant DNFBPs who received a warning notice have complied with the notice. Given that the IFSC's supervisory regime is fully operational and effective this recommendation is considered met.

Recommendation 39

27. As indicated in the last report two recommendations were outstanding. The first recommendations called for the authorities to consider enactment of a single Extradition Act that seeks to simplify and expedite the procedures for extradition applications in Belize whilst safeguarding the rights of the defendant. In the previous report the Attorney General advised that a Committee comprising of counsels from departments of the Attorney General's Ministry was convened to revise and amend the Extradition Act in accordance with the recommendation. The Committee was expected to make policy framework recommendations for consideration by Cabinet within the next three to six months. At present a task force is being constituted to undertake the necessary consultations and prepare instructions to implement the recommendations of the Committee in relation to the Extradition Act and to make such revisions to the Mutual Legal Assistance and International Co-operation Act as may be required. Given the above measures, this recommendation has been met.

28. The second recommendation requires authorities to consider concluding extradition treaties with a broader range of countries. The Attorney General has advised that Belize is agreeable to concluding extradition treaties with other countries. At present in addition to the extradition treaties concluded with Guatemala and the United States, Belize has also concluded a treaty with Mexico. The Belize – Mexico Extradition treaty will be brought into law by amendment to the Extradition Act. It should be noted that the extradition treaties mentioned above existed at the time of the mutual evaluation. The authorities have advised that two additional extradition treaties, one with Russia and one with the Slovak Republic have been proposed. These proposed treaties are under active review and analysis for consistency with the national laws of Belize to determine whether they can be concluded in their current form. Given the above, this recommendation has been met.

Special Recommendation VIII

29. As indicated in the last report, the only outstanding recommendation requiring the implementing of measures to monitor or supervise NPOs and churches incorporated under the Companies Act was partially met. FIU compliance officers had researched the Companies Registry to compile a list of all NPOs (including churches) to assess the members of the sector and begin implementation of the DNFBP supervisory regime in relation to NPOs. Onsite inspections were scheduled to begin when the implementation and outreach period was

concluded. The authorities have advised as a result of the review of the information on NPOs gathered during the registration process, it was determined that the overwhelming majority of NPOs have no international contact and do not make high value transactions. The few NPOs with international contact are based in other jurisdictions and subject to CFT supervision in those jurisdictions. Based on the low level of risk that NPOs represent in Belize, the authorities determined that other, higher risk, sectors would be scheduled for on-sites as a matter of priority. However, the authorities plan to commence NPO on-sites before the annual registration renewal process begins. Consequently this recommendation remains partially met.

III. Conclusion

30. Due to measures implemented Belize's level of compliance has improved with Recommendations 33, 34, 39 and Special Recommendations IV and V assessed as fully compliant. Also the level of compliance of Rec. 24 has been enhanced. Belize is now fully compliant with Rec. 1, 3, 4, 5, 6, 8, 9, 10, 11, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 25, 26, 27, 29, 31, 33, 34, 35, 39, 40, SR. I, SR.II, SR. III, SR. IV, SR. V, SR. VI, SR. VII and SR. IX. Belize is now compliant in all fourteen Key and Core Recommendations originally rated PC and NC. Given the above, it is recommended that Belize apply to exit the follow-up process and submit the requisite report to the next Plenary in May 2015.

**Matrix with Ratings and Follow Up Action Plan 3rd Round Mutual Evaluation
Belize**

Forty Recommendations	Rating	Summary of factors underlying rating	Recommended Actions	Undertaken Actions
Legal systems				
1.ML offence	PC	<ul style="list-style-type: none"> Schedule II of the MDA does not include the range of narcotics drugs and psychotropic substances set out in tables I and II of the Annex to the Vienna Convention. The following criminal offences are not a part of Belize's criminal laws (1) illicit arms trafficking (2) extortion (3) piracy and (4) insider trading. The offence of theft in the second schedule of the MLTPA, contains a minimum property value of BZ\$10,000.(\$5,000.00 USD). The low number of ML convictions demonstrates ineffective implementation which may be due to insufficient training of the law enforcement agencies and judiciary 	<ul style="list-style-type: none"> The authorities should consider amending Schedule II of the MDA to include the range of narcotics drugs and psychotropic substances set out in tables I and II of the Annex to the Vienna Convention. The authorities should consider promulgating legislation to introduce the following criminal offences into the laws of Belize (1) illicit arms trafficking (2) extortion (3) piracy and (4) insider trading. The authorities should consider amending the second schedule of the MLTPA, to remove the present minimum property value of BZ\$10,000.(\$5,000.00 USD) that attaches to the offence of theft. The authorities should consider making legislative amendments that would remove the possible constitutional concerns over the DPP and FIU's parallel jurisdiction to prosecute money laundering offences in Belize. 	<p>All recommendations met per 6th FUR</p> <p>The range of substances set out in Table I and II of the Annex to the Vienna Convention is included in the Final Draft of the Misuse of Drugs (Amendment of Schedule) Order 2013. There is a timeline of September 2013 for this Order to be signed by the Minister and to enter into force. See the Order attached.</p> <p>The Misuse of Drugs (Amendment) Order was enacted 2 November 2013. See attached.</p> <p>The Firearms (Amendment) Bill, 2013 and the Criminal Code (Amendment) Bill, 2013 was prepared. The Bill was introduced at the House of Representatives on August 7th, 2013 and was discussed at the House Committee meeting on August 19th, 2013 and has been recommended for a second reading in the House. There is a timeline of September 2013 for the Bills to be enacted. See the Bills attached.</p> <p>Criminal Code (Amendment) Act, 2013 created offences for (1) illicit arms trafficking (2) extortion (3) piracy and (4) insider trading and was enacted 2 December 2013. See attached.</p> <p>Section 21(a) of Act 4 of 2013 removes the property value for theft. (Act 4 of 2013 is attached)</p> <p>The Money Laundering Committee has documented a decision stating that as a jurisdiction, Belize will maintain the status quo as there has been no problems, nor are there any foreseen. (Executed document is attached)</p>

2. ML offence – mental element and corporate liability	LC	<ul style="list-style-type: none"> The low number of ML convictions demonstrates ineffective implementation which may be due to insufficient training of the law enforcement agencies and judiciary. 		<p>Training sponsored by GOVRISK in collaboration with American Bar Association was held from January 9 – 17, 2012. This training targeted Judiciary, Prosecutors, Investigators, and Regulators. GOVRISK is expected to do more trainings in the future. A presentation was made to the Magistrates during their Magistrate's Retreat on February 9, 2013 regarding appropriate evidence for Money Laundering Charges.</p> <p>Training sponsored by the Central American Integration System (SICA) was held in October, 2013. This training targeted judges and judicial officers and was focused on Money Laundering.</p> <p>There have been three convictions between January 2012 to December 2012, involving 5 natural persons and 1 corporate entity, this includes two failure to declare conviction, and one money laundering conviction. There have been three failure to declare convictions as of July 31st, 2013.</p> <p>Between August 1st, 2013 to January 31st, 2014 there have been three failure to declare convictions.</p> <p>Conference for proceeds of crime practitioners conducted by CCARP 9th & 10th April 2014 in Dominica attended by FIU Director and prosecutor</p> <p>Training sponsored by the UK's Department for International Development and conducted by the Caribbean Criminal Asset Recovery Program for FIU Staff, Customs, Magistrates and Police on cash seizure to be held during the week of May 19th, 2014.</p>
3. Confiscation and provisional measures	LC	<ul style="list-style-type: none"> Section 67 of the MLTPA does not facilitate the making of ex parte applications for the seizure and detention of terrorist cash. .Ineffective implementation of seizure, restraint and confiscation regime 	<ul style="list-style-type: none"> The authorities should consider amending section 67 of the MLTPA to facilitate the making of ex parte applications for the seizure and detention of terrorist cash. 	<p>All recommendations met per 4th FUR</p> <p>Section 15 of Act 4 of 2013</p>
Preventive measures				
4. Secrecy laws consistent with the Recommendations	PC	<ul style="list-style-type: none"> No provision allowing the designated supervisory authorities the CBB, SOI, IFSC and Ministry of Finance to share information among 	<ul style="list-style-type: none"> The designated supervisory authorities, the Central Bank, SOI, IFSC and Ministry of Finance should have the power to share information among themselves. 	<p>All recommendations met per 4th FUR</p> <p>Section 8 (a) (ii) of Act 4 of 2013</p>

		<p>themselves.</p> <ul style="list-style-type: none"> The IFSC can only access information from its supervised entities when necessary for criminal investigations, prosecutions or proceedings 	<ul style="list-style-type: none"> The IFSC should be able to access information from its supervised entities as necessary for carrying on its functions. 	<p>Section 8 (b) of Act 4 of 2013</p>
5.Customer due diligence	NC	<ul style="list-style-type: none"> No requirement for financial institutions to obtain proof of incorporation or similar evidence to verify legal status of corporate entities. No requirement for financial institutions to verify legal status of legal arrangements such as trusts. No requirement for financial institutions to take reasonable measures to understand the ownership and control structures of legal arrangements or determine who are the natural persons that ultimately own or control legal arrangements . No requirement in legislation or regulations for financial institutions to conduct ongoing due diligence on business relationships No requirement for financial institutions to ensure that documents, data or information collected under the CDD process is kept up-to-date and relevant by undertaking reviews of existing records, particularly for higher risk categories of customers or business relationships No requirement for financial institutions to perform enhanced due diligence for higher risk categories of customer, business relationship or transaction. No requirement prohibiting simplified CDD measures where there is a suspicion of money laundering or terrorist financing or specific higher risk scenarios No requirement for financial institutions when completing the verification of the identity of the 	<ul style="list-style-type: none"> Regulation 4 of the MLPR and section 15(1) of the MLTPA should be amended to correct the inconsistency in the transaction threshold. Financial institutions should be required to obtain proof of incorporation or similar evidence to verify legal status of corporate entities. Financial institutions should be required to verify legal status of legal arrangements such as trusts. Financial institutions should be required to take reasonable measures to understand the ownership and control structures of legal arrangements or determine who are the natural persons that ultimately own or control legal arrangements. Financial institutions should be required either in legislation or regulations to conduct ongoing due diligence on business relationships Financial institutions should be required to ensure that documents, data or information collected under the CDD process is kept up-to-date and relevant by undertaking reviews of existing records, particularly for higher risk categories of customers or business relationships 	<p>All recommendations met per 6th FUR</p> <p>Further instructions have been given to amend the MLTPA to correct the inconsistencies. There is a timeline of October 2013 for the amendments to be enacted.</p> <p>MLTPAA, section 6(a) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 3(a) (iii) of Act 4 of 2013. MLTPAA, section 6(b) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 3(a) (iii) of Act 4 of 2013 MLTPAA, section 6(b) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 3(a) (iii) of Act 4 of 2013 MLTPAA, section 6(b) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 3(a) (iv) of Act 4 of 2013 MLTPAA, section 6(c) – (d) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 3(b) of Act 4 of 2013 Instructions have been given to amend section 3(b) to impose an obligation to conduct ongoing reviews that will apply to all customers and particularly to higher risk category of customers or business relationships. There is a timeline of October 2013 for the</p>

		<p>customer and beneficial owner following the establishment of the business relationship for the money laundering risks to be effectively managed.</p> <ul style="list-style-type: none"> • No requirement for a financial institution to adopt risk management procedures concerning the conditions under which a customer may utilise a business relationship prior to verification. • No requirement for financial institutions to consider making a suspicious transaction report when terminating an application for a business relationship or a one-off transaction due to inability to identify and verify the identity of the applicant. • No requirement for financial institutions to consider making a suspicious transaction report when terminating an existing account due to inability to identify and verify the identity of the applicant • Financial institution which have doubts about the veracity or adequacy of previously obtained customer identification are not required to terminate the relationship and considering making a suspicious transaction report on failure to renew customer identification. • Unable to assess effectiveness of application of CDD measures to existing customers. 	<ul style="list-style-type: none"> • Financial institutions should be required to perform enhanced due diligence for higher risk categories of customer, business relationship or transaction. • Simplified CDD measures should be prohibited when there is a suspicion of money laundering or terrorist financing or specific higher risk scenarios • Financial institutions should be required when completing the verification of the identity of the customer and beneficial owner following the establishment of the business relationship to ensure that the money laundering risks are effectively managed. • Financial institutions should be required to adopt risk management procedures concerning the conditions under which a customer may utilise a business relationship prior to verification. • Financial institutions should be required to consider making a suspicious transaction report when terminating an application for a business relationship or a one-off transaction due to inability to identify and verify the identity of the applicant. • Financial institutions should be required to consider making a suspicious transaction report when terminating an existing account due to inability to identify and verify the identity of the applicant 	<p>amendments to be enacted. MLTPAA, section 6(c) – (d) makes recommended amendment; enacted and in force 7 Feb 2014. See attached</p> <p>Further instructions to amend the MLTPA to deal with this issue. There is a timeline of October 2013 for the amendments to be enacted. MLTPAA, section 6(e) makes recommended amendment; enacted and in force 7 Feb 2014. See attached. Further instructions for an amendment to the MLTPA to prohibit simplified CDD where there is a suspicion of ML/TF or specific higher risk scenarios. There is a timeline of October 2013 for the amendments to be enacted. MLTPAA, section 6(f) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 3(a) (iv) (d) of Act 4 of 2013</p> <p>Section 3(d) of Act 4 of 2013 MLTPAA, section 6(h) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Instructions have been given to amend section 3(d) to place this requirement on all reporting entities. There is a timeline of October 2013 for the amendments to be enacted. MLTPAA, section 6(h) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 3(d) of Act 4 of 2013 Instructions have been given to amend section 3(d) to place this requirement on all reporting entities. There is a timeline of October 2013 for the amendments to be enacted. MLTPAA, section 6(h) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p>
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			<ul style="list-style-type: none"> Financial institution which have doubts about the veracity or adequacy of previously obtained customer identification should be required to terminate the relationship and considering making a suspicious transaction report on failure to renew customer identification. 	<p>Section 3(f) of Act 4 of 2013 Section 3(d) of Act 4 of 2013</p> <p>Instructions have been given to amend section 3(d) to place this requirement on all reporting entities. There is a timeline of October 2013 for the amendments to be enacted.</p> <p>MLTPAA, section 6(h) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p>
6. Politically exposed persons	LC	<ul style="list-style-type: none"> No requirement for the senior management of a reporting entity to approve continuing the relationship with an existing customer who subsequently becomes or is found to be a PEP Some institutions did not have systems to determine whether a potential customer, a customer or beneficial owner is a politically exposed person 	<ul style="list-style-type: none"> Financial institutions should be required to obtain senior management approval to continue a business relationship with an existing customer or beneficial owner who subsequently becomes or is found to be a PEP Authorities should ensure that all financial institutions in Belize have in place systems to determine whether a potential customer, a customer or the beneficial owner is a politically exposed person. 	<p>All recommendations met per 4th FUR</p> <p>Implementation enhanced by MLTPAA s.6(g)</p> <p>Section 3(a) (iv) of Act 4 of 2013</p> <p>Section 3(a)(iv) of Act 4 of 2013</p>
7. Correspondent banking	LC	<ul style="list-style-type: none"> No requirement for financial institutions to ascertain whether a respondent institution has been subject to a money laundering or terrorist financing investigation or regulatory action. 	<ul style="list-style-type: none"> Financial institutions should be required to ascertain whether a respondent institution has been subject to a money laundering or terrorist financing investigation or regulatory action. 	<p>Section 3(c) of Act 4 of 2013</p> <p>MLTPAA, section 6(g) makes recommended amendment; enacted and in force 7 Feb 2014.</p> <p>The information provided above was not addressed in 6th FUR. The authorities would suggest that Belize is compliant with assessors' recommendations for R.7 and request that this be clarified in the 7th FUR.</p>
8. New technologies & non face-to-face business	NC	<ul style="list-style-type: none"> No requirement for financial institutions to have policies in place or take such measures to prevent the misuse of technological developments in money laundering or terrorist financing schemes. No requirement for financial institutions to have in place policies and procedures to address specific risks associated with non-face to face business relationships or transactions, particularly when establishing customer relationships and when conducting ongoing due diligence. 	<ul style="list-style-type: none"> Financial institutions should be required to have policies in place or to take measures to prevent the misuse of technological developments in money laundering or terrorism financing schemes. Financial institutions should be required to have in place policies and procedures to address specific risks associated with non-face to face business relationships or transactions, particularly when establishing customer relationships and when conducting ongoing due diligence 	<p>All recommendations met per 6th FUR</p> <p>Further instructions to amend the MLTPA to require financial institutions to have policies in place or take measures to prevent the misuse of technological developments in ML/TF schemes. There is a timeline of October 2013 for the amendments to be enacted.</p> <p>MLTPAA, section 9(b)(iii) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Further instructions to amend the MLTPA to require financial institutions to have in place policies and procedures in place to address specific risks associated with non-face to face business. Timeline for this action is June 2013. There is a timeline of October 2013 for</p>

				the amendments to be enacted. MLTPAA, section 6(e) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.
9.Third parties and introducers	NC	<ul style="list-style-type: none"> Financial institutions relying on a third party are not required to immediately obtain from the third party the necessary information concerning the elements of the CDD process in criteria 5.3 to 5.6 The requirement for third parties or intermediaries to be regulated and supervised does not specify this in accordance with the FATF Recs. 23, 24 and 29. Competent authorities do not take into account information available on countries which adequately apply FATF Recs in determining which countries third parties can be based. Current legislation does not address the FATF requirement for the ultimate responsibility for customer identification and verification to remain with the financial institution relying on the third party 	<ul style="list-style-type: none"> Financial institutions relying on a third party should be required to immediately obtain from the third party the necessary information concerning the elements of the CDD process in criteria 5.3 to 5.6 Third parties or intermediaries should be regulated and supervised in accordance with the requirements of FATF Recs. 23, 24 and 29. Competent authorities should take into account information available on countries which adequately apply FATF Recs in determining which countries third parties can be based. The ultimate responsibility for customer identification and verification should remain with the financial institution relying on the third party 	<p>All recommendations met per 6th FUR</p> <p>Section 3(e) (ii) of Act 4 of 2013 Further instructions to amend the MLTPA to require reporting entities to obtain from the third party, copies of identification data, information on ownership, in particular beneficial ownership, control structure, purpose and intended nature of business relationship. There is a timeline of October 2013 for the amendments to be enacted. MLTPAA, section 6(i) makes recommended amendment; enacted and in force 7 Feb 2014. See attached. Section 3(e)(i) of Act 4 of 2013 MLTPAA, section 6(i) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 3(e)(ii) of Act 4 of 2013 Further instructions to amend the MLTPA to require the competent authority to take into account information available on countries which adequately apply FATF Recommendations in determining which countries third parties can be based. There is a timeline of October 2013 for the amendments to be enacted. MLTPAA, section 4(b) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 3(e)(ii) of Act 4 of 2013</p>
10.Record keeping	PC	<ul style="list-style-type: none"> No explicit legal provision requiring financial institutions under the supervision of the CBB, SOI and the FIU to ensure that all customer and transaction records and information are available on a timely basis to domestic competent authorities upon appropriate authority. Licensees of the IFSC are required to ensure that all documentation is accessible within a reasonable time to only court orders or court 	<ul style="list-style-type: none"> Financial institutions under the supervision of the Central Bank, SOI, the FIU and the IFSC should be required to ensure that all customer and transaction records and information are available on a timely basis to all domestic competent authorities upon appropriate authority. 	<p>All recommendations met per 4th FUR</p> <p>Section 4(b) of Act 4 of 2013</p>

		directives		
12.DNFBP – R.5, 6, 8-11	PC	<ul style="list-style-type: none"> Deficiencies identified in Recs.5, 6 and 8-11 in relation to the above recommendations would also be applicable to the DNFBPs since they are subject to the requirements of the MLTPA. The transaction threshold level for casinos to comply with the requirements of Rec. 5 and Rec. 10 are well above the FATF level of US\$3,000. 	<ul style="list-style-type: none"> Deficiencies identified in Recs.5, 6 and 8-11 in relation to the above recommendations would also be applicable to the DNFBPs since they are subject to the requirements of the MLTPA. Implementation of the specific recommendations in the relevant sections of this Report will also apply to listed DNFBPs The transaction threshold level for casinos should be amended in the MLTPA to comply with the requirements of Rec. 5 and Rec. 10. 	<p>Guidelines for DNFBP are now in effect. See actions taken in relation to R.5, 6 and 8-11. Updated guide, including sector specific guidance, in effect. See attached and FIU website: https://www.fiubelize.org/images/DNFBPs_Guide_to_Registration_and_Overview_of_Obligations_with_Form_R101-Final.pdf</p> <p>MLTPAA, section 32 makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>DNFBP Regulations, 2014 enacted and in force 7 Feb 2014. See attached.</p> <p>Further instructions to amend the MLTPA to comply with transaction threshold for casinos as stipulated in FATF Recommendations. There is a timeline of October 2013 for the amendments to be enacted. MLTPAA, section 7(d) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>The authorities note that Belize is now fully compliant with R. 5, 6 and 8-11. Further, pursuant to the 6th FUR, only one assessor recommendation remains outstanding in relation to R.12. Accordingly, the authorities would suggest that Belize is Largely Compliant with R.12 for the purposes of determining whether Belize meets the criteria to exit the FUP.</p>
13.Suspicious transaction reporting	PC	<ul style="list-style-type: none"> The obligation to submit suspicious transaction reports does not apply to the proceeds of all FATF predicate offences Low number of STRs submitted by financial institutions suggests that STR reporting ineffective in non-bank reporting entities. 	<ul style="list-style-type: none"> The authorities should extend the range of predicate offences for ML to include all the FATF designated categories of offences by criminalizing racketeering, illicit arms trafficking, illicit trafficking in stolen and other goods, hostage taking, smuggling, extortion, piracy and insider trading. 	<p>All recommendations met per 6th FUR</p> <p>The range of substances set out in Table I and II of the Annex to the Vienna Convention is included in the Final Draft of the Misuse of Drugs (Amendment of Schedule) Order 2013. There is a timeline of September 2013 for this Order to be signed by the Minister and to enter into force. See the Order attached.</p> <p>The Misuse of Drugs (Amendment) Order was enacted 2 November 2013. See attached.</p> <p>The Firearms (Amendment) Bill, 2013 and the Criminal Code (Amendment) Bill, 2013 was prepared. The Bill was introduced at the House of Representatives on August 7th, 2013 and was discussed at the House Committee meeting on August 19th, 2013 and has been recommended for a second</p>

			<ul style="list-style-type: none"> Specific guidance should be provided for reporting entities as to how to treat suspicious transactions involving tax matters 	<p>reading in the House. There is a timeline of September 2013 for the Bills to be enacted. See the Bills attached. Criminal Code (Amendment) Act, 2013 created offences for (1) illicit arms trafficking (2) extortion (3) piracy and (4) insider trading and was enacted 2 December 2013. See attached.</p> <p>The same level of diligence and guidelines will be applied to STRs involving tax matters, but will additionally be corroborated with the General Sales Tax Department, as well as the Income and Business Tax Department.</p> <p>MLTPAA, section 8(b) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p>
14. Protection & no tipping-off	LC	<ul style="list-style-type: none"> No provision for protection against criminal, civil, disciplinary or administrative proceedings for breaches of banking or professional secrecy for reporting STRs to be available even if the underlying criminal activity is not precisely known and regardless of whether illegal activity actually occurred 	<ul style="list-style-type: none"> There should be provision for protection against criminal, civil, disciplinary or administrative proceedings for breaches of banking or professional secrecy for reporting STRs even if the underlying criminal activity is not precisely known and regardless of whether illegal activity actually occurred. 	<p>Section 15 of the Financial Intelligence, as well as Section 81 and 82 of the MLTPA addresses this issue MLTPA section 17(12) provides as follows:</p> <p>(12) No criminal, civil, disciplinary or administrative proceedings for breach of banking or professional secrecy or contract may be instituted against the reporting entity, or its directors, principals, officers, partners or employees who in good faith submit reports or provide information in accordance with the provisions of this section. No criminal action for money laundering or financing of terrorism shall be brought against a reporting entity, or its directors, principals, officers, partners or employees in connection with the execution of a suspicious transaction where such entity or person complied with the provisions of this section.</p> <p>The information provided above was not addressed in 6th FUR. The authorities would suggest that Belize is compliant with assessor recommendations for R.14 and request that this be clarified in the 7th FUR.</p>
15. Internal controls, compliance & audit	PC	<ul style="list-style-type: none"> No requirement for internal audit to be adequately resourced, independent and include sample testing for compliance Requirement only allows for reasonable access to information by the AML/CFT compliance 	<ul style="list-style-type: none"> Financial institutions should be required to maintain adequately resourced, independent internal audit function which includes sample testing for compliance. 	<p>All recommendations met per 6th FUR</p> <p>Section 6(b) of Act 4 of 2013</p> <p>Further instructions to amend the MLTPA to include the requirement of 'adequately resourced' before independent internal audit function. There is a timeline of October 2013 for the amendment to be enacted MLTPAA, section 9(c) makes recommended</p>

		<p>officer rather than unimpeded access</p> <ul style="list-style-type: none"> Access to information is limited to AML/CFT compliance officers and not extended to other appropriate staff. 	<ul style="list-style-type: none"> Financial institutions should be required to ensure timely access by the AML/CFT compliance officer and other appropriate staff to information necessary to consider the reporting of suspicious transactions. 	<p>amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 6(d) of Act 4 of 2013</p>
16.DNFBP – R.13-15 & 21	PC	<ul style="list-style-type: none"> Deficiencies identified in Recs.13 to 15 and 21 in relation to the above recommendations would also be applicable to the DNFBPs since they are subject to the requirements of the MLTPA 	<ul style="list-style-type: none"> Deficiencies identified in Recs.13 to 15 and 21 in relation to the above recommendations would also be applicable to the DNFBPs since they are subject to the requirements of the MLTPA. Implementation of the specific recommendations in the relevant sections of this Report will also apply to listed DNFBPs. 	<p>All recommendations met per 6th FUR</p> <ul style="list-style-type: none"> Guidelines for DNFBP have been implemented to address these shortcomings. The FIU commenced on-site inspections of DNFBPs and has completed this process with Casinos. 10 inspections have been executed on 5 casinos for the year 2012. The FIU has commended on-site inspections on the Casino's for the year 2013. 2 casinos have been inspected as of July 31st, 2013. The DNFBP Guidelines are now being implemented. The website for Belize FIU reflects that these Guidelines were issued in the last quarter of 2011. The FIU has commenced the registration of certain sectors of DNFBPs that it supervises. As of July 2013, 209 DNFBPs have been registered. They are: <ol style="list-style-type: none"> Vehicle Dealers – 20 Dealing in real estate – 39 Non-Governmental Organizations – 135 Dealing in precious metals & stones – 13 The FIU has issued surveys to persons dealing in real estate and non-governmental organizations to assess risk and will commence on-site inspections of the other sectors of DNFBP's apart from casino's after the initial survey based assessment. See actions taken in relation to R. 13 – 15 and 21. Updated guide, including sector specific guidance, in effect. See attached and FIU website: https://www.fiubelize.org/images/DNFBPs_Guide_to_Registration_and_Overview_of_Obligations_with_Form_R101-Final.pdf MLTPAA, section 32 makes recommended

				<p>amendment; enacted and in force 7 Feb 2014. See attached.</p> <ul style="list-style-type: none"> • DNFBP Regulations, 2014 enacted 7 Feb 2014. See attached. • As of 31 August 2014, 496 DNFBPs have registered with the FIU • On 12 July 2014, 236 notices were served on DNFBPs (other than sole practitioners) that had not applied for approval of the MLCO; since then, 101 DNFBPs have submitted applications as at 31 August.
17.Sanctions	NC	<ul style="list-style-type: none"> • Administrative fines under supervisory sanctions of subsection 22(1) are not dissuasive. • Unable to assess effectiveness of supervisory sanctions since none have been applied 	<ul style="list-style-type: none"> • Administrative fines under supervisory sanctions of subsection 22(1) should be dissuasive. 	<p>All recommendations met per 4th FUR</p> <p>Section 9(b) of Act 4 of 2013 MLTPAA, sections 13 and 14 make recommended amendment; enacted and in force 7 Feb 2014. See attached.</p>
18.Shell banks	PC	<ul style="list-style-type: none"> • No requirement for financial institutions to satisfy themselves that a respondent financial institution in a foreign country does not permit its accounts to be used by shell banks. 	<ul style="list-style-type: none"> • The authorities should enact measures that require financial institutions to satisfy themselves that a respondent financial institution in a foreign country does not permit its accounts to be used by shell banks 	<p>All recommendations met per 6th FUR</p> <p>Section 3(c)(ii) of Act 4 of 2013</p> <p>Further instructions to amend the MLTPA to completely prohibit accounts being used by shell banks. There is a timeline of October 2013 for the amendment to be enacted.</p> <p>MLTPAA, sections 6(g) and 6(j) make recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>DBFIAA sections 2 and 4 also address recommendation; enacted and in force 7 Feb 2014. See attached.</p>
19.Other forms of reporting	NC	<ul style="list-style-type: none"> • No consideration has been given to the feasibility and utility of implementing a system where financial institutions report all transactions in currency above a fixed threshold to a national central agency with a computerized data base. 	<ul style="list-style-type: none"> • Belize should consider the feasibility and utility of implementing a system where financial institutions report all transactions in currency above a fixed threshold to a national central agency with a computerized data base. 	<p>All recommendations met per 5th FUR</p> <p>On July 23rd, 2013 a meeting of the Money Laundering Committee was convened and the feasibility and utility of implementing a national system of all currency transactions above a fixed threshold was discussed and the motion not to adopt such a system was put to the committee. The motion is being fully considered by virtue of the Round Robin procedure.</p> <p>Belize considered implementation of a threshold reporting regime and determined it would not be feasible at this stage. DBFIAA section 3 reflects the outcome of Belize's consideration of threshold reporting; enacted and in force 7 Feb 2014. See attached.</p>

21.Special attention for higher risk countries	PC	<ul style="list-style-type: none"> No measures in place to ensure that financial institutions were advised of concerns about weaknesses in the AML/CFT systems of other countries No mechanism to apply appropriate counter measures to countries that continue not to apply or insufficiently applies the FATF Recommendations. 	<ul style="list-style-type: none"> Measures should be put in place to ensure that financial institutions are advised of concerns about weaknesses in the AML/CFT systems of other countries. A mechanism should be in place to apply appropriate counter measures to countries that continue not to apply or insufficiently applies the FATF Recommendations. 	<p>All recommendations met per 6th FUR</p> <p>Section 6(a)(ii) of Act 4 of 2013 Further instructions to amend the MLTPA to require supervisory, regulatory or competent authority to put measures in place to ensure that financial institutions are advised of concerns about weaknesses in the AML/CFT systems of other countries. There is a timeline of September 2013 for the amendment to be enacted. MLTPAA, section 13(c) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 6(a)(ii) of Act 4 of 2013 Further instructions to amend the MLTPA to create a system of application of appropriate counter measures. There is a timeline of October 2013 for the amendment to be enacted. MLTPAA, section 13(c) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p>
22.Foreign branches & subsidiaries	NC	<ul style="list-style-type: none"> Requirement that the reporting entity should ensure that their foreign branches and subsidiaries adopt and enforce measures consistent with the MLTPA to the extent that local laws and regulations so permit has not been imposed by supervisory authorities. No requirement for financial institutions to pay particular attention that their branches and subsidiaries in countries which do not or insufficiently apply FATF Recommendations observe AML/CFT measures consistent with home country requirements and the FATF Recommendations. No requirement, where the minimum AML/CFT requirements of the home and host countries differ, for the branches and subsidiaries of financial institutions in host countries to apply the higher standard, to the extent that host country laws and regulations permit. 	<ul style="list-style-type: none"> The requirement that the reporting entity should ensure that their foreign branches and subsidiaries adopt and enforce measures consistent with the MLTPA to the extent that local laws and regulations so permit should be imposed by supervisory authorities. Financial institutions should be required to pay particular attention that their branches and subsidiaries in countries which do not or insufficiently apply FATF Recommendations observe AML/CFT measures consistent with home country requirements and the FATF Recommendations. Financial institutions should be required, where the minimum AML/CFT requirements of the home and host countries differ, to ensure that branches and subsidiaries in host countries apply the higher standard, to the extent that host country laws and regulations permit. 	<p>All recommendations met per 6th FUR</p> <p>Section 8(a)(i) of Act 4 of 2013</p> <p>Section 8(a)(i) of Act 4 of 2013 Further instructions to amend the MLTPA to make the requirement applicable to all reporting entities. There is a timeline of September 2013 for the amendments to be enacted. MLTPAA, section 13(e) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 8(a)(i) of Act 4 of 2013</p>

		<ul style="list-style-type: none"> The requirement for financial institutions to report to the designated supervisory or regulatory authority or the competent disciplinary authority where the foreign branch or subsidiary is unable to adopt and observe certain AML/CFT measures has not been imposed by the supervisory authority. 	<ul style="list-style-type: none"> The requirement for financial institutions to report to the designated supervisory or regulatory authority or the competent disciplinary authority where the foreign branch or subsidiary is unable to adopt and observe certain AML/CFT measures should be imposed by the supervisory authority. 	Section 8(a)(i) of Act 4 of 2013
23.Regulation, supervision and monitoring	PC	<ul style="list-style-type: none"> No requirement for changes in management or shareholding of insurance companies to be approved by the SOI on the basis of a fit and proper assessment. Applications for licences for associations of underwriters and insurance intermediaries are not required to be subject to fit and proper assessment. Shareholders or owners of IFS practitioners are not subject to fit and proper assessment. 	<ul style="list-style-type: none"> Changes in management or shareholding of insurance companies should be approved by the SOI on the basis of a fit and proper assessment. Applications for licences for associations of underwriters and insurance intermediaries should be subject to fit and proper assessment. Shareholders or owners of IFS practitioners should be subject to fit and proper assessment 	<p>All recommendations met per 6th FUR</p> <p>There are drafting instructions at the AG's Ministry for an Insurance Amendment Act that will incorporate the examiner's recommendations for fit and proper assessment for changes in management and shareholdings and application for licences for associations of underwriters and insurance intermediaries. There is a timeline of October 2013 for the amendments to be enacted.</p> <p>Insurance (Amendment) Act sections 4 and 5 make recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Insurance (Amendment) Act sections 6 and 7 make recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>The IFSC will draft and see the passage of amendments to section 4 of IFSC Licensing Regulations to require that shareholders or owners of IFS practitioners be subject to fit and proper assessments.</p> <p>IFSC (Licensing) (Amendment) Regulations, 2014 section 2 makes recommended amendment; enacted 7 and in force 7 February 2014. See attached.</p>
24. DNFBP – regulation, supervision and monitoring	NC	<ul style="list-style-type: none"> Casinos are not subject to a comprehensive regulatory and supervisory regime that ensures they are effectively implementing the AML/CFT measures required under the FATF Recommendations. Designated supervisory for casinos does not have the power to request regular reporting or access any information necessary to carry out its functions in particular monitoring. 	<ul style="list-style-type: none"> Casinos should be subject to a comprehensive regulatory and supervisory regime that ensures they are effectively implementing the AML/CFT measures required under the FATF Recommendations. Designated supervisory for casinos should have the 	<p>Guidelines for DNFBP have been implemented to address these shortcomings. The FIU is in the process of drafting regulations to govern DNFBP. There is a timeline of September 2013 for the draft of the regulations.</p> <p>Updated guide, including sector specific guidance, in effect. See attached and FIU website: https://www.fiubelize.org/images/DNFBPs_Guide_to_Registration_and_Overview_of_Obligations_with_Form_R101-Final.pdf</p> <p>DNFBP Regulations, 2014 enacted 7 Feb 2014. See attached.</p>

		<ul style="list-style-type: none"> • Fines applicable by the designated supervisory authority under section 22(1) of the MLTPA are not dissuasive • No requirement for information on natural persons behind the corporate shareholders of applicants for licences for the provision of gaming facilities by hotels for their guests • No adequate provisions in relation to the granting of licences for gaming premises and the use of gaming machines to prevent criminals or their associates from holding or being beneficial owner of a significant or controlling interest, holding a management function in or being an operator under these licences. • No comprehensive regulatory and supervisory regime to ensure effective implementation of AML/CFT measures required under the FATF Recommendations has been instituted for other DNFBPs except for trust and company service providers 	<p>power to request regular reporting or access any information necessary to carry out its functions in particular monitoring.</p> <ul style="list-style-type: none"> • Fines applicable by the designated supervisory authority under section 22(1) of the MLTPA should be dissuasive. • Information should be required on natural persons behind the corporate shareholders of applicants for licences for the provision of gaming facilities by hotels for their guests <p>There should be adequate measures in relation to the granting of licences for gaming premises and the use of gaming machines to prevent criminals or their associates from holding or being beneficial owner of a significant or controlling interest, holding a</p>	<p>Casinos are presently submitting a month transaction report to the supervisory authority. Also Section 8(b) of Act4 of 2013) gives the supervisory authority the power to obtain access to information, records, documents</p> <p>MLTPAA, sections 13 and 14 make recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 9(b) of Act 4 of 2013 Gaming Control (Amendment) Act, 2014 drafted and under consideration by Gaming Control Board. Scheduled to be considered by National Assembly when it next meets. Draft includes the following proposed amendments to GCA section 6:</p> <p>(2) Every application for a licence under this Act or the regulations made under this Act shall be accompanied by the following:</p> <p>(a) identification information for any director or senior officer of the applicant; and</p> <p>(b) a current list of shareholders of the applicant, including, where any beneficial interest is 5% or more of the outstanding shares of any class, identification information for the beneficial owner of any shares held by a legal person or in the name of nominee shareholder; and</p> <p>(c) such information as may be required by this Act or the regulations made under this Act or requested by the Board;</p> <p>(d) such fee as the Board may from time to time prescribe by regulations made under this Act.</p> <p>(3) Paragraphs (2)(a) and (b) do not apply to an applicant that is a publicly traded company.</p> <p>In the process of drafting legislation to set up a Commission, who will be responsible for this action and also for new standards.</p>
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			<p>management function in or being an operator under these licences.</p>	<p>Gaming Control (Amendment) Act, 2013 was brought into force on 15 October 2014. The Act requires information on natural person behind the corporate shareholders of applicants for licenses for the provision of gaming facilities. There is a timeline of September 2013 for the Bill to be enacted. See the Act attached Amendments to Gaming Control Act (provided as an attachment to 6th EUR matrix) had 1st and 2nd reading and cleared Committee Stage; due for 3rd reading and passage by National Assembly on 5 Sept.</p> <p>Gaming Control (Amendment) Act, 2014 drafted and under consideration by Gaming Control Board. Scheduled to be considered by National Assembly when it next meets. Draft includes proposed amendments to various sections of the GCA clarifying fit and proper requirements for any person seeking a licence or approval of the Board to perform any function; provision of robust supervisory powers, including power to impose administrative sanctions. See below for examples of implementation. The following are some examples:</p> <p>5. (2) For the purposes of performing its functions under subsection (1) of this section, the Board shall have power to,</p> <p>---</p> <p>(b) supervise the operation of licensees to ensure that licensees comply with the terms and conditions of their gaming licenses [compliance with AML/CFT obligations is now a condition of every license] and with the provisions of this Act and of regulations made under this Act and with any applicable directives issued by the Board in accordance with this Act or regulations made under this Act;</p> <p>(c) inquire into the suitability of any person applying for any gaming license or approval under this Act or the regulations made under this Act and to ensure that those involved in the operation or management of, or employment in, a licensed gaming</p>
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				<p>premises are fit and proper persons to carry out their functions relative to such licensed premises;</p> <p>(d) use all powers vested in it by this or any other law to ensure that games and gaming are kept free from criminal activity, and to prevent, detect and take all reasonable measures to ensure the prosecution of any offence against this Act or the regulations made under this Act;</p> <p>...</p> <p>5A. — (2) It is a condition of every gaming licence issued or approval granted that the person in respect of whom the gaming licence is issued or approval granted is considered by the Board to be a fit and proper person for the function he performs or proposes to perform. [Fit and proper criteria for licensees are now articulated in the Act; The Board may issue guidelines as to F&P criteria for gaming management and employees.]</p> <p>...</p> <p>6A. — (1) Upon an application made in accordance with section 6, the Board may grant to the applicant a gaming licence, if the Board is satisfied that—</p> <p>(a) the applicant and each associate of the applicant is a fit and proper person to be concerned in or associated with the management or operation of a premises to be used for gaming;</p> <p>(b) the applicant or any associate has not been convicted of a specified offence.</p> <p>[Specified offence is defined to include any gambling offence, any form of fraud, any predicate offence, any offence under the MLTPA. Associate is defined as follows:</p> <p>(2) A person is an associate of a licensee or an applicant for a gaming licence if the person;</p>
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			<ul style="list-style-type: none"> A comprehensive regulatory and supervisory regime to ensure effective implementation of AML/CFT measures required under the FATF Recommendations should be instituted for other DNFBPs except for trust and company service providers 	<p>(a) holds or will hold any relevant financial interest, or is or will be entitled to exercise any relevant power, whether on his own behalf or on behalf of any other person, in the licensee or applicant, and by virtue of that interest or power, is able or will be able to exercise significant influence over or with respect to the operation of that premises to be used for gaming; or</p> <p>(b) holds or will hold any relevant position, whether on his own behalf or on behalf of any other person, in the business of the licensee or applicant.</p> <p>(3) For the purposes of subsection (2), “relevant financial interest” means, in relation to a gaming business, five per cent or more of the voting capital of the business; “relevant position”, in relation to a gaming business, means the position of director, manager or secretary, or other executive position, however that position is designated; “relevant power” means any power, whether exercisable by voting or otherwise, and whether exercisable alone or in association with others,</p> <p>(a) to participate in any directorial, managerial or executive decision; or</p> <p>(b) to elect or appoint any person to any relevant position.:</p> <p>Amendments to Gaming Control Act had 1st and 2nd reading and cleared Committee Stage; due for 3rd reading and passage by National Assembly on 5 Sept. brought into force 15 October 2014.</p> <p>The authorities would suggest that, for the purposes of assessing compliance with criteria to exit the FUP, Belize will be Largely Compliant with R.24 when legislation is passed.</p> <ul style="list-style-type: none"> Guidelines for DNFBP have been implemented to address these shortcomings. The FIU is in the process
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				<p>of drafting regulation to govern DNFBP. There is a timeline of September 2013 for the draft of the regulations.</p> <ul style="list-style-type: none"> • Updated guide, including sector specific guidance, in effect. See attached and FIU website: https://www.fiubelize.org/images/DNFBPs Guide to Registration and Overview of Obligations with Form R101-Final.pdf • MLTPAA, section 32 makes relevant amendment; enacted and in force 7 Feb 2014. See attached. DNFBP Regulations, 2014 enacted 7 Feb 2014. See attached. • As of 31 August 2014, 496 DNFBPs have registered with the FIU • As of 31 October, 2014, 566 DNFBPs have registered with the FIU • On 12 July 2014, 236 notices were served on DNFBPs (other than sole practitioners) that had not applied for approval of the MLCO; since then, 101 DNFBPs have submitted applications as at 31 August. • FIU compliance officers sent out warning notices to registered DNFBPs in all sectors who had not nominated a money laundering compliance officer (MLCO). Of the 291 notices sent, 284 DNFBPs have responded positively and applied for approval of their MLCOs. Applications in respect of MLCO nominees who did not meet the fit and proper test were refused and new nominees were proposed. • Additional personnel hired to assist the SOI with IFSC compliance functions. • Instructional Notes on making STRs published by FIU 31 August 2014; notes included red-flag indicators specific to DNFBP sectors. See https://www.fiubelize.org/images/Instructional%20Notes%20on%20Making%20STRs%20(V1%20Aug%202014).pdf. • As of 1 September 2014, the FIU secured the services of a former multinational financial institution executive in charge of implementing and supervising compliance programmes to head its Compliance Department, bringing the number of personnel in the Compliance Department to 3 and significantly
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				<p>enhancing the FIU's supervisory capacity.</p> <ul style="list-style-type: none"> On October 23, 2014, FIU compliance officers met with Free Zone supervisors and representatives of Free Zone businesses to address supervisory expectations and to remedy shortcomings in information provided on applications for registration and approval of MLCO.
25. Guidelines & Feedback	NC	<ul style="list-style-type: none"> Feedback is limited only to acknowledgement of receipt of STRs No guidelines have been issued for the DNFBPs except for the trust and company service providers. No guidelines have been issued for licensees of the SOI and IFSC 	<ul style="list-style-type: none"> The FIU should provide general feedback to financial institutions with regard to statistics on the number of disclosures or information on current techniques, methods, trends and typologies. Guidelines should be issued for licensees of the SOI and IFSC 	<p>All recommendations met per 6th FUR</p> <p>A database for the recording and management of information pertaining to STRs and Requests for Information has been created and in operation since June 2012.</p> <p>On June 26th and June 27th the FIU conducted meetings with all the Financial Institutions giving them general feedback based on reports generated from the database on the quality and information that they have provided in STRs. The FIU also gave feedback on statistics and typologies.</p> <p>The IFS practitioners refer to the regulations to guide the sector. The IFSC are in the process of drafting guidelines to regulate the sector. The SOI has issued guidelines to the insurance sector.</p> <p>Instructional Notes on making STRs published by FIU 31 August 2014, including sector specific guidance. See attached.</p>
Institutional and other measures				
26. The FIU	PC	<ul style="list-style-type: none"> Minimal security arrangements for custody of information with main vulnerabilities being security and IT support provided by personnel not in the employ of the FIU. Minimal feedback is provided to financial institutions and DNFBPs by the FIU in relations to STRs filed or requests made of the institutions. No publicly released periodic reports which include statistics, typologies and trends as well as information regarding activities. Operational independence of the FIU is 	<ul style="list-style-type: none"> Belize should consider providing a more secure location for its FIU, since information held at the FIU may be accessed by persons other than FIU staff, since the security officers of the Central Bank building has access to the FIU offices after work hours. The FIU should consider removing internet access from its server on which sensitive data and information is stored and establish a system where 	<p>All recommendations met per 6th FUR</p> <p>On September 13th 2012, the FIU moved into its new building. The architecture of the permanent office is done in accordance with the security, staffing and record storing needs of the FIU.</p> <p>The professional staff essential to the core functions of the FIU has grown. The FIU currently employs 2 Legal Officers as of June 24th, 2013, 2 Financial Analysts as of June 24th, 2013, 1 Compliance Examiner, 1 Compliance Officer, 1 Senior Investigator, 4 Police Investigators and a floating officer. The FIU has hired a Network/ IT Systems Administrator since April 23, 2012. The investigative department of the FIU now has a legal offer dedicated to working in consultation with</p>

		vulnerable to external influence.	<p>their server is stand alone. Consideration should be given to storing the FIU's server backups offsite.</p> <ul style="list-style-type: none"> Measures should be considered to ensure the operational independence of the FIU The FIU should consider implementing a mechanism that allows for the provision of some level of feedback to financial institutions and DNFBPs that pertains to STRs submitted to it, requests made of these institutions, and the provision of information that contains trends, statistics and typologies. <ul style="list-style-type: none"> The FIU should consider making its Annual Report public and include statistics, typologies and trends as well as information regarding its activities in it. 	<p>that department.</p> <p>As of 1 September 2014, the FIU secured the services of a former multinational financial institution executive in charge of implementing and supervising compliance programmes to head its Compliance Department, bringing the number of personnel in the Compliance Department to 3 and significantly enhancing the FIU's supervisory capacity.</p> <p>This has been done by the Systems Administrator. Our server is stand alone and we also have two server back-up onsite, and one offsite</p> <p>FIU operates independently. Legislatively, the Minister approves the employment of staff, but this does not affect the independence of the FIU.</p> <p>FIU (Amendment) Act, 2014 implemented specific recommendations made by IMF to improve operational independence; enacted 7 Feb 2014. See attached.</p> <p>Mechanism presently in place categorizes STR by:</p> <ol style="list-style-type: none"> 1) the type of entity, 2) the name of the entity, 3) the type of suspicious transaction 4) Date of transaction 5) Subject of STR <p>These categorization may be used to generate feedback.</p> <p>On June 26th and June 27th the FIU conducted meetings with all the Financial Institutions giving them general feedback based on reports generated from the database on the quality and information that they have provided in STRs. The FIU also gave feedback on statistics and typologies.</p> <p>The FIU has undertaken a comprehensive outreach program on AML/CFT issues, which includes information on trends statistics and typologies, on a sector by sector basis. To date, the FIU has presented workshops to frontline employees of the banking and credit union sectors (July 22 and August 31, 2014). Additional workshops are planned for the offshore and DNFBP sectors.</p> <p>The FIU has compiled a draft of its Annual Report to be finalized for September 2013.</p> <p>Annual Report published 11 November 2013.</p>
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27. Law enforcement authorities	PC	<ul style="list-style-type: none"> No measures, whether legislative or otherwise, to allow competent authorities investigating ML cases to postpone or waive the arrest of suspected persons and/or the seizure of the money for the purpose of identifying persons involved in such activities or for evidence gathering. 	<ul style="list-style-type: none"> Belize should consider taking measures, whether legislative or otherwise, that allow competent authorities investigating ML cases to postpone or waive the arrest of suspected persons and/or the seizure of the money for the purpose of identifying persons involved in such activities or for evidence gathering. 	<p>All recommendations met per 6th FUR</p> <p>Section 4 of the Police Act, Chapter 138 of the Laws of Belize RE 2000, states that one of the functions of the police is the apprehension of offenders. There are no restrictions or limitations as to when to arrest an offender. Section 10 of Police Regulations Paragraph 6 of Police Standing Order (specifically item (c) and (g)) The time of arrest is a tactical consideration taken into account by the investigating police after consultation with the legal officer of the FIU that works with investigative unit. The approach depends upon the circumstances of the case.</p> <p>MLTPAA, section 3 makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p>
28 Powers of competent authorities	LC	<ul style="list-style-type: none"> No written provisions granting the FIU powers to be able to take witness statements for use in investigations and prosecutions of ML, FT and predicate offenses in Belize 	<ul style="list-style-type: none"> The authorities should consider written provisions granting the FIU powers to be able to take witness statements for use in investigations and prosecutions of ML, FT and predicate offences in Belize 	<p>The Belize FIU is a hybrid FIU. Police officers are attached to the unit and these officers retain all their powers as a police officer and have the authority to take witness statements for use in investigations and prosecutions of ML, FT and predicate offences in Belize. The officers received instructions from the Director in executing their duties, but are still subjected to all the rules and regulations of the Belize Police Department</p> <p>The Interception of Communications (Amendment) Bill, 2013 has been prepared. This amendment will allow the Director of the FIU to make interception applications among the other orders pursuant to that act. The Bill was introduced at the House of Representatives on August 7th, 2013 and was discussed at the House Committee meeting on August 20th, 2013 and has been recommended for a second reading in the House. There is a timeline of September 2013 for the Bill to be enacted. See the Bill attached</p> <p>Also see Recommendation 27</p> <p>This matter is specifically addressed in “Judges’ Rules: Being Guidelines for the Interviewing of Persons and Obtaining Statements from them while in Police Custody” issued pursuant to section 60 of the Supreme Court of Judicature Act - Chapter 82 of the Laws of</p>

				<p>Belize. Judges Rules 2000. Rules 1.1 – 9.4. The Judges’ Rules, 2000.</p> <p>R 1.1 When a police officer is trying to discover whether, or by whom an offence has been committed he is entitled to question any person, whether suspected of not, from whom he thinks that useful information may be obtained. The police officer can do this whether or not the person has been taken into custody provided he has not been charged with the offence or informed that he may be prosecuted for it.</p> <p>R 9.3 ...</p> <p>When a police officer writes the statement he must take down the exact words spoken by the person making it and he must not edit or paraphrase it. Any questions that are necessary (for example to make it more intelligible) and the answers give must be recorded contemporaneously on the statement form.</p> <p>The information provided above was not addressed in 6th FUR. The authorities would suggest that Belize is compliant with assessor recommendations for R.28 and request that this be clarified in the 7th FUR.</p>
29.Supervisors	PC	<ul style="list-style-type: none"> • IFSC does not carry out AML/CFT on-site inspections • IFSC does not have the power to carry out on-site inspection except for international insurance companies • The IFSC can only access or compel production of records from licensees under the MFA and the IIA. 	<ul style="list-style-type: none"> • The IFSC should implement AML/CFT on-site inspections of its reporting entities 	<p>All recommendations met per 6th FUR</p> <p>The IFSC has factored the hiring of additional staff and the execution of onsite inspections.</p> <p>SOI, designated by the IFSC to conduct onsite compliance inspections of IFSC licensees, completed inspections of all trust service providers, most of whom are also company service providers. The SOI reported high levels of compliance, including maintenance and availability of up to date beneficial ownership information. A report on general findings, including recommendations for disciplinary action in respect of deficiencies, was submitted to the General Director, IFSC. Reports specific to each service provider are forthcoming.</p> <p>Additional personnel hired to assist the SOI with IFSC compliance functions</p>

			<ul style="list-style-type: none"> IFSC should have the power to carry out on-site inspection of all its reporting entities. The IFSC should have access or be able to compel production of records from all its reporting entities. 	<p>Section 6(1) of IFSC Act Section 23 of IFSC (Code of Conduct) Regulations Section 21(2) (a) MLTPA 2008 International Financial Services Commission (Amendment) Bill, 2013 was prepared. The Bill was introduced at the House of Representatives on August 7th, 2013 and was discussed at the House Committee meeting on August 26th, 2013 and has been recommended for a second reading in the House. There is a timeline of September 2013 for the Bills to be enacted. See the Bill attached. IFSC (Amendment) Act, 2013 section 2 makes recommended amendment; enacted and in force 9 Oct 2014. See attached.</p> <p>Section 8(b) of Act 4 of 2013.</p>
30.Resources, integrity and training	NC	<ul style="list-style-type: none"> There is inadequate staffing at the FIU currently to allow it to effectively carry out its functions as investigator, prosecutor and supervisory authority. The office space presently being occupied by the FIU is inadequate and lacks the potential for expansion and greater storage capacity. Members of staff at the FIU have not been provided with examiner specific training to facilitate them in carry out their functions as Supervisory Authority. Limited numbers of the Customs Department staff have been exposed to AML/CFT training. Lack of human and technical resource to facilitate effective enforcement of Customs Act. No in-depth background checks are done on officers applying to join the Customs Department. No ML/TF training has been received by members of the ADU or the MCU. There are an inadequate number of police officers assigned to the ADU to allow it effectively police Belize's 8866 square miles of 	<ul style="list-style-type: none"> Belize should consider relocating the FIU to a larger office space with greater storage capacity to facilitate expansion and greater efficiency within the Unit. The FIU should consider providing examiner specific training to FIU staff to facilitate them in carry out their functions as Supervisory Authority. Belize should consider augmenting the staff at the FIU to allow it to effectively carry out its functions relative to ML, TF, Prosecutor and that of Supervisory Authority. Belize's Customs Department should consider conducting a more in-depth background check on 	<p>On September 13th 2012, the FIU moved into its new building. The architecture of the permanent office is done in accordance with the security, staffing and record storing needs of the FIU. Also, the office provides room for additional employees and storage of physical records.</p> <p>Compliance Officer has completed ACAMS, and in January 2013, participated in the Egmont Group AML/CFT Supervisory Pilot Course. The Compliance Officer has completed received CFE certification in August 2013. The Director went to the 2013 Caribbean and Americas Forum on Financial Crime Prevention.</p> <p>The professional staff essential to the core functions of the FIU has grown. The FIU currently employs 2 Legal Officers as of June 24th, 2013, 2 Financial Analysts as of June 24th, 2013, 1 Compliance Examiner, 1 Compliance Officer, 1 Senior Investigator, 4 Police Investigators and a floating officer. The FIU has hired a Network/ IT Systems Administrator since April 23, 2012. The investigative department of the FIU now has a legal offer dedicated to working in consultation with that department. The staff has received technical assistance from the IMF to strengthen operations. See Agenda attached.</p> <p>As of 1 September 2014, the FIU secured the services of a former multinational financial institution executive</p>

		<p>land and sea.</p> <ul style="list-style-type: none"> • There is very limited office space available to the MCU to facilitate it in carrying out of its functions. The MCU is equipped with one (1) vehicle, firearms and computers. • There are no cameras, tape recorders or bullet proof vest assigned to the ADU. Training obtained by the members of the Unit is mostly on the job training; especially when collaborating with the FIU in joint investigations; legal advice is provided by the DPP on a needs basis • The human and other resources of the Ministry of Foreign Affairs/Office of the Attorney General are inadequate to properly manage requests for international cooperation with foreign countries • The competent authorities are not properly equipped to efficiently manage requests for mutual legal assistance. 	<p>officers applying to join the Customs Department.</p> <ul style="list-style-type: none"> • Belize should consider augmenting the current staff complement of the Customs Department to allow it to effectively carry out its functions in all of Belize. • Belize should consider providing additional technical resources such as sniffer dogs, vehicles and computers and other equipment requested by Custom to allow it to effectively carry out its functions. • Belize should provide training to staff of the Customs Department in relation to money laundering (especially customs related offences that spawn ML cases) and terrorist financing. • Belize should consider providing ML/TF training to members of the ADU and the MCU. • Belize should consider procuring an additional engine in order to make the two (2) vessels in its maritime section functional. • Belize should consider augmenting the ADU to allow it effectively police Belize's 8866 square miles of land and sea. Though considerable strides have been made in the Unit's anti-drug efforts, inadequate staffing remains one of its major challenges. • Belize should consider providing greater office space to the MCU to facilitate it in carrying out of its functions. The ADU is equipped with one (1) vehicle, firearms and computers. • Belize should consider providing a wider array of technical resources to the MCU i.e. cameras, tape recorders and bullet proof vest to allow it to effectively carry out its functions. • Belize should consider developing a mechanism that provides training to members of the MCU on a more 	<p>in charge of implementing and supervising compliance programmes to head its Compliance Department, bringing the number of personnel in the Compliance Department to 3 and significantly enhancing the FIU's supervisory capacity.</p> <p>Customs Regulations (Amendment) Bill, 2013 was prepared. The Bill was introduced at the House of Representatives on August 7th, 2013 and was discussed at the House Committee meeting on August 19th, 2013. There is a timeline of September 2013 for the Bills to be enacted. See the Bill attached.</p> <p>Customs Regulations (Amendment) Act, 2013 enacted and in force 28 October 2013. See attached.</p> <p>Belize has a fully operational Belize Coast Guard Service with a fleet of 22 vessels to deal with Maritime issues among other things. They also work in collaboration with the Police Department and well as the Belize Defence Force.</p> <p>The Customs Department has become a part of the National Canine Unit. The Customs Canine Unit is comprised of three sniffer dogs. Additionally the Customs vehicle fleet used for patrol and covert operations has been increased by four. See attached.</p> <p>A Mobile Interdiction Team has also been formed, which includes immigration officers, customs officers, and police officers. This team works jointly with other law enforcement agencies to specifically target crimes/criminals involving drugs, money laundering, weapons, trafficking, criminal organizations, and border patrol.</p> <p>In June 2012, 17 vehicles were donated to the Belize Police Department to assist with crime scenes investigation, mobile patrol, and community policing. Also donated were 16 analogue/digital radios, batteries and charger to boost the communications system. In the same month, bullet proof vests, binoculars, and night vision glasses were also donated to the Belize Coast Guard service to assist with patrol and operations.</p> <p>AML/CFT, predicate offences, transnational crime,</p>
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			<p>formal basis than what obtains currently which is mostly on the job training; especially when collaborating with the FIU in joint investigations.</p> <ul style="list-style-type: none"> • Belize should consider providing training for judges and courts concerning ML and FT offences, and the seizure, freezing and confiscation of property that is the proceeds of crime or is to be used to finance terrorism. • The human and other resources of the Ministry of Foreign Affairs/Office of the Attorney General should be strengthened to properly manage requests for international cooperation with foreign countries. 	<p>cyber-crimes training have been provided to members of the police force across the various units and branches on a formal and on-going basis. See attached.</p> <p>Training sponsored by the Central American Integration System (SICA) was held in October, 2013. This training targeted judges and judicial officers and was focused on Money Laundering.</p> <p>Handling of mutual legal assistance requests is now fully within the Attorney's General's Ministry. The AG Ministry has restructured and expanded to efficiently facilitate this process. The said Ministry has created an office for the handling of International Legal Affairs; and instituted a new position in its hierarchy as Deputy Solicitor General who is charged with the responsibility to head the new office.</p> <p>Recommendation re MFA/AGM addressed in MLA&ICA, enacted 7 Feb 2014. See attached.</p>
31.National co-operation	NC	<ul style="list-style-type: none"> • No mechanism in place for policy makers, supervisors and other competent authorities to co-operate and where appropriate coordinate domestically with each other concerning the development and implementation of policies and activities to combat money laundering and terrorist financing.. 	<ul style="list-style-type: none"> • Belize should consider the formation of a special task force or group comprising various representatives of LEAs, focused on the development and implementation of policies and activities that would foster greater cooperation and coordination among these LEA entities in matters of ML and TF. 	<p>All recommendations met per 6th FUR</p> <p>A Task Force Committee has been established. This Committee is chaired by the FIU and has senior representations from various government institutions such as Customs, Central Bank, Police, IFSC, Immigration, Business Tax, Income Tax. The Task Force meets on the last Friday of every quarter.</p> <p>MLTPAA, section 26 established the AML Committee in law and established its remit; enacted and in force 7 Feb 2014. See attached.</p> <p>AML Committee Regulations, 2014 fully articulates membership and procedural issues; enacted and in force 7 Feb 2014. See attached.</p> <p>AML Committee met 18 June 2014 to consider issues related to national risk assessment. Further meeting scheduled for 3 September 2014.</p>
32.Statistics	NC	<p>No statistics on the following:</p> <ul style="list-style-type: none"> • Other formal requests for assistance made or received by the FIU, including whether the request was granted or refused. • Spontaneous referrals made by the FIU to foreign authorities 	<p>Statistics should be maintained on the following:</p> <ul style="list-style-type: none"> • Other formal requests for assistance made or received by the FIU, including whether the request was granted or refused. • Spontaneous referrals made by the FIU to foreign authorities 	<p>A database system has been created and is being reviewed in order to comply with this recommendation. FIU and AGM/ILAD met to coordinate requirements re statistics on MLA and international co-operation and establish protocol re same.</p> <p>FIU Director met with Head of Belize National Statistics Institute to discuss assistance available to the FIU.</p>

		<ul style="list-style-type: none"> Formal requests for assistance made or received by supervisors relating to or including AML/CFT including whether the request was granted or refused Comprehensive statistics are not maintained at the FIU that would lend to analysis efforts, identification of trends, typologies and techniques No mechanism in Belize whereby the authorities review the effectiveness of their systems for combating money laundering and terrorist financing on a regular basis. 	<ul style="list-style-type: none"> Formal requests for assistance made or received by supervisors relating to or including AML/CFT including whether the request was granted or refused. The authorities should develop a mechanism to review the effectiveness of their systems for combating money laundering and terrorist financing on a regular basis 	<p>From 1 January 2014 to date:</p> <ul style="list-style-type: none"> The FIU received 79 requests for assistance. All of these requests were granted and some are ongoing. The FIU made 3 requests for information, all of which were met. The FIU made 1 spontaneous disclosure. <p>Further statistics on the 79 requests received are attached.</p> <p>This mechanism exists in functions of the National AML Committee. Their legislatively specified duties include “advising the Minister in the development of policies to combat money laundering, terrorist financing and the financing of proliferation”. In order to advise the Minister, the Committee must necessarily review the effectiveness of Belize’s AML/CFT framework.</p>
33. Legal persons – beneficial owners	NC	<ul style="list-style-type: none"> Information on the companies register is limited to legal ownership and does not include beneficial ownership information and is not necessarily reliable. Registered agents are not subject to on-site inspection and it is not clear how reliable the beneficial ownership information of IBCs they maintain would be. There are no specific measures to ensure that bearer share warrants for local companies are not misused for money laundering. Reliability and implementation of measures for the immobilisation of bearer shares of IBCs by registered agents is doubtful since registered agents are not subject to on-site inspections to check these measures. 	<ul style="list-style-type: none"> The authorities should consider implementing measures to ensure that the company register maintains adequate, reliable, and timely information on the beneficial ownership of registered companies. Registered agents should be subject to measures to ensure that the beneficial ownership information on IBCs that they maintain is adequate, reliable and timely 	<p>Further instructions to amend the Companies Act. There is a timeline of October 2013 for the amendments to be enacted. Companies (Amendment) Act, 2014 makes recommended amendments; enacted and in force 7 Feb 2014. See attached.</p> <p>SOI, designated by the IFSC to conduct onsite compliance inspections of IFSC licensees, completed inspections of all trust service providers, most of whom are also company service providers. The SOI reported high levels of compliance, including maintenance and availability of up to date beneficial ownership information. A report on general findings, including recommendations for disciplinary action in respect of deficiencies, was submitted to the General Director, IFSC. Reports specific to each service provider are forthcoming.</p> <p>In cases where deficiencies were identified during on-site inspection, the General Director took disciplinary action in the form of issuing strong warnings. The IFSC confirms that the response to these warnings was positive and all identified deficiencies have been remedied. Further, the Authorities report that the IFSC has hired additional personnel and specifically assigned</p>

			<ul style="list-style-type: none"> There should be measures to ensure that bearer share warrants for local companies are not misused for money laundering. Registered agents should be subject to on-site inspections to ensure that the measures for the immobilisation of bearer shares of IBCs are adequate and reliable 	<p>existing personnel to address supervisory functions. Additional personnel hired to assist the SOI with IFSC compliance functions.</p> <p>IFSC has hired additional personnel and specifically assigned existing personnel to address supervisory functions.</p> <p>Companies (Amendment) Act, 2013 section 5 prohibits the issue of bearer shares or share warrants; enacted and in force 9 Oct 2013. See attached.</p> <p>International Financial Services Commission (Amendment) Bill, 2013 was prepared. The Bill was introduced at the House of Representatives on August 7th, 2013 and was discussed at the House Committee meeting on August 26th, 2013 and has been recommended for a second reading in the House. There is a timeline of September 2013 for the Bills to be enacted. See the Bill attached.</p> <p>IFSC (Amendment) Act, 2013 enacted and in force 9 October 2014. See attached.</p> <p>Statutory Instrument 108 of 2012 dated December 8, 2012 requires registered agents to retain physical possession of bearer shares and requirements in dealing with professional intermediary</p>
34. Legal arrangements – beneficial owners	NC	<ul style="list-style-type: none"> Registration of domestic trusts is optional and the register is not open to public inspection. No requirements for financial institutions to verify legal status of legal arrangements such as trusts. The register of international trusts is inadequate as it does not include information on beneficiaries of trusts. Scope and reliability of information on domestic and international trusts maintained by relevant DNFBPs and trust agents respectively is doubtful since there is no inspection regime to verify the information.. Neither the register of international foundations nor registered agents are required to maintain 	<ul style="list-style-type: none"> The authorities should consider making it a legal requirement for the registration of all domestic trusts created under the TA Financial institutions should be required to verify the legal status of legal arrangements such as trusts. The register of international trusts should include information on beneficiaries of trusts. 	<p>Trusts (Amendment) Bill, 2013 was prepared. The Bill was introduced at the House of Representatives on August 7th, 2013 and was discussed at the House Committee meeting on August 26th, 2013. There is a timeline of September 2013 for the Bills to be enacted. See the Bill attached.</p> <p>Trusts (Amendment) Act, 2013 enacted and in force 9 October 2014. See attached.</p> <p>Section 3(a)(iii) of Act 4 of 2013</p> <p>Section 3 of Trust Amendment Act 2007 See Trusts (Amendment) Bill, 2013 attached clause 5 Trusts (Amendment) Act, 2013 enacted and in force 9 October 2014. See attached.</p> <p>Additional amendments requiring registration of identification information on beneficiaries have been drafted and are currently under consideration by IFSC</p>

		adequate information on the control of foundations.	<ul style="list-style-type: none"> The authorities should implement measures to ensure the scope and reliability of information on domestic and international trusts maintained by relevant DNFBPs and trust agents respectively. 	<p>Board and MoF; anticipated that amendments will be considered by National Assembly when it next meets.</p> <p>The authorities further considered proposed amendments to require registration of beneficiary information of international trusts. However, based on the high levels of compliance demonstrated during onsite inspections of trust and company service providers, such an amendment was not considered necessary at this time.</p> <p>The FIU has commenced the registration of certain sectors of DNFBPs that it supervises. As of July 2013, 209 DNFBPs have been registered. They are:</p> <ol style="list-style-type: none"> 1) Vehicle Dealers – 20 2) Dealing in real estate – 39 3) Non-Governmental Organizations – 135 4) Dealing in precious metals & stones – 13 <p>The FIU has issued surveys to persons dealing in real estate and non-governmental organizations to assess risk and will commence on-site inspections of the other sectors of DNFBP's apart from casino's after the initial survey based assessment.</p> <p>Disciplinary action in the form of warning notices was taken against DNFBPs who had not appointed an approved MLCO. 97.5% of those contacted responded positively and are now compliant.</p> <p>FIU compliance officers also met with Free Zone supervisors and representatives of Free Zone businesses to address supervisory expectations and to remedy shortcomings in information provided on applications for registration and approval of MLCO.</p> <p>SOI, designated by the IFSC to conduct onsite compliance inspections of IFSC licensees, completed inspections of all trust service providers, most of whom are also company service providers. The SOI reported high levels of compliance, including maintenance and availability of up to date beneficial ownership information. A report on general findings, including recommendations for disciplinary action in respect of deficiencies, was submitted to the General Director, IFSC. Reports specific to each service provider are forthcoming.</p>
			<ul style="list-style-type: none"> The register of international foundations and 	

			registered agents should be required to maintain adequate, reliable and timely information on the control of foundations	<p>In cases where deficiencies were identified during on-site inspection, the General Director took disciplinary action in the form of issuing strong warnings. The IFSC confirms that the response to these warnings was positive and all identified deficiencies have been remedied. Further, the Authorities report that the IFSC has hired additional personnel and specifically assigned existing personnel to address supervisory functions.</p> <p>Additional personnel hired to assist the SOI with IFSC compliance functions.</p> <p>The International Foundations (Amendment) Bill was prepared. The Bill was introduced at the House of Representatives on August 7th, 2013 and was discussed at the House Committee meeting on August 26th, 2013 and has been recommended for a second reading in the House. There is a timeline of September 2013 for the Bills to be enacted. See the Bill attached. International Foundations (Amendment) Act, 2013 enacted and in force 9 October 2014. See attached.</p>
International Co-operation				
35. Conventions	PC	<ul style="list-style-type: none"> There is no legislation in Belize that fully implements Articles 8,10,11,15, 17 and 19 of the Vienna Convention, Articles 20,24,25,30 and 31 of the Palermo Convention and Articles 6, 13,14,15 and 16 of the Terrorist Financing Convention 	<ul style="list-style-type: none"> The authorities should consider promulgating legislation to fully implement Articles 8,,11,15, 17 and 19 of the Vienna Convention, Articles 20,24,25,30 and 31 of the Palermo Convention and Articles 6, 13,14,15 and 16 of the Terrorist Financing Convention. 	<p>All recommendations met per 6th FUR</p> <p>Further instructions issued to address this Recommendation by amending the MLTPA. There is a timeline of October 2013 for the amendments to be enacted.</p> <p>All articles have been implemented. Please see attached supplement to the Treaty Table previously submitted.</p>
36. Mutual legal assistance (MLA)	LC	<ul style="list-style-type: none"> The Belize/USA Treaty Act does not provide that a request for mutual legal assistance cannot be denied on the ground of secrecy or confidentiality. The existence of two competent authorities for the receipt and processing of requests for mutual legal assistance may potentially reduce the effectiveness of the system. There are no arrangements for the best venue for prosecuting defendants in cases where such may 	<ul style="list-style-type: none"> The authorities should consider amending the Belize/USA Treaty Act to provide that a request for mutual legal assistance cannot be denied on the ground of secrecy or confidentiality. The authorities should consider establishing a single competent authority for the receipt and processing of requests for mutual legal assistance. 	<p>The Attorney General's Office, International Legal Affairs deal with MLAT requests. This department is headed by a Deputy Solicitor General, and has a staff of four Crown Counsels. MLAT agreements are dealt with on a country by country basis.</p> <p>Handling of mutual legal assistance requests is now fully within the Attorney's General's Ministry. The AG Ministry has restructured and expanded to efficiently facilitate this process. The said Ministry has created an office for the handling of International Legal Affairs; and instituted a new position in its hierarchy as Deputy Solicitor General who is charged with the</p>

		be facilitated in more than one country.	<ul style="list-style-type: none"> The authorities should consider making arrangements for the best venue for prosecuting defendants in cases where such may be facilitated in more than one country. 	<p>responsibility to head the new office.</p> <p>MLA&ICA, 2014 establishes the AGM as the sole competent authority; enacted and in force 7 Feb 2014. See attached.</p> <p>See attached supplemental Treaty Table, Vienna Article 8.</p> <p>The information provided above was not addressed in 6th FUR. The authorities would suggest that Belize is compliant with assessor recommendations for R.36 and request that this be clarified in the 7th FUR.</p>
37.Dual criminality	LC	<ul style="list-style-type: none"> The Belize/USA Treaty Act requires dual criminality in relation to search, seizure and forfeiture 		<p>Dual criminality not required under newly enacted MLA&ICA. See attached.</p> <p>The information provided above was not addressed in 6th FUR. The authorities would suggest that Belize is compliant with assessor recommendations for R.37 and request that this be clarified in the 7th FUR.</p>
38.MLA on confiscation and freezing	LC	<ul style="list-style-type: none"> Section 76 of the MLTPA does not state that the Supreme Court and the other competent authorities shall expeditious handle requests for mutual assistance from other countries. No provisions allowing for mutual legal requests for property of corresponding value in the Belize/Caribbean Treaty Act, the Belize/USA Act or the MLTPA 		<p>Further instructions issued to amend section 76 state that the Supreme Court and the other competent authorities shall expeditious handle requests for mutual assistance from other countries. There is a timeline of October 2013 for the amendments to be enacted.</p> <p>MLTPAA, sections 24 and 25 make amendments necessary to implement both recommendation; enacted and in force 7 Feb 2014. See attached.</p> <p>The new Part IVA of the MLTPA applies the 6th Schedule to external requests and the enforcement of external orders and the identification, freezing, seizure or confiscation of “relevant property”. Section 75A provides that property is “relevant property” if there are reasonable grounds to believe that it may be needed to satisfy an external order which has been or which may be made. This definition is sufficiently broad to include instrumentalities and property of corresponding value.</p> <p>The information provided above was not addressed in 6th FUR. The authorities would suggest that Belize is compliant with assessor recommendations for R.38 and request that this be clarified in the 7th FUR.</p>
39.Extradition	PC	<ul style="list-style-type: none"> The procedures for extradition are long and unwieldy. Belize has only concluded extradition treaties 	<ul style="list-style-type: none"> The authorities should consider enacting a single Extradition Act that seeks to simplify and expedite the procedures for extradition applications in Belize whilst safeguarding the rights of the defendant. 	<p>Belize considered Assessor’s recommendations regarding R. 39 and a report was produced by AGM. See attached.</p> <p>A Committee for the Revision and Amendment to the Belize Extradition Act has been convened. The</p>

		<p>with the USA and Guatemala.</p> <ul style="list-style-type: none"> Effective implementation is adversely affected by the competent authority not being appropriately equipped 	<ul style="list-style-type: none"> The authorities should consider concluding extradition treaties with a broader range of countries. The authorities should consider equipping the competent authority with the appropriate tools to efficiently manage requests for extraditions 	<p>committee has determined that it will seek to amend the Extradition Act to include and update the procedure for extradition in order to simplify the procedure for extradition before, during and at the conclusion of the committal proceedings. See attached.</p> <p>The Belize-Mexico Extradition Treaty will be domesticated and brought into law by an amendment to the Extradition Act. See attached.</p> <p>The Law Library has recently been provided with updated resources regarding Extradition Law. There is a Crown Counsel responsible for Extradition. The Crown Counsel has been given access to research material in the area of Extradition and Mutual Legal Assistance. See attached.</p> <p>A task force is being constituted to undertake the necessary consultations and prepare instructions to implement the recommendations of the committee in relation to the Extradition Act and to make such revisions to the Mutual Legal Assistance and International Co-operation Act as may be required. See TORs attached.</p> <p>Belize would strongly suggest that it has clearly demonstrated, with documentary evidence, that it has met the assessors' recommendations to consider updating the Extradition Act, executing a broader range of treaties and equipping the competent authority with appropriate tools.</p>
40. Other forms of co-operation	PC	<ul style="list-style-type: none"> There is no legislation empowering the police, the customs authorities and other law enforcement agencies to undertake international cooperation inquiries for and on behalf of foreign countries; There is no legislation empowering the Office of the Attorney General and the Ministry of Foreign Affairs to undertake international cooperation inquiries for and on behalf of foreign countries 	<ul style="list-style-type: none"> Legislation should be created empowering the police, the customs authorities and other law enforcement agencies to undertake international cooperation inquiries for and on behalf of foreign countries; Legislation should be created empowering the Office of the Attorney General and the Ministry of Foreign Affairs to undertake international cooperation inquiries for and on behalf of foreign countries 	<p>All recommendations met per 6th FUR</p> <p>Handling of mutual legal assistance requests is now fully within the Attorney's General's Ministry. The AG Ministry has restructured and expanded to efficiently facilitate this process. The said Ministry has created an office for the handling of International Legal Affairs; and instituted a new position in its hierarchy as Deputy Solicitor General who is charged with the responsibility to head the new office.</p> <p>MLA&ICA, 2014 empowers the AGM to undertake international cooperation enquires; enacted and in force 7 Feb 2014. See attached.</p>
Nine Special Recommendations		Summary of factors underlying rating		

SR.I Implement UN instruments	PC	<ul style="list-style-type: none"> There is no legislation in Belize that fully implements Articles 6, 12,13,14,15 and 16 of the Terrorist Financing Convention 	<ul style="list-style-type: none"> The authorities should consider promulgating legislation to fully implement Articles 8, 11, 15, 17 and 19 of the Vienna Convention, Articles 20,24,25,30 and 31 of the Palermo Convention and Articles 6, 13, 14, 15 and 16 of the Terrorist Financing Convention. 	<p>All recommendations met per 6th FUR</p> <p>Further instructions issued to address this Recommendation by amending the MLTPA. There is a timeline of October 2013 for the amendments to be enacted.</p> <p>All articles have been implemented. Please see attached supplement to the Treaty Table previously submitted.</p>
SR.II Criminalise terrorist financing	PC	<ul style="list-style-type: none"> The definition of the term “funds” does not include the qualifying phrase or the qualifying term “in any form including electronic or digital” into the description of legal documents and instruments that prove a defendant’s title or interest in property. Prosecution of the range of ancillary offences set out under section 68(2) of the same Act is not exempt from being required to establish that funds provided by the defendant were actually used in the commission of a terrorist act. No provision for the prosecution of a defendant who commits an ancillary terrorist financing offence in another jurisdiction. The DPP and the FIU’s parallel jurisdiction to prosecute financing of terrorism matters in Belize could adversely affect implementation. 	<ul style="list-style-type: none"> The authorities should consider amending the definition of the word “funds” in section 2 (1) of the MLTPA to incorporate the qualifying terms “however acquired” and “in any form including electronic or digital” into the description of legal documents and instruments that prove a defendant’s title or interest in property. The authorities should consider amending section 68(3) of the MLTPA to include the range of ancillary offences set out under section 68(2) of the same Act. The authorities should consider amending section 68(1)(b) of the MLTPA to provide for the prosecution of a defendant who commits an ancillary terrorist financing offence in another jurisdiction. The authorities should consider making legislative amendments that would remove the constitutional concerns relating to the DPP and FIU’s parallel jurisdiction to prosecute financing of terrorism matters in Belize. 	<p>All recommendations met per 6th FUR</p> <p>Section 2 of Act 4 of 2013 MLTPAA, section 2 makes recommended amendments; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 16 of Act 4 of 2013</p> <p>Section 16 of Act 4 of 2013</p> <p>In our jurisdiction, the FIU does all prosecuting of money laundering and other related offences. The Office of the DPP and the FIU work in collaboration with each other and there has not been any concern about conflicts. As a result, the jurisdiction has decided that the constitutional change required for this recommendation is not necessary. <i>Please find attached document recording that decision</i></p>
SR.III Freeze and confiscate terrorist assets	PC	<ul style="list-style-type: none"> Section 76 of the MLTPA does not expressly provide that assistance rendered to a superior court or competent authority of another jurisdiction must be facilitated expeditiously by the Belizean counterparts. Unable to assess the practical effectiveness of provisions giving effect to freezing mechanisms 	<ul style="list-style-type: none"> The authorities should consider amending section 76 of the MLTPA to provide that assistance rendered to a superior court or competent authority of another jurisdiction must be facilitated expeditiously by the Belizean counterparts. The authorities should consider promulgating 	<p>All recommendations met per 6th FUR</p> <p>Further instructions issued to amend section 76 state that the Supreme Court and the other competent authorities shall expeditious handle requests for mutual assistance from other countries. There is a timeline of October 2013 for the amendments to be enacted. MLTPAA, section 24 makes recommended amendments; enacted and in force 7 Feb 2014. See</p>

		<p>initiated in other jurisdictions due to lack of requests</p> <ul style="list-style-type: none"> • Definition of terrorist property does not extend to property jointly owned or controlled directly or indirectly by terrorists, those who finance terrorism or terrorist organisations or property derived or generated from funds or other assets owned or controlled directly or indirectly by terrorists, those who finance terrorism or terrorist organisations. • There is no legislative or other provision that enables the authorities to publicly delist persons or entitles in a timely manner. • There is no legislative or other provision that requires competent authorities to communicate to the financial sector actions taken under the freezing mechanisms in essential criteria III.1 to III.3. • Section 40 (2) of the MLTPA which enables a court to consider the reasonable living expenses of an applicant's dependants and an applicant's debts incurred in good faith may undermine the intended effect of S/RES1452.. • Reporting entities do not have clear guidance as it relates to their obligations for the freezing of funds belonging to terrorists on the United Nations designated list. • Designated supervisory authorities are not required to monitor compliance with the provisions concerning SRIII • Section 67 (1) of the MLTPA does not enable an affected party to apply to the court for relief against an order seizing and detaining terrorist 	<p>legislation that would enable the authorities to publicly delist persons or entities in a timely manner.</p> <ul style="list-style-type: none"> • The authorities should consider promulgating legislation that requires competent authorities to communicate to the financial sector actions taken under the freezing mechanisms in essential criteria III.1 to III.3. • The definition of terrorist property in the MLTPA should extend to property jointly owned or controlled directly or indirectly by terrorists, those who finance terrorism or terrorist organisations or property derived or generated from funds or other assets owned or controlled directly or indirectly by terrorists, those who finance terrorism or terrorist organisations • The authorities should consider amending section 40 (2) of the MLTPA to exclude from its ambit the reasonable living expenses of an applicant's dependants and an applicant's debts incurred in good faith. • Designated supervisory authorities should be required to monitor compliance with the provisions concerning SRIII • • The authorities should consider providing reporting entities with clear guidance as it relates to their obligations for the freezing of funds belonging to terrorists on the United Nations designated list. • The authorities should consider amending section 67 (1) of the MLTPA to enable an affected party to apply to the court for relief against an order seizing and 	<p>attached.</p> <p>Further instructions issued to allow authorities to publicly delist persons or entities in a timely manner. There is a timeline of October 2013 for the amendments to be enacted.</p> <p>MLTPAA, section 23 makes recommended amendments; enacted and in force 7 Feb 2014. See attached.</p> <p>Further instructions issued to amend the MLTPA to require competent authorities to communicate to the financial sector actions taken under the freezing mechanisms in essential criteria III.1 to III.3. There is a timeline of October 2013 for the amendments to be enacted.</p> <p>MLTPAA, section 25 makes recommended amendments; enacted and in force 7 Feb 2014. See attached.</p> <p>Further instructions issued to extend the definition of "terrorist property" in the MLTPA to include the recommendation. There is a timeline of October 2013 for the amendments to be enacted.</p> <p>MLTPAA, section 2 makes recommended amendments; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 14 of Act 4 of 2013.</p> <p>Further instructions issued to amend section 67 (1) of the MLTPA. There is a timeline of October 2013 for the amendments to be enacted.</p> <p>MLTPAA, section 14 makes recommended amendments; enacted and in force 7 Feb 2014. See attached</p> <p>MLTPAA, section 22 makes recommended</p>
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		cash	detaining terrorist cash.	amendments; enacted and in force 7 Feb 2014. See attached.
SR.IV Suspicious transaction reporting	PC	<ul style="list-style-type: none"> Low number of STRs submitted by financial institutions suggests that STR reporting is ineffective in non-bank reporting entities. 		<p>See Statistics attached demonstrating STR reporting since 2009 up to June, 2013.</p> <p>Outreach and training has been conducted and is planned for non-bank reporting entities.</p> <p>Choice Bank Limited has conducted AML/CFT training in November 2013 for Company Service Providers. See attached.</p> <p>A seminar for insurance companies and insurance intermediaries on AML/CFT and Fraud is scheduled to be conducted from 4-6 Mar, 2014. See attached.</p> <p>The FIU has prepared a guide for registration and an overview of obligations for DNFBPs. Updated guide, including sector specific guidance and typologies, in effect. See attached and FIU website: https://www.fiubelize.org/images/DNFBPs Guide to Registration and Overview of Obligations with Form R101-Final.pdf</p> <ul style="list-style-type: none"> On 31 July 2014, Central Bank conducted training regarding compliance with AML/CFT obligations, including the duty to make STRs. The FIU has published guidelines for DNFBPs, including sector specific guidance on suspicious transaction “red flag” indicators. See attached. The FIU has prepared guidelines specific to STRs and is conducting workshops based on same. The document is published on the FIU website: https://www.fiubelize.org/images/Instructional%20Notes%20on%20Making%20STRs%20(V1%20Aug%202014).pdf The first workshop was conducted on 30 August for over 50 people, representing all the credit unions doing business in Belize. A second workshop was held on 8 October and the Director has made presentations to various industry gatherings. The number of STRs has steadily increased since 2010, particularly in the banking sector. However, since the supervisory authorities began conducting outreach to the non-banking sectors, including

				<p>insurance and DNFBPs, the number of STRs from non-banking entities has increased substantially. From May 2014 to date, non-bank reporting entities have submitted 6 STRs, compared to 13 for all of 2013, 8 in 2012 and 2 in 2011.</p> <ul style="list-style-type: none"> • As noted above, the FIU continues its outreach programme and authorities strongly believe the trend of increased ST reporting, particularly by non-banking entities, will continue. • As indicated in the 6th FUR, Belize is fully compliant with the recommendations made in reference to R.13, which addresses STRs. Given that the same factor is listed as the underlying deficiency for both R.13 and SR.IV, and that no recommendations were made by assessors for SR.IV, Belize would strongly suggest that it is likewise compliant with SR.IV.
SR.V International co-operation	NC	<ul style="list-style-type: none"> • The deficiencies identified with regard to MLAT for ML are also applicable for FT • Deficiencies noted with regard to extradition are also applicable for FT • The legislative and other deficiencies noted throughout this report in the areas of financing of terrorism, terrorism and terrorist organisations affect improved international cooperation in these areas; • The noted deficiencies concerning extradition in Belize also affect improved international cooperation that is consistent with Special Recommendation V. 	<ul style="list-style-type: none"> • The legislative and other deficiencies noted throughout this report in the areas of financing of terrorism, terrorism and terrorist organisations should be remedied to facilitate for improved international cooperation in these areas; • The noted deficiencies concerning extradition in Belize should be remedied to facilitate improved international cooperation that is consistent with Special Recommendation V. 	<p>Handling of mutual legal assistance requests is now fully within the Attorney's General's Ministry. The AG Ministry has restructured and expanded to efficiently facilitate this process. The said Ministry has created an office for the handling of International Legal Affairs; and instituted a new position in its hierarchy as Deputy Solicitor General who is charged with the responsibility to head the new office.</p> <p>MLA&ICA, 2014 empowers the AGM to undertake international cooperation enquires, including matters related to TF; enacted and in force 7 Feb 2014. See attached.</p> <p>Belize considered Assessor's recommendations regarding R. 39 and a report was produced by AGM. See attached.</p> <p>A Committee for the Revision and Amendment to the Belize Extradition Act has been convened. The committee has determined that it will seek to amend the Extradition Act to include and update the procedure for extradition in order to simplify the procedure for extradition before, during and at the conclusion of the committal proceedings. (Memo from Hon. AG attached to 6th FUR matrix).</p> <p>The Belize-Mexico Extradition Treaty will be domesticated and brought into law by an amendment to</p>

				<p>the Extradition Act. (Memo from Hon. AG attached to 6th FUR matrix).</p> <p>The Law Library has recently been provided with updated resources regarding Extradition Law. There is a Crown Counsel responsible for Extradition. The Crown Counsel has been given access to research material in the area of Extradition and Mutual Legal Assistance. See attached.</p> <p>A task force is being constituted to undertake the necessary consultations and prepare instructions to implement the recommendations of the committee in relation to the Extradition Act and to make such revisions to the Mutual Legal Assistance and International Co-operation Act as may be required. See TORs attached.</p> <p>Belize would strongly suggest that it has clearly demonstrated, with documentary evidence, that it has met the assessors' recommendations to consider updating the Extradition Act, executing a broader range of treaties and equipping the competent authority with appropriate tools.</p>
SR VI AML requirements for money/value transfer services	PC	<ul style="list-style-type: none"> Supervisory fines under the MLTPA are not dissuasive for financial institutions Number of inspections suggests ineffective monitoring. 	<ul style="list-style-type: none"> Supervisory fines under the MLTPA should be dissuasive. 	<p>All recommendations met per 4th FUR</p> <p>Section 9 of Act 4 of 2013 MLTPAA, sections 13 and 14 make recommended amendments; enacted and in force 7 Feb 2014. See attached</p>
SR VII Wire transfer rules	NC	<ul style="list-style-type: none"> Definition of originator information does not include the originator's address No provision for a receiving intermediary financial institution to keep records (for five years) of all information received from an ordering financial institution in the case where technical limitations would prevent the full originator information that should accompany a cross border wire transfer from being transmitted with a related domestic wire transfer. No requirement for beneficiary financial institutions to adopt effective risk-based procedures for identifying and handling wire transfers that are not accompanied by complete 	<ul style="list-style-type: none"> The definition of originator information should include the originator's address or a national identity number, customer identification number or date and place of birth A receiving intermediary financial institution should be required to keep records (for five years) of all information received from an ordering financial institution in the case where technical limitations would prevent the full originator information that should accompany a cross border wire transfer from being transmitted with a related domestic wire transfer. 	<p>All recommendations met per 6th FUR</p> <p>Section 7 of Act 4 of 2013 MLTPAA, section 11 makes recommended amendments; enacted and in force 7 Feb 2014. See attached</p> <p>Section 4 of Act 4 of 2013-02-27 Instructions have been given to amend section 3(b) to impose an obligation to keep records for 5 years of all information received from an ordering financial institution in the case where technical limitations would prevent the full originator information that should accompany a cross border wire transfer from being transmitted with a related domestic wire transfer. There is a timeline of October 2013 for the</p>

		<p>originator information.</p> <ul style="list-style-type: none"> The fine penalty is not dissuasive nor is it applicable to directors and senior management 	<ul style="list-style-type: none"> Beneficiary financial institutions should be required to adopt effective risk-based procedures for identifying and handling wire transfers that are not accompanied by complete originator information. The fine penalty of section 19(5) of the MLTPA should be dissuasive and applicable to directors and senior management 	<p>amendments to be enacted.</p> <p>MLTPAA, section 7(a) and (b) makes recommended amendments; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 5(a) of Act 4 of 2013-02-27</p> <p>Section 7(c) of Act 4 of 2013</p>
SR.VIII Non-profit organisations	NC	<ul style="list-style-type: none"> There has been no review of the adequacy of Belize's laws and regulations relating to NPOs to determine the sector's susceptibility to being used by terrorist organisations or for terrorist activities. There has been no outreach programme to the NPO sector in Belize to raise awareness about the risks of terrorist abuse and the available measures to protect against such abuse and promote transparency, accountability, integrity and public confidence in the administration and management of all NPOs. No monitoring or supervision of NPOs and churches incorporated under the Companies Act There is presently no legislation in Belize that authorises public access to NGO information duly retained by the RNGO. There is no legislation that imposes other criminal, civil or administrative sanctions for violations of oversight measures or rules relating to NGOs further to those prescribed under section 18 of the NGOA. There is no legislation that requires NGOs to maintain records of their domestic and international transactions for a minimum period of five years. No measures to ensure effective cooperation, 	<ul style="list-style-type: none"> The authorities should consider undertaking a review of the adequacy of Belize's laws relating to NPOs with a view to determine the sector's susceptibility to being used by terrorist organisations or for terrorist activities. The authorities should consider implementing an outreach programme to the NPO sector Belize to raise awareness about the risks of terrorist abuse and the available measures to protect against such abuse and promote transparency, accountability, integrity and public confidence in the administration and management of all NPOs. The authorities should implement measures to monitor or supervise NPOs and churches incorporated under the Companies Act The authorities should promulgating legislation that authorises public access to NGO information duly retained by the registrar. The authorities should consider promulgating legislation that imposes other criminal, civil or administrative sanctions for violations of oversight 	<p>All recommendations met per 6th FUR</p> <p>Section 20 of Act 4 of 2013</p> <p>The FIU has engaged in a direct mailing programme to advise NPOs and NGOs of the need to register; FIU has published an informational brochure targeting NPOs and NGOs. See attached.</p> <p>The First schedule is to be amended to make Non-Profit Organizations subject to the MLTPA.. There is a timeline of October 2013 for the amendments to be enacted.</p> <p>MLTPAA, sections 2 and 32 make amendments needed to implement recommendation; enacted and in force 7 Feb 2014. See attached.</p> <p>Non-Governmental Organizations (Amendment) Bill, 2013 was prepared. The Bill was introduced at the House of Representatives on August 7th, 2013 and was discussed at the House Committee meeting on August 20th, 2013 and has been recommended for a second reading in the House. There is a timeline of September 2013 for the Bills to be enacted. See the Bill attached.</p> <p>Non-Governmental Organizations (Amendment) Bill, 2013 was prepared. The Bill was introduced at the House of Representatives on August 7th, 2013 and was</p>

		coordination and information sharing between the FIU and the RNGO.	<p>measures or rules relating to NGOs further to those prescribed under section 18 of the NGOA.</p> <ul style="list-style-type: none"> The authorities should consider enacting legislation requiring NGOs to maintain records of their domestic and international transactions for a minimum period of five years. The authorities should implement measures to ensure effective cooperation, coordination and information sharing between the FIU and the RNGO. 	<p>discussed at the House Committee meeting on August 20th, 2013 and has been recommended for a second reading in the House. There is a timeline of September 2013 for the Bills to be enacted. See the Bill attached. MLTPAA, sections 2 and 32 make amendments needed to implement recommendation; enacted and in force 7 Feb 2014. See attached.</p> <p>Non-Governmental Organizations (Amendment) Bill, 2013 was prepared. The Bill was introduced at the House of Representatives on August 7th, 2013 and was discussed at the House Committee meeting on August 20th, 2013 and has been recommended for a second reading in the House. There is a timeline of September 2013 for the Bills to be enacted. See the Bill attached.</p> <p>Non-Governmental Organizations (Amendment) Bill, 2013 was prepared. The Bill was introduced at the House of Representatives on August 7th, 2013 and was discussed at the House Committee meeting on August 20th, 2013 and has been recommended for a second reading in the House. There is a timeline of September 2013 for the Bills to be enacted. See the Bill attached. MLTPAA, sections 2 and 32 make amendments needed to implement recommendation; enacted and in force 7 Feb 2014. See attached.</p>
SR.IX Cross Border Declaration & Disclosure	PC	<ul style="list-style-type: none"> No provision for restraint of negotiable instruments. Provision does not allow for the seizure of currency under amounts of BZ\$10,000. Penalties for making a false declaration or failure to make a declaration do not extend to directors and senior management of legal persons The fine for legal persons who make a false declaration or fail to make a declaration is not dissuasive. 	<ul style="list-style-type: none"> The authorities should amend the MLTPA with a provision for the restraint of negotiable instruments. Section 38 of the MLTPA should be amended to allow for the seizure of currency of any amount. Penalties for making a false declaration or failure to make a declaration should be extended to directors and senior management of legal persons. The fine for legal persons who make a false declaration or fail to make a declaration should be 	<p>All recommendations met per 6th FUR</p> <p>Section 13 of Act 4 of 2013</p> <p>Section 13 of Act 4 of 2013</p> <p>Instructions have been given to amend section 37 to provide for penalties for making a false declaration or failure to make a declaration to be extended to directors and senior management of legal persons and for the penalty for legal persons to be dissuasive. There is a timeline of October 2013 for the amendments to be enacted. MLTPAA, section 18 make amendments needed to</p>

			made dissuasive.	implement the two outstanding recommendations; enacted and in force 7 Feb 2014. See attached.
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