



# Fourth Follow-Up Report

## Belize

### May 30, 2013

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## BELIZE – FOURTH 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 and May 2012. 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-Complaint (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)
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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 31, 2012**

		<b>Domestic Banks \$'000</b>	<b>Int'l Banks \$'000</b>	<b>Other Credit Institutions \$'000</b>	<b>Securities \$'000</b>	<b>Insurance* \$'000</b>	<b>TOTAL \$'000</b>
<b>Number of institutions</b>	Total #	5	6	12		12	35
<b>Assets</b>	US\$	\$1,379,897,	\$653,786,	\$325,441		\$108,151	\$2,467,275
<b>Deposits</b>	Total: US\$	\$1,144,866,	\$522,984	\$264,471			\$1,932,321
	% Non-resident	1.38% of deposits	100% of deposits				
<b>International Links</b>	% Foreign-owned:	57.51% of assets	63.88% of assets	0% of assets	% of assets	57% of assets	% of assets
	#Subsidiaries abroad	N/A	N/A	N/A		N/A	N/A

\*Unaudited

## 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) in February 2013, section 18 of the MLTPAA 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 SOI, the 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. Since the last follow-up report of November 2012, the MLTPAA was enacted in February 2013 and including 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. Amendments to the Firearms Act, the Criminal Code, and the Insurance Act are also being finalized due for completion by June 2013.

7. The Plenary in November 2012 in the Virgin Islands decided that countries in the International Co-operation Review Group (ICRG) process would be required to achieve substantial progress on outstanding Recommendations by May 2013. Given the above, this report will assess whether Belize has achieved substantial compliance in the outstanding key and core recommendations and the progress made in the remaining outstanding recommendations. As already mentioned Belize was rated partially compliant or non-compliant on 14 Core and Key Recommendations and 27 other Recommendations. The Core and Key Recommendations are Recs. 1, 4, 5, 10, 13, 23, 26, 35, 40, SR. I, SR. II, SR. III, SR. IV, SR. V. An overall conclusion and a recommendation on the status of the follow-up process are presented at the end of the report.

## **Core Recommendations**

### **Recommendation 1**

8. The authorities advise that changes in accordance with the recommendation to amend Schedule II of the MDA to include the range of narcotic drugs and psychotropic substances set out in table I and II of the Annex of the Vienna Convention have been included in drafting instructions to the Attorney General Ministry.

9. The recommendation for the promulgating of legislation to introduce the criminal offences of illicit arms trafficking, extortion, piracy and insider trading in the laws of Belize is to be included in amendments to the Firearms Act and the Criminal Code. These amendments are due to be completed by June 2013.

10. The recommendation for amending the Second Schedule of the MLTPA to remove the minimum property value of BZ\$10,000. (US\$5,000) that was attached to the offence of theft has been included as section 21(a) of the MLTPAA.

11. The authorities advise that the last recommendation to consider making legislative amendments to remove possible constitutional concerns over the DPP and the FIU's parallel jurisdiction to prosecute money laundering offences in Belize has been reviewed by the Money Laundering Committee and a decision stating that as a jurisdiction, Belize will maintain the status quo as there has been no problem nor are there any foreseen. A letter dated December 18, 2012 and signed by the members of the Money Laundering Committee documenting the above decision has been submitted for this report. Given the above two of the examiners' recommended measures remains outstanding.

### **Recommendation 5**

12. The recommendation for regulation 4 of the MLPR and section 15(1) of the MLTPA to be amended to correct the inconsistency in the transaction threshold has been included in instructions to further amend the MLTPA which is due to be completed by June 2013.

13. The recommendation for financial institutions to be required to obtain proof of incorporation or similar evidence to verify legal status of corporate entities has been incorporated

in subsection 3(a)(iii) of the MLTPAA which revises subsection 15(3) of the MLTPA by requiring reporting entities when conducting transactions with legal persons or arrangements to take reasonable measures to identify and verify the legal status of the legal person or arrangement including information relating to proof of incorporation or similar evidence of establishment or existence. This provision complies with the examiners' recommendation.

14. The recommendation for financial institutions to be required to verify the legal status of legal arrangements such as trusts are also included subsection 3(a)(iii) of the MLTPAA as already referenced since reporting entities are required to identify and verify the legal status of a legal person or arrangement. This complies with the examiners' recommendation.

15. The authorities have advised that the recommendation for financial institutions to 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 has also been incorporated in subsection 3(a)(iii) of the MLTPAA. The subsection as worded requires reporting entities to adequately identify the ultimate natural persons providing funds of legal persons or legal arrangements and identify and verify the ownership and control structure. This complies with the examiners' recommendation.

16. The authorities have advised that the recommendation for financial institutions to be required to conduct ongoing due diligence on business relationships has been included in section 5(b) of the MLTPAA. The section as set out requires a reporting entity to conduct ongoing due diligence on its business relationships and scrutinize transactions undertaken throughout the course of the relationship. This complies with the examiners' recommendation.

17. With regard to the recommendation for financial institutions to be required to ensure that documents, data or information collected under the customer due diligence (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, the authorities have cited section 3(b) of the MLTPAA. The section requires reporting entities in relation to higher risk categories of customers or business relationships to conduct annual reviews of their records to ensure that the documents, data or information obtained pursuant to subsection 3 which deals with CDD is kept up-to-date and relevant. While the above provision incorporates the examiners' recommendation it limits its application only to higher risk categories of customers or business relationships rather than requiring that the documents, data or information of CDD process is kept up-to-date and relevant for all customers or business relationships. Consequently this recommendation is partially met.

18. The recommendations for financial institutions to be required to perform enhanced due diligence for higher risk categories of customer, business relationship or transaction and for simplified CDD measures to be prohibited when there is a suspicion of money laundering or terrorist financing or specific higher risk scenarios will be included in further instructions to amend the MLTPA which is due for completion by June 2013. As noted in the report of May 2012 these recommendations are set out in paragraphs 52(ii) and 234 of the AML/CFT Guidelines which are enforceable on the licensees of the Central Bank of Belize and the IFSC. As such, these recommendations have been partially met.

19. The recommendation that 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 has been incorporated exactly in subsection 3(a)(iv)(d) of the MLTPAA. This recommendation has been met.

20. The recommendations that financial institutions should be required to adopt risk management procedures concerning the conditions under which a customer may utilize a business

relationship prior to verification, and 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 have been included in section 3(d) of the MLTPAA.

21. The recommendation requiring financial institutions which have doubts about the veracity or adequacy of previously obtained customer identification to terminate the relationship and consider making a suspicious transaction report on failure to renew customer identification has also been incorporated in section 3(d) of the MLTPAA.

22. While the above provisions fully comply with the letter of the recommendation it is noted that the requirements are imposed on financial institutions, while other provisions are imposed on reporting entities. The MLTPA defines reporting entities to include all financial institutions and DNFBPs while financial institutions only include domestic and offshore banks or financial institutions as defined in the Banks and Financial Institutions Act (BFIA) and brokerage firms and insurance companies. Financial institutions as defined in the Domestic Bank and Financial Institutions Act (the Act which replaced the former BFIA) do not include credit unions, building societies or money service business operators. Consequently the requirement for financial institutions is not applicable to credit unions, building societies, money service business operators or DNFBPs. It should be noted that the requirements of the Recommendation 5 have to be also imposed on DNFBPs as required by Recommendation 12. In order for the provision to be consistent, the above requirements will have to be applicable to all reporting entities. As such these four recommendations have been partially met.

23. The recommendation for financial institutions to 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 has been included in section 3(f) of the MLTPAA which revises section 15(9) of the MLTPA to require a reporting entity to terminate a business relationship with an existing customer due to inability to identify and verify the identity of the customer and to consider making a suspicious transaction report. This recommendation has been met.

24. Given the above, six examiners' recommendations have been met, six partially met and one remains outstanding.

#### **Recommendation 10**

25. The recommendation requires financial institutions under the supervision of the Central Bank, the Supervisor of Insurance (SOI), the Financial Intelligence Unit (FIU) and the IFSC to be obligated to ensure that all customer and transaction records and information are available to all domestic competent authorities upon appropriate authority. This requirement is stipulated in section 4(b) of the MLTPAA which requires reporting entities to ensure that customer information and transaction records are available on a timely basis to domestic authorities upon proper authority. Reporting entities as defined in the MLTPA include the financial institutions listed in the recommendations. Consequently, the examiners' recommendation has been met.

#### **Recommendation 13**

26. The examiners' recommended action for the criminalization of offences of illicit arms trafficking, extortion, piracy and insider trading in the laws of Belize, is to be included in amendments to the Firearms Act and the Criminal Code. These amendments are due to be completed by June 2013. With regard to specific guidance being provided for reporting entities as to how to treat suspicious transactions involving tax matters the authorities have advised that the same level of diligence and guidelines will be applied to suspicious transactions reports

involving tax matters but will additionally be corroborated with the General Sales Tax Department, as well as the Income and Business Tax Department. Given the above, this Recommendation remains outstanding.

## **Special Recommendations II**

27. Section 2(b) of the MLTPAA includes the first recommendation for the amendment of 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 provision complies with the examiners’ recommendation.

28. Additionally, the recommendation requiring the amendment of section 68(3) of the MLTPA to include the range of ancillary offences set out under section 68(2) of the same Act has been set out in section 16(c) of the MLTPAA. The provision fully complies with the examiners’ recommendation. With regard to the recommendation for the amending of subsection 68(1)(b) of the MLTPA to provide for the prosecution of a defendant who commits an ancillary terrorist financing offence in another jurisdiction, section 16(b) of the MLTPAA revises subsection 68(1)(b) of the MLTPA to provide for the criminalization of terrorist financing acts committed “in or outside of Belize.” This provision complies with the examiners’ recommendations

29. With regard to the recommendation that the authorities should consider making legislative amendments that would the constitutional concerns over the DPP and the FIU’s parallel jurisdiction to prosecute financing of terrorism matters in Belize, the authorities advise that the Office of the DPP and the FIU work in collaboration with each other and that there has been no concern about conflicts. As such, the jurisdiction decided that the constitutional change required for this recommendation is not necessary. The above decision by Belize’s Money Laundering Committee made on December 14, 2012 was formally transmitted to the CFATF by latter dated December 18, 2012. The above action in giving due consideration to the examiners’ recommended measure complies with the recommendation. . Given the above all of the examiners’ recommendations have been met.

## **Special Recommendation IV**

30. With regard to SR. IV the examiners made no recommendation, however the specific rating factor was the low number of STRs submitted by financial institutions suggesting that STR reporting is ineffective. Given this deficiency, the authorities will have to submit information regarding reporting of STRs by financial institutions to demonstrate that the system has become effective.

## **Key Recommendations**

### **Recommendation 4**

31. With regard to the recommendation that the designated supervisory authorities, the Central Bank, SOI, IFSC and Ministry of Finance have the power to share information among themselves, section 8(a)(ii) of MLTPAA provides for supervisory authorities as listed in column 2 of the Third Schedule to share information among themselves for the purpose of ensuring compliance, The supervisory authorities as listed in column 2 of the Third Schedule include those in the examiners’ recommendation. The above provision fully complies with recommendation. .



32. With regard to the recommendation that the IFSC should be able to access information from its supervised entities as necessary for carrying on its functions, section 8(b) of the MLTPAA gives a supervisory authority in carrying out its functions under section 21 the power to obtain access to or compel the production of records, documents or information as it considers necessary to supervise compliance. Given the above, all of the examiners' recommendations have been met.

### **Recommendation 23**

33. The authorities have advised that the recommendations for changes in management or shareholding of insurance companies to be approved by the SOI on the basis of a fit and proper assessment and for applications for licences for associations of underwriters and insurance intermediaries to be subject to fit and proper assessment are incorporated in a draft Insurance Act which is in its final stage. With regard to shareholders or owners of IFS practitioners being subject to fit and proper assessment, the authorities have referenced section 4 of the IFSC Licensing Regulations. Section 4 of the IFSC Licensing Regulations stipulates that an application has to be submitted in forms listed in the First and Second Schedule of the IFSC Licensing Regulations. There is no requirement for the IFSC to subject shareholders or owners of IFS practitioners to a fit and proper assessment. Given the above, this Recommendation remains outstanding.

### **Recommendation 26**

34. With regard to the examiners' recommended action for the Belize to consider providing a more secure location for the FIU, the authorities advised in the last follow-up report that the FIU's relocation to an independent and more spacious office where the security measures of IT and other information are totally controlled by the Unit was completed as of September 13, 2012. The architecture of the new office is in accordance with the security, staffing and record storing needs of the FIU. An Information Technology Technician is presently on full time staff as well as a Senior Investigator. The above actions fully implement the examiners' recommendation.

35. With regard to the recommendation that the FIU should consider removing internet access from its server on which sensitive data and information is stored and establish a system where the server is stand alone and consider storing the FIU's backups offsite, the FIU in the last follow-up report submitted its Network Security Policy which while not providing for a stand-alone server does have measures for proprietary firewall protection for the server. The Network Administrator advised that offsite backups take place daily and are verified the next day. These measures fully implement the examiners' recommendation.

36. The authorities advised in the previous follow-up report in relation to the recommendation for the FIU to consider making its Annual Report public and include statistics, typologies and trends as well as information regarding its activities that the FIU was compiling its Annual Report for 2011 and that the shortcomings would be addressed. No further information on this has been submitted for this report.

37. With regard to the recommendation for the provision of feedback to the financial institutions the authorities had advised in the last follow-up report that a database system had been created for easy generation of feedback. While information regarding the categorization of the STRs to be used in generating feedback has been submitted for this report no data on the number and type of feedback responses provided to financial institutions has been provided. While a mechanism for feedback appears to have been established, evidence of implementation is required. Consequently this recommendation is still outstanding.

38. With regard to the recommendation for measures to be considered to ensure the operational independence of the FIU, the authorities advise that the FIU operates independently and that the Minister is only legislatively required to approve employment of staff which does not affect the independence of the FIU. It is noted that the concern about the operational independence of the FIU is based as recorded in paragraph 205 of Belize's MER on an instance "where, as a result of Government intervention, a case against a particular financial institution was dropped." The above response does not address the possibility of such an event occurring again. Consequently the examiners' recommendation remains outstanding. Based on the above, two recommendations have been met and three remain outstanding.

### **Recommendation 35**

39. With regard to the recommendation for the authorities to 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, the situation remains unchanged from the last follow-up report when the authorities advised that further instructions had been issued to address this recommendation. This Recommendation remains outstanding.

### **Recommendation 40**

40. There is no change from the report of May 2012 when the authorities advised that with regard to the recommendation for legislation to empower the Office of the Attorney General and the Ministry of Foreign Affairs to undertake international co-operation inquiries for and on behalf of foreign countries, that handling of mutual legal assistance requests is now fully within the Attorney General's Ministry. The AG Ministry has been restructured and expanded to efficiently facilitate the process. The Ministry has created an office for the handling of International Legal Affairs and instituted a new position of Deputy Solicitor General to head the new office. The authorities advise that the International Legal Affairs Office is responsible for handling any inquiry which falls under the ambit of mutual legal assistance or any similar agreement.

41. Additionally, there is also no change from the May 2012 report since no information has been submitted concerning the recommendation for legislation to empower the police, the customs authorities and other law enforcement agencies to undertake international co-operation inquiries for and on behalf of foreign countries. Given the above, this Recommendation remains outstanding.

### **Special Recommendation I**

42. As noted in relation to Recommendation 35 the situation remains unchanged from the previous report when the authorities advised that further instructions had been issued to address the examiners' recommended actions. This Recommendation remains outstanding.

### **Special Recommendations III**

43. The examiners' recommended action that 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 has been incorporated in section 14 of the MLTPA. With regard to the remaining recommendations, the authorities have advised that further instructions have been made to deal with them by June 2013. Given the

above only one of the examiners' recommended measures has been met. Consequently this Recommendation remains largely outstanding.

### **Special Recommendation V**

44. No information on any of the recommendations has been submitted for this report. The situation remains unchanged from the follow-up report of May 2012, which indicated that the FIU had compiled the necessary changes to various laws and the first set of draft amendments to the various laws were in process, with priority for completion being given to the MLTPA legislation. This Recommendation remains outstanding.

### **Other Recommendations**

#### **Recommendation 8**

45. As indicated in the last follow-up report the examiners' recommendations consisting of the criteria requirements were incorporated in paragraphs 122 and section 4.7.2 of the AML/CFT Guidelines issued by the Central Bank. However, while the Guidelines are OEM for the licensees of the IFSC, they are not OEM for the licensees of the Central Bank. It is noted that section 18 of the MLTPAA 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 SOI, the 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 and the examiners' recommendations have been effectively imposed on the licensees of the Central Bank. However, these requirements are not applicable to the entities under the supervision of the SOI, the FIU or the Ministry of Finance.

46. \The authorities have advised that further instructions for an amendment to the MLTPA imposing both requirements on all financial institutions have been issued for action by June 2013. Given the above, the examiners' recommendations have only been partially met since they are only enforceable on the licensees of IFSC and the Central Bank.. Consequently this Recommendation remains partially compliant.

#### **Recommendation 9**

47. With regard to the recommendation that 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, the authorities advise that subsection 3(e)(ii) of the MLTPAA revises subsection 15(7) of the MLTPA by inserting a paragraph requiring a reporting entity to immediately obtain from the third party, copies of identification data and other documents relating to the obligations of the customer due diligence process. While the above provision meets the general requirements of the examiners' recommendation the only reference to the specifics of criteria 5.3 to 5.6 is identification data. Information on ownership, in particular beneficial ownership, control structure and purpose and intended nature of the business relationship needs to be specified. As such, this recommendation has only been partially met.

48. The recommendation for third parties or intermediaries to be regulated and supervised in accordance with the requirements of the FATF Recommendation 23, 24 and 29 has been incorporated in subsection 3(e)(i) of the MLTPAA which requires the insertion of the words "and in accordance with the Financial Action Task Force recommendations on regulation, supervision

and monitoring” in subsection 15(7)(b) of the MLTPA. This amendment complies with the examiners’ recommendation.

49. In relation to the recommendation for competent authorities to take into account information available on countries which adequately apply FATF recommendations in determining which countries third parties can be based, the authorities cite subsection 3(e)(ii) of the MLTPAA inserting paragraph (d) in subsection 15(7) of the MLTPA. Paragraph (d) stipulates that reporting entities must ensure that countries where third parties are based adequately apply the Financial Action Task Force Recommendations. The provision as stated is applicable to reporting entities whereas the recommendation sets out an obligation for competent authorities. Consequently this recommendation remains outstanding.

50. The recommendation for the ultimate responsibility for customer identification and verification to remain with the financial institution relying on the third party is included in paragraph (e) of subsection 15(7) of the MLTPA as inserted by subsection 3(e)(ii) of the MLTPAA. This provision complies with the examiners’ recommendation. Given the above, two recommendations have been met, one is outstanding and another has been partially met.

### **Recommendation 12**

51. The examiners’ recommendation stipulates that recommended measures made in relation to Recs. 5, 6 and 8-11 are also applicable to DNFBPs since they are subject to the requirements of the MLTPA. As such the analysis with regard to Recs. 5, 6 and 8-11 in this report is also applicable to the DNFBPs. The FIU has issued guidelines for DNFBPs. As already noted section 18 of the MLTPAA 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 includes the Central Bank, the IFSC, the SOI, the 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 for DNFBPs issued by the FIU are now OEM and are acceptable for compliance with FATF requirements in this report. The other recommendation requiring that the transaction threshold level for casinos be amended in the MLTPA to comply with the requirements of Rec.5 and Rec.10 are to be included in further instructions for an amendment to the MLTPA imposing both requirements on all financial institutions have been issued for action by June 2013. has not been addressed. This Recommendation remains partially outstanding.

### **Recommendation 15**

52. The examiners’ recommended action requires financial institutions to maintain adequately resourced, independent internal audit function which includes sample testing for compliance. Section 6(b) of the MLTPAA revises subsection 18(1)(c) of the MLTPA to require reporting entities to establish an independent audit function to test compliance (including sample testing) of its anti-money laundering and combating the financing of terrorism procedures and systems. The above provision complies with the recommendations except for the absence of adequately resourced. Consequently this recommendation has been largely met.

53. The other recommendation stipulates that 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. Section 6 (d) of the MLFTAA revises subsection 18(2)(a) of the MLTPA to require reporting entities to enable the compliance officer as well as other appropriate staff to have timely and unimpeded access to information that may be relevant to determining whether sufficient basis exists to report a matter

as a suspicious transaction. This provision fully complies with the recommendations. Given the above, one of the examiners' recommended measures has been met while the other is largely compliant.

#### **Recommendation 16**

54. The examiners' recommendation stipulates that recommended measures made in relation to Recs. 13 to 15 and 21 are also applicable to DNFBPs since they are subject to the requirements of the MLTPA. As such the analysis with regard to Recs. 13 to 15 and 21 in this report is also applicable to the DNFBPs. As already noted under Recommendation 12 in this report guidelines for DNFBPs have been issued by the FIU and are considered enforceable and acceptable for compliance with FATF requirements in this report. This Recommendation remains partially outstanding.

#### **Recommendation 17**

55. With regard to the examiners' recommendation that administrative fines under supervisory sanctions of subsection 22(1) of the MLTPA should be dissuasive, section 9(b) of the MLTPAA revises subsection 22(1)(d) of the MLTPAA to allow for any supervisory or regulatory authority or competent disciplinary authority to impose fines ranging from BZ\$100,000 (US\$50,000) to no greater than BZ\$500,000 (US\$250,000) for breaches of sections 15 to 19 of the MLTPA. The above fines are consistent with fines for breaches of other sections of the MLTPA and with penalties of other CFATF jurisdictions of similar socio-economic development. As such, the above measure fully complies with the examiners' recommendation.

#### **Recommendation 18**

56. The examiners' recommendation requires the authorities to enact measures that obligate financial institutions to satisfy themselves that a respondent financial institution in a foreign country does not permit the accounts to be used by shell banks. Subsection 3(c)(iii) of the MLTPAA inserts a new paragraph (d) to subsection 15(6) of the MLTPA requiring banks or financial institutions to satisfy themselves that the respondent bank or financial institution in a foreign country shall not permit its accounts to be used by shell banks unless that shell bank is subject to effective consolidated supervision by a competent authority in that foreign country. This provision initially complies with the requirement of the recommendation, however the qualification for the shell bank to be subject to effective consolidated supervision is not part of the examiners' recommendations which mandates a complete prohibition on accounts being used by shell banks. As such this recommendation is only partially met.

#### **Recommendation 19**

57. As indicated in the May 2012 follow-up report the examiners' recommendation that the authorities 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 was considered and was to be formally documented. No formal documentation of the consideration and decision on this issue has been submitted for this report. This Recommendation remains outstanding.

#### **Recommendation 21**

58. With regard to the examiners' recommendation for measures to be put in place to ensure that financial institutions are advised of concerns about weaknesses in the AML/CFT systems of other countries, subsection 6(a)(ii) of the MLTPAA inserts subparagraph (vii) in subsection 18(1)(b) of the MLTPA requiring reporting entities to disseminate warning notices and other information received from the competent authority relating to a weakness in the anti-money laundering and combating the financing of terrorism systems of other countries. This provision has reporting entities disseminating notices about concerns about weaknesses in the AML/CFT systems of other countries rather than being advised about these concerns. Consequently this provision does not comply with the examiners' recommendation.

59. With regard to the recommendation for a mechanism to be put in place to apply appropriate counter measures to countries that continue not to apply or insufficiently applies the FATF Recommendations, the authorities have referred to subsection 6(a)(ii) of the MLTPAA which as noted above does not deal with the application of appropriate counter measures to countries that do not apply or insufficiently apply the FATF Recommendations. Given the above, both recommended actions remain outstanding

## **Recommendation 22**

60. The examiners' recommendations include all the criteria of Recommendation 22. The first recommendation requires a reporting entity to 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. Subsection 8(a)(i) of the MLTPAA revises subsection 21(2)(d) of the MLTPA to require reporting entities to 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. This provision fully complies with the examiners' recommendation.

61. With regard to the recommendation that 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, the subsection 8(a)(i) of the MLTPAA requires reporting entities to ensure that their foreign branches and subsidiaries adopt and enforce measures of a higher standard or consistent with the MLTPA to the extent that local laws and regulations so permit. This provision requires the adoption of the higher standard where AML/CFT requirements of home and host countries differ and therefore fully complies with the recommendation.

62. The recommendation 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 also been incorporated in the same subsection since there is a requirement where the foreign branch or subsidiary is unable to adopt and observe the measures mentioned above, the reporting entity must report the matter to the designated supervisory or regulatory authority or the competent disciplinary authority. This provision also fully complies with the recommendation.

63. The last recommendation requires 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. The last paragraph of subsection 8(a)(i) of the MLTPAA requires financial institutions to pay particular attention that their branches and subsidiaries in countries which do not or insufficiently apply FATF Recommendations, observe measures consistent with Belize's requirement to combat money laundering and the financing of terrorism and the FATF Recommendations. While this provision fully complies with the letter of the recommendation it is

noted that the requirement is imposed on financial institutions, while the other provisions are imposed on reporting entities. The MLTPA defines reporting entities to include all financial institutions and DNFBPs while financial institutions only include domestic and offshore banks or financial institutions as defined in the Banks and Financial Institutions Act (BFIA) and brokerage firms and insurance companies. Financial institutions as defined in the Domestic Bank and Financial Institutions Act (the Act which replaced the former BFIA) do not include credit unions, building societies or money service operators. Consequently the provision for financial institutions is not applicable to credit unions, building societies or money service operators as required by the recommendation. In order for the provision to be consistent, the above requirement will have to be applicable to all reporting entities. As such this recommendation has been partially met. Given the above only one recommendation remains partially outstanding.

#### **Recommendation 24**

64. Two of the examiners' recommendations require that casinos and other DNFBPs except for 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. As already noted, guidelines for DNFBPs have been issued by the FIU. As already indicated section 18 of the MLTPAA 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 includes the Central Bank, the IFSC, the SOI, the 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 for DNFBPs issued by the FIU are now OEM and are acceptable for compliance with FATF requirements in this report. The issuance of the AML/CFT Guidelines is just the beginning of measures necessary to implement a comprehensive regulatory and supervisory regime for casinos and other DNFBPs. As such, two of the examiners' recommendations have been partially met.

65. The recommendation that the designated supervisor for casinos should have the power to request regular reporting or access any information necessary to carry out its functions in particular monitoring has been incorporated in subsection 8(b)(3) which revises section 21 of the MLTPA by granting a supervisory authority, in carrying out its functions the power to obtain access to or compel the production of records, documents or information as it considers necessary to supervise compliance. The above provision is applicable to the FIU as the designated supervisory authority for casinos. The authorities advise that casinos are presently submitting a monthly transaction report to the FIU. The above measures complies with the examiners' recommendation.

66. As already indicated in the analysis with regard to Rec. 17, the recommendation stipulating that fines applicable by the designated supervisory authority under section 22(1) of the MLTPA should be dissuasive has been implemented under section 9(b) of the MLTPAA and complies with the examiners' recommendation.

67. With regard to the two remaining recommendations, the authorities advise that legislation is being drafted to establish a Commission which will be responsible for addressing these recommendations and developing new standards. Given the above, two recommendations have been met, two have been partially met and two are outstanding.

#### **Recommendation 25**

68. With regard to the examiners' recommendations for the FIU to provide general feedback to financial institutions, as indicated in the previous follow-up report the authorities advised that a database had been created by the Network Administrator for the easy generation of feedback. No information on the number of feedback responses provided to financial institutions as evidence of implementation has been submitted for this follow-up reports. With regard to the issuing of guidelines for DNFBPs except for trust and company service providers, these have been issued by the FIU as already noted. No information has been submitted with regard to the recommendation for guidelines to be issued for licensees of the SOI and IFSC. Given the above, one of the recommendations has been met while the others remain outstanding.

#### **Recommendation 27**

69. With regard to the examiners' recommendation for Belize to consider taking measures to allow competent authorities investigating ML cases to postpone or waive the arrest of suspected persons and/or seizure of money for the purpose of identifying persons involved in such activities or for evidence gathering, the authorities have referred to paragraph 56 of the Police Standing Order (specifically item (c) and (g)).

70. Items (c) and (g) of paragraph 56 of the Police Standing Order deal with the investigating officer personally obtaining statements from all witnesses and arresting or having process issued or served on persons to be proceeded against in Court. None of the above deals with measures to allow competent authorities investigating ML cases to postpone or waive the arrest of suspected persons and/or seizure of money for the purpose of identifying persons involved in such activities or for evidence gathering as required by the examiners' recommendation which remains outstanding.

#### **Recommendation 29**

71. With regard to the recommendation that the IFSC should implement AML/CFT on-site inspections of its reporting entities the situation remains unchanged from the May 2012 report when the authorities advised that the IFSC had factored the hiring of additional staff and the execution of on-site inspections in its 2012 plans. Information on the commencement of these inspections as regards the numbers and preliminary findings as to whether any breaches of AML/CFT obligations were discovered have not been provided for this report..

72. In relation to the recommendations that the IFSC should have the power to carry out on-site inspections the authorities have cited section 6(1) of the IFSC Act and section 23 of the IFSC (Code of Conduct) Regulations. Section 6(1) of the IFSC Act states that the Commission has the power to do all things necessary for the carrying out of its duties under the Act and section 23 of the IFSC (Code of Conduct) Regulations requires entities carrying on international financial services to disclose to the Director General of the IFSC any information about beneficial ownership required to facilitate criminal investigations, prosecutions or proceedings. These provisions as outlined do not provide for the IFSC to conduct on-site inspections and do not comply with the recommendation which consequently remains outstanding.

73. With regard to the recommendation that the IFSC should have access or be able to compel production of records from all its reporting entities, the authorities advise that section 8(b) of the MLTPAA addresses this issue. Section 8(b) of the MLTPAA revises section 21 of the MLTPA by inserting a provision which empowers a supervisory authority in carrying out its



functions under section 21 to obtain access to or compel the production of records, documents or information as it considers necessary to supervise compliance. Section 21 deals with the powers necessary for a supervisory authority to supervise compliance of reporting entities with sections 15 to 19 of the MLTPA. Supervisory authority as defined in the MLTPA includes the IFSC. The above provision complies with the examiners' recommendation. Given the above, two of the examiners' recommendations remain outstanding.

### **Recommendation 30**

74. The examiners' recommendations include 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. With regard to two of the recommendations concerning the FIU for relocation to a larger office and consideration of increasing staff, as already mentioned the FIU 's relocation to an independent and more spacious office where the security measures of IT and other information are totally controlled by the Unit was completed as of September 13, 2012. The FIU has employed an information technology technician and a senior investigator.

75. With regard to the recommendation for the FIU to consider providing examiner specific training to FIU staff to facilitate them to carry out their function as Supervisory Authority the authorities have advised that the compliance officer has completed the Association of Certified Anti-Money Laundering Specialists (ACAMS) certification and in January 2013 participated in the Egmont Group AML/CFT Supervisory Pilot Course. The Director also attended the 2013 Caribbean and Americas Forum on Financial Crime Prevention. The training as completed by the compliance officer should facilitate in the FIU carrying out its function as a Supervisory Authority and therefore complies with the recommendation.

76. With regard to the recommendations for the Customs Department requiring more in-depth background check on officers applying to join, the augmenting of current staff, provision of additional technical resources and the provision of AML/CFT training, the authorities have advised that an amendment will be made to the Customs Act to allow vetting of Customs Officers by June 2013. As such, all four of these recommendations are outstanding.

77. With regard to the recommendations for the Police Force and in particular the Major Crimes Unit (MCU) and the Anti-Drugs Unit (ADU) for AML/CFT training, provision of more technical, capital and human resources, the authorities have advised that in June 2012, seventeen (17) vehicles were donated to the Belize Police Department to assist with crime scenes investigation, mobile patrol and community policing. Sixteen (16) analog/digital radios, batteries and charger to boost the communications system were also donated. While the above would increase the technical and physical resources of the Belize Police Department, no information as to whether any of the recommendations dealing with the MDU and the ADU have been implemented has been submitted for this report. As such all six recommendations dealing with the MDU and the ADU remain outstanding.

78. With regard to the recommendation for the provision of training for judges and courts concerning AML/CFT offences and the seizure, freezing and confiscation of property that is the proceeds of crime or is to be used to finance terrorism a training session on civil recovery and confiscation of assets was conducted for private sector/reporting entities and also separately for judges and magistrates in March 2013.

79. As noted in the follow-up report of May 2012 the recommendations for the human and other resources of the Ministry of Foreign Affairs/Office of the Attorney General to be strengthened to properly manage requests for international cooperation with foreign countries was addressed by making the Attorney General's Ministry responsible for handling mutual legal

assistance requests. The AG Ministry was restructured and expanded to efficiently facilitate the process. The Ministry created an office for the handling of International Legal Affairs and instituted a new position of Deputy Solicitor General to head the new office. No information has been provided as to whether the newly created office will be able to undertake international co-operation inquiries for and on behalf of foreign countries as requested in the last report. Given the above three recommendations have been met; one has been partially complied with while ten (10) recommendations remain outstanding.

### **Recommendation 31**

80. The examiners' recommended that Belize consider the formation of a special task force or group comprising various representatives of law enforcement authorities focused on the development and implementation of policies and activities that would foster greater cooperation and coordination among law enforcement entities in matters of ML and FT. The authorities advised in the follow-up report of May 2012 that a Task Force Committee was established and is chaired by the FIU and has senior representatives from various government institutions such as Customs, Central Bank, Police, IFSC, Immigration, Business Tax, and Income Tax. The authorities have advised that the Task Force Committee meets on the last Friday of every quarter. No information on the responsibilities and functions of the Task Force Committee or on any tangible results from its operation has been provided as requested in the report of May 2012. As such, this Recommendation has only been partially met.

### **Recommendations 32**

81. With regard to the maintenance of statistics by the FIU, the authorities have advised that a database system has been created to comply with this recommendation. No statistics have been submitted for this report. No information has been provided with regard to the other examiners' recommendations. Consequently this Recommendation remains outstanding.

### **Recommendation 33**

82. The authorities advise that further instructions to amend the Companies Act to address the first recommendation with regard to implementing measures to ensure that the company register maintains adequate, reliable and timely information on the beneficial ownership of registered companies have been issued with an expected deadline of June 2013 for completion.

83. No information has been submitted with the regard to the recommendations 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 and that registered agents be subject to on-site inspections to ensure that the measures for the immobilization of bearer shares of IBCs are adequate and reliable.

84. With regard to the recommendation that there should be measures to ensure that bearer share warrants for local companies are not misused for money laundering, the authorities have cited statutory instrument 108 of 2012 dated December 8, 2012 as requiring registered agents to retain physical possession of bearer shares and requirements in dealing with a professional intermediary. Section 2 of the statutory instrument 108 of 2012 revises regulation 7 of the IFSC (Code of Conduct) Regulations to require a registered agent to at all times retain physical possession of the bearer shares certificate whether the agent deals directly with the end-user customer or with a professional intermediary customer. The above provision deals with the IFSC (Code of Conduct) Regulations which is concerned with IBCs and not local companies as

required by the examiners' recommendation. Consequently all recommendations remain outstanding.

#### **Recommendation 34**

85. With regard to the recommendation that financial institutions should be required to verify the legal status of legal arrangements such as trusts, subsection 3(a)(iii) of the MLTPAA which amends section 15 of the MLTPA requires reporting entities when conducting a transaction for a legal person or legal arrangement to take reasonable measures to identify and verify the legal status, ownership and control structure including information relating to the customer's name, name of trustee and ultimate settler (for trust). This provision complies with the examiners' recommendation.

86. The authorities have cited section 3 of the Trust Amendment Act 2007 as complying with the recommendation that the register of international trusts should include information on beneficiaries of trusts. However, while section 3 of the Trust Amendment Act 2007 lists the information that should be maintained by the register of international trusts it does not include information on beneficiaries of trusts.

87. No information has been submitted regarding the remaining three outstanding recommendations. Given the above, four of the five recommendations remain outstanding. .

#### **Recommendation 39**

88. The situation remains unchanged from the last report with no information being provided by the authorities with regard to the examiners' recommendations. These recommendations remain outstanding.

#### **Special Recommendation VI**

89. As already noted with regard to Rec. 17 the examiners' recommendation that supervisory fines under the MLTPA should be dissuasive has been implemented under section 9(b) of the MLTPAA. Section 9(b) of the MLTPAA revises subsection 22(1)(d) of the MLTPAA to allow for any supervisory or regulatory authority or competent disciplinary authority to impose fines ranging from BZ\$100,000 (US\$50,000) to no greater than BZ\$500,000 (US\$250,000) for breaches of sections 15 to 19 of the MLTPA. The above fines are consistent with fines for breaches of other sections of the MLTPA and with penalties of other CFATF jurisdictions of similar socio-economic development. As such, the above measure fully complies with the examiners' recommendation.

#### **Special Recommendation VII**

90. The recommendation that 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 has been set out in section 7(b) of the MLTPAA which defines originator information to include all of the above. Consequently, this recommendation has been met.

91. The recommendation stipulating that 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 has been included in section 4(b) of the MLTPAA. However, it is noted that the provision while requiring financial institutions to implement the examiners' recommendation, the term "financial institutions" as defined by the MLTPA does not include credit unions, building societies and money service business operators as previously noted in this report. whereas the term reporting entity as defined in the MLTPA covers all financial institutions and DNFBPs. Consequently this recommendation only partially complies with the examiners' recommendation.

92. The recommendation requiring beneficiary financial institutions to adopt effective risk-based procedures for identifying and handling wire transfers that are not accompanied by complete originator information has been set out in section 5(a) of the MLTPAA which revises subsection 17(1)(c) of the MLTPA in accordance with the examiners' recommendation. This provision complies with the recommendation.

93. The last recommendation requiring that the fine penalty of section 19(5) of the MLTPA should be dissuasive and applicable to directors and senior management has been set out in section 7(c) of the MLTPAA which increases the fine penalty of section 19(5) of the MLTPA from ten thousand dollars (BZ\$10,000) to one hundred thousand dollars (BZ\$100,000 – US\$50,000) and covers directors and senior management. The above fine is consistent with fines for breaches of other sections of the MLTPA and with penalties of other CFATF jurisdictions of similar socio-economic development. As such, the measure complies with the examiners' recommendation. Given the above three of the recommendations have been met while one is partially compliant.

### **Special Recommendation VIII**

94. With regard to the examiners' recommendations, the authorities advised in the last follow-up report that the proposed amendment to the MLTPA will include non-profit organizations as reporting entities subject to the requirements of the amended MLTPA. Section 20 of the MLTPAA amends the First Schedule of the MLTPA to include non-governmental organizations which makes them subject to the AML/CFT requirements of the MLTPA. However, there is no definition of a non-governmental organization in the MLTPA to verify whether it includes the FATF definition of a non-profit organization as a legal entity or organization that primarily engages in raising or disbursing funds for purposes such as charitable, religious, cultural, educational, social or fraternal purposes or for the carrying out of other types of "good works". This together with no information with regard to the status of the outstanding recommended measures results in this Recommendation remaining outstanding.

### **Special Recommendation IX**

95. Section 13 of the MLTPAA includes the examiners' recommendations for the amending of section 38 of the MLTPA to allow for the seizure of currency of any amount and the insertion of a provision for the restraint of negotiable instruments. The provision complies with the two examiners' recommendations. The two remaining recommendations have been submitted in further instructions for inclusion in legal amendments. Consequently, two recommendations have been met while two others remain outstanding.

## **III. Conclusion**

96. The enactment of the MLTPAA and the ability to impose sanctions for non-compliance of the AML/CFT Guidelines issued by the FIU has resulted in improvement in the level of

compliance of Belize with several Recommendations. With regard to the Core and Key Recommendations as already noted Belize was rated PC or NC in fourteen (14) of the sixteen Core and Key Recommendations. As a result of the above measures, Belize has fully implemented the examiners' remedial action in two (2) Core and one (1) Key Recommendations (Rec. 10, SR. II and Rec. 4). Additionally, the level of compliance has improved in three other Core and Key Recommendations (Rec. 1, 5 and SR. III) and is unchanged in the remaining eight (8) Core and Key Recommendations (Recs. 13, 23, 26, 35, 40, SR. I, SR. IV and SR. V). The level of compliance has also improved in fourteen (14) of the 27 other Recommendations that Belize was rated PC or NC. These recommendations are Rec. 8, 9, 12, 15, 16, 18, 22, 24, 25, 29, and 34, SR. VI, SR. VII and SR. IX.

97. With regard to the decision of the November 2012 Plenary concerning substantial compliance with all outstanding recommendations by all jurisdictions in the ICRG process, Belize's level of compliance with eight (8) Core and Key Recommendations remains unchanged while three others have outstanding recommendations. The level of compliance of thirteen (13) other Recommendations also remain unchanged. While there has been improvement in the level of compliance it is not considered substantial. Given that Belize already had a High Level Mission in February 2013, the next step the Plenary can consider as a result of Belize's failure to comply with the decision taken by Plenary in November 2012 is in the context of the application of recommendation 21 Members issue a formal CFATF statement to the effect that the Member jurisdiction is insufficiently in compliance with the FATF Recommendations, and recommend appropriate action and consider whether additional counter-measures are required. Given the above, it is also recommended that Belize remains in enhanced follow-up and be required to report to the next Plenary in November 2013.



**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
<b>Legal systems</b>				
1.ML offence	PC	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>The offence of theft in the second schedule of the MLTPA, contains a minimum property value of BZ\$10,000.(\$5,000.00 USD).</li> <li>The low number of ML convictions demonstrates ineffective implementation which may be due to insufficient training of the law enforcement agencies and judiciary</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ul>	<p>The AG Ministry has received drafting instructions to amend the Misuse of Drugs Act to include the range of substances set out in Table I and II of the Annex to the Vienna Convention.</p> <p>There will also be amendments to the Firearms Act and the Criminal Code. There is a timeline of June 2013 for these amendments.</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"> <li>The low number of ML convictions demonstrates ineffective implementation which may be due to insufficient training of the law enforcement agencies and judiciary.</li> </ul>		<p>Training sponsored by GOVRISK in collaboration with American Bar Association is being held from January 9 – 17, 2012. This training targets Judiciary, Prosecutors, Investigators, and Regulators. GOVRISK is expected to do another training in March 2013. 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>There has 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</p>

				conviction. There is one conviction of Failure to Declare since January 2013
3. Confiscation and provisional measures	LC	<ul style="list-style-type: none"> <li>Section 67 of the MLTPA does not facilitate the making of ex parte applications for the seizure and detention of terrorist cash.</li> <li>Ineffective implementation of seizure, restraint and confiscation regime</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>	Section 15 of Act 4 of 2013
<b>Preventive measures</b>				
4. Secrecy laws consistent with the Recommendations	PC	<ul style="list-style-type: none"> <li>No provision allowing the designated supervisory authorities the CBB, SOI, IFSC and Ministry of Finance to share information among themselves</li> <li>The IFSC can only access information from its supervised entities when necessary for criminal investigations, prosecutions or proceedings</li> </ul>	<ul style="list-style-type: none"> <li>The designated supervisory authorities, the Central Bank, SOI, IFSC and Ministry of Finance should have the power to share information among themselves.</li> <li>The IFSC should be able to access information from its supervised entities as necessary for carrying on its functions.</li> </ul>	<p>Section 8 (a) (ii) of Act 4 of 2013</p> <p>Section 8 (b) of Act 4 of 2013</p>
5. Customer due diligence	NC	<ul style="list-style-type: none"> <li>No requirement for financial institutions to obtain proof of incorporation or similar evidence to verify legal status of corporate entities.</li> <li>No requirement for financial institutions to verify legal status of legal arrangements such as trusts.</li> <li>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.</li> <li>No requirement in legislation or regulations for</li> </ul>	<ul style="list-style-type: none"> <li>Regulation 4 of the MLPR and section 15(1) of the MLTPA should be amended to correct the inconsistency in the transaction threshold.</li> <li>Financial institutions should be required to obtain proof of incorporation or similar evidence to verify legal status of corporate entities..</li> <li>Financial institutions should be required to verify legal status of legal arrangements such as trusts.</li> <li>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.</li> </ul>	<p>Further instructions to amend the MLTPA to correct the inconsistencies. Timeline for this action in June 2013</p> <p>Section 3(a) (iii) of Act 4 of 2013</p> <p>Section 3(a) (iii) of Act 4 of 2013</p> <p>Section 3(a) (iii) of Act 4 of 2013</p> <p>Section 3(a) (iv) of Act 4 of 2013</p>



		<p>financial institutions to conduct ongoing due diligence on business relationships</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• No requirement for financial institutions to perform enhanced due diligence for higher risk categories of customer, business relationship or transaction.</li> <li>• No requirement prohibiting simplified CDD measures where there is a suspicion of money laundering or terrorist financing or specific higher risk scenarios</li> <li>• No requirement for financial institutions when completing the verification of the identity of the customer and beneficial owner following the establishment of the business relationship for the money laundering risks to be effectively managed.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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</li> </ul>	<ul style="list-style-type: none"> <li>• Financial institutions should be required either in legislation or regulations to conduct ongoing due diligence on business relationships</li> <li>• 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</li> <li>• Financial institutions should be required to perform enhanced due diligence for higher risk categories of customer, business relationship or transaction.</li> <li>• Simplified CDD measures should be prohibited when there is a suspicion of money laundering or terrorist financing or specific higher risk scenarios</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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</li> <li>• Financial institution which have doubts about the veracity or adequacy of previously obtained customer identification should be required to terminate the</li> </ul>	<p>Section 3(b) of Act 4 of 2013</p> <p>Further instructions to amend the MLTPA to deal with this issue. Timeline for this action in June 2013</p> <p>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. Timeline for this action in June 2013</p> <p>Section 3(a) (iv) (d) of Act 4 of 2013</p> <p>Section 3(d) of Act 4 of 2013</p> <p>Section 3(d) of Act 4 of 2013</p> <p>Section 3(d) of Act 4 of 2013</p> <p>Section 3(d) of Act 4 of 2013</p>
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6. Politically exposed persons	LC	<ul style="list-style-type: none"> <li>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</li> <li>Some institutions did not have systems to determine whether a potential customer, a customer or beneficial owner is a politically exposed person</li> </ul>	<ul style="list-style-type: none"> <li>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</li> <li>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.</li> </ul>	<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"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>	Section 3(c) of Act 4 of 2013
8. New technologies & non face-to-face business	NC	<ul style="list-style-type: none"> <li>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.</li> <li>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..</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>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</li> </ul>	<p>Further instructions for an amendment to 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. Timeline for this action in June 2013.</p> <p>Further instructions for an amendment to require financial institutions to have policies and procedures in place to address specific risks associated with non-face to face business. Timeline for this action is June 2013.</p>
9. Third parties and introducers	NC	<ul style="list-style-type: none"> <li>Financial institutions relying on a third party are not required to immediately obtain from the third party the necessary information concerning</li> </ul>	<ul style="list-style-type: none"> <li>Financial institutions relying on a third party should be required to immediately obtain from the third party the necessary information concerning the elements of</li> </ul>	. Section 3(e) (ii) of Act 4 of 2013

		<p>the elements of the CDD process in criteria 5.3 to 5.6</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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</li> </ul>	<p>the CDD process in criteria 5.3 to 5.6</p> <ul style="list-style-type: none"> <li>• Third parties or intermediaries should be regulated and supervised in accordance with the requirements of FATF Recs. 23, 24 and 29.</li> <li>• Competent authorities should take into account information available on countries which adequately apply FATF Recs in determining which countries third parties can be based.</li> <li>• The ultimate responsibility for customer identification and verification should remain with the financial institution relying on the third party</li> </ul>	<p>Section 3(e)(i) of Act 4 of 2013</p> <p>Section 3(e)(ii) of Act 4 of 2013</p> <p>Section 3(e)(ii) of Act 4 of 2013</p>
10.Record keeping	PC	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Licensees of the IFSC are required to ensure that all documentation is accessible within a reasonable time to only court orders or court directives</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	Section 4(ii) of Act 4 of 2013
12.DNFBP – R.5, 6, 8-11	PC	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• 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</li> <li>• The transaction threshold level for casinos should be amended in the MLTPA to comply with the requirements of Rec. 5 and Rec. 10.</li> </ul>	<p>Guidelines for DNFBP are now in effect</p> <p>Further instructions to amend MLTPA to comply with transaction threshold for casinos as stipulated in FATF Recommendations. Timeline for this action is June 2013.</p>

13.Suspicious transaction reporting	PC	<ul style="list-style-type: none"> <li>The obligation to submit suspicious transaction reports does not apply to the proceeds of all FATF predicate offences</li> <li>Low number of STRs submitted by financial institutions suggests that STR reporting ineffective in non-bank reporting entities.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>Specific guidance should be provided for reporting entities as to how to treat suspicious transactions involving tax matters</li> </ul>	<p>The AG Ministry has received drafting instructions to amend the Misuse of Drugs Act to include the range of substances set out in Table I and II of the Annex to the Vienna Convention. There will also be amendments to the Firearms Act and the Criminal Code. There is a timeline of June 2013 for these amendments.</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>
14.Protection & no tipping-off	LC	<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>	Section 15 of the Financial Intelligence, as well as Section 81 and 82 of the MLTPA addresses this issue
15.Internal controls, compliance & audit	PC	<ul style="list-style-type: none"> <li>No requirement for internal audit to be adequately resourced, independent and include sample testing for compliance</li> <li>Requirement only allows for reasonable access to information by the AML/CFT compliance officer rather than unimpeded access</li> <li>Access to information is limited to AML/CFT compliance officers and not extended to other appropriate staff.</li> </ul>	<ul style="list-style-type: none"> <li>Financial institutions should be required to maintain adequately resourced, independent internal audit function which includes sample testing for compliance.</li> <li>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.</li> </ul>	<p>Section 6(b) of Act 4 of 2013</p> <p>Section 6(d) of Act 4 of 2013</p>

16.DNFBP – R.13-15 & 21	PC	<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<p>Guidelines for DNFBP have been implemented to address these shortcomings.</p> <p>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.</p> <p>The DNFBP Guidelines are now being implemented. The website for Belize FIU reflects that these Guidelines were issued in the last quarter of 2011.</p>
17.Sanctions	NC	<ul style="list-style-type: none"> <li>Administrative fines under supervisory sanctions of subsection 22(1) are not dissuasive.</li> <li>Unable to assess effectiveness of supervisory sanctions since none have been applied</li> </ul>	<ul style="list-style-type: none"> <li>Administrative fines under supervisory sanctions of subsection 22(1) should be dissuasive.</li> </ul>	Section 9(b) of Act 4 of 2013
18.Shell banks	PC	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>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</li> </ul>	Section 3©(ii) of Act 4 of 2013
19.Other forms of reporting	NC	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>	The was considered and will be formally documented
21.Special attention for higher risk countries	PC	<ul style="list-style-type: none"> <li>No measures in place to ensure that financial institutions were advised of concerns about weaknesses in the AML/CFT systems of other countries</li> <li>No mechanism to apply appropriate counter measures to countries that continue not to apply or insufficiently applies the FATF Recommendations.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>A mechanism should be in place to apply appropriate counter measures to countries that continue not to apply or insufficiently applies the FATF Recommendations.</li> </ul>	<p>Section 6(a)(ii) of Act 4 of 2013</p> <p>Section 6(a)(ii) of Act 4 of 2013</p>
22.Foreign branches & subsidiaries	NC	<ul style="list-style-type: none"> <li>Requirement that the reporting entity should</li> </ul>	<ul style="list-style-type: none"> <li>The requirement that the reporting entity should</li> </ul>	Section 8(a)(i) of Act 4 of 2013

		<p>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.</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>	<p>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.</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>	<p>Section 8(a)(i) of Act 4 of 2013</p> <p>Section 8(a)(i) of Act 4 of 2013</p> <p>Section 8(a)(i) of Act 4 of 2013</p>
23.Regulation, supervision and monitoring	PC	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Applications for licences for associations of underwriters and insurance intermediaries are not required to be subject to fit and proper assessment.</li> <li>• Shareholders or owners of IFS practitioners are not subject to fit and proper assessment.</li> </ul>	<ul style="list-style-type: none"> <li>• Changes in management or shareholding of insurance companies should be approved by the SOI on the basis of a fit and proper assessment.</li> <li>• Applications for licences for associations of underwriters and insurance intermediaries should be subject to fit and proper assessment.</li> <li>• Shareholders or owners of IFS practitioners should be subject to fit and proper assessment</li> </ul>	<p>There is a Draft Insurance Act which is in its final stage to become compliant with the ICP and well as the FATF Recommendations. ( See Attachment)</p> <p>Section 15 of the Draft Act</p> <p>Section 4 of IFSC Licensing Regulations</p>

<p>24. DNFBP – regulation, supervision and monitoring</p>	<p>NC</p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• Fines applicable by the designated supervisory authority under section 22(1) of the MLTPA are not dissuasive</li> <li>• 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</li> <li>• 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.</li> <li>• 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</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Designated supervisory for casinos should have the power to request regular reporting or access any information necessary to carry out its functions in particular monitoring.</li> <li>• Fines applicable by the designated supervisory authority under section 22(1) of the MLTPA should be dissuasive.</li> <li>• 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</li> <li>• 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 management function in or being an operator under these licences.</li> <li>• 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</li> </ul>	<p>Guidelines for DNFBP have been implemented to address these shortcomings</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>Section 9(b) of Act 4 of 2013</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> <p>Guidelines for DNFBP have been implemented to address these shortcomings</p>
<p>25. Guidelines &amp; Feedback</p>	<p>NC</p>	<ul style="list-style-type: none"> <li>• Feedback is limited only to acknowledgement of receipt of STRs</li> <li>• No guidelines have been issued for the DNFBPs except for the trust and company service providers.</li> <li>• No guidelines have been issued for licensees of</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Guidelines should be issued for licensees of the SOI and IFSC</li> </ul>	<p>Database has already been created by the Network Administrator for the easy generation of feedback</p>

		the SOI and IFSC		
Institutional and other measures				
26.The FIU	PC	<ul style="list-style-type: none"> <li>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.</li> <li>Minimal feedback is provided to financial institutions and DNFBPs by the FIU in relations to STRs filed or requests made of the institutions.</li> <li>No publicly released periodic reports which include statistics, typologies and trends as well as information regarding activities.</li> <li>Operational independence of the FIU is vulnerable to external influence.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>The FIU should consider removing internet access from its server on which sensitive data and information is stored and establish a system where their server is stand alone. Consideration should be given to storing the FIU's server backups offsite.</li> <li>Measures should be considered to ensure the operational independence of the FIU</li> <li>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.</li> <li>The FIU should consider making its Annual Report public and include statistics, typologies and trends as well as information regarding its activities.in it..</li> </ul>	<p>On September 13<sup>th</sup> 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>Also, the office provides room for additional employees and storage of physical records. The FIU has hired a Network/ IT Systems Administrator since April 23, 2012. A Compliance Officer was also hired with effect from March 1, 2012. The position of a Senior Investigator is being filled by an experienced investigator from Canada.</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>Mechanism presently in place categorizes STR by:</p> <ol style="list-style-type: none"> <li>1) the type of entity,</li> <li>2) the name of the entity,</li> <li>3) the type of suspicious transaction</li> <li>4) Date of transaction</li> <li>5) Subject of STR</li> </ol> <p>These categorization may be used to generate feedback.</p>



				<p>The FIU is currently compiling its Annual Report .</p> <p>Please see attached Network Security Policy and Network Administrator's Report</p>
27.Law enforcement authorities	PC	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<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))</p>
28 Powers of competent authorities	LC	<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>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</li> </ul>	<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>Also see Recommendation 27</p>
29.Supervisors	PC	<ul style="list-style-type: none"> <li>IFSC does not carry out AML/CFT on-site inspections</li> <li>IFSC does not have the power to carry out on-site inspection except for international insurance companies</li> <li>The IFSC can only access or compel production of records from licensees under the MFA and the IIA.</li> </ul>	<ul style="list-style-type: none"> <li>The IFSC should implement AML/CFT on-site inspections of its reporting entities</li> <li>IFSC should have the power to carry out on-site inspection of all its reporting entities.</li> <li>The IFSC should have access or be able to compel production of records from all its reporting entities.</li> </ul>	<p>The IFSC has factored the hiring of additional staff and the execution of onsite inspections</p> <p>Section 6(1) of IFSC Act Section 23 of IFSC (Code of Conduct) Regulations</p> <p>Section 8(b) of Act 4 of 2013</p>
30.Resources, integrity and training	NC	<ul style="list-style-type: none"> <li>There is inadequate staffing at the FIU currently to allow it to effectively carry out its functions as investigator, prosecutor and supervisory</li> </ul>	<ul style="list-style-type: none"> <li>Belize should consider relocating the FIU to a larger office space with greater storage capacity to facilitate expansion and greater efficiency within the Unit.</li> </ul>	<p>On September 13<sup>th</sup> 2012, the FIU moved into its new building. The architecture of the permanent office is</p>

		<p>authority.</p> <ul style="list-style-type: none"> <li>• The office space presently being occupied by the FIU is inadequate and lacks the potential for expansion and greater storage capacity.</li> <li>• 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.</li> <li>• Limited numbers of the Customs Department staff have been exposed to AML/CFT training.</li> <li>• Lack of human and technical resource to facilitate effective enforcement of Customs Act.</li> <li>• No in-depth background checks are done on officers applying to join the Customs Department.</li> <li>• No ML/TF training has been received by members of the ADU or the MCU.</li> <li>• There are an inadequate number of police officers assigned to the ADU to allow it effectively police Belize's 8866 square miles of land and sea.</li> <li>• 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.</li> <li>• 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</li> <li>• 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</li> </ul>	<ul style="list-style-type: none"> <li>• The FIU should consider providing examiner specific training to FIU staff to facilitate them in carry out their functions as Supervisory Authority.</li> <li>• Belize should consider augmenting the staff at the FIU to allow it to effectively carry out its functions relative to ML, TF, Persecutor and that of Supervisory Authority.</li> <li>• Belize's Customs Department should consider conducting a more in-depth background check on officers applying to join the Customs Department.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• Belize should consider providing ML/TF training to members of the ADU and the MCU.</li> <li>• Belize should consider procuring an additional engine in order to make the two (2) vessels in its maritime</li> </ul>	<p>done in accordance with the security, staffing and record storing needs of the FIU.</p> <p>Also, the office provides room for additional employees and storage of physical records. The FIU has hired a Network/ IT Systems Administrator since April 23, 2012. A Compliance Officer was also hired with effect from March 1, 2012. The position of a Senior Investigator is being filled by an experienced investigator from Canada.</p> <p>Compliance Officer has completed ACAMS, and in <b>January 2013</b>, participated in the Egmont Group AML/CFT Supervisory Pilot Course. The Director went to the 2013 Caribbean and Americas Forum on Financial Crime Prevention</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>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>
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			Foreign Affairs/Office of the Attorney General should be strengthened to properly manage requests for international cooperation with foreign countries.	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.
31.National co-operation	NC	<ul style="list-style-type: none"> <li>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..</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>	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.
32.Statistics	NC	<p>No statistics on the following:</p> <ul style="list-style-type: none"> <li>Other formal requests for assistance made or received by the FIU, including whether the request was granted or refused.</li> <li>Spontaneous referrals made by the FIU to foreign authorities</li> <li>Formal requests for assistance made or received by supervisors relating to or including AMI/CFT including whether the request was granted or refused</li> <li>Comprehensive statistics are not maintained at the FIU that would lend to analysis efforts, identification of trends, typologies and techniques</li> <li>No mechanism in Belize whereby the authorities review the effectiveness of their systems for combating money laundering and terrorist financing on a regular basis..</li> </ul>	<p>Statistics should be maintained on the following:</p> <ul style="list-style-type: none"> <li>Other formal requests for assistance made or received by the FIU, including whether the request was granted or refused.</li> <li>Spontaneous referrals made by the FIU to foreign authorities</li> <li>Formal requests for assistance made or received by supervisors relating to or including AMI/CFT including whether the request was granted or refused.</li> <li>The authorities should develop a mechanism to review the effectiveness of their systems for combating money laundering and terrorist financing on a regular basis</li> </ul>	
33.Legal persons – beneficial owners	NC	<ul style="list-style-type: none"> <li>Information on the companies register is limited to legal ownership and does not include beneficial ownership information and is not necessarily reliable.</li> <li>Registered agents are not subject to on-site inspection and it is not clear how reliable the</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>Registered agents should be subject to measures to ensure that the beneficial ownership information on</li> </ul>	Further instructions to amend the Companies Act. Timeline for this Action is June 2013

		<p>beneficial ownership information of IBCs they maintain would be.</p> <ul style="list-style-type: none"> <li>• There are no specific measures to ensure that bearer share warrants for local companies are not misused for money laundering.</li> <li>• 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.</li> </ul>	<p>IBCs that they maintain is adequate, reliable and timely</p> <ul style="list-style-type: none"> <li>• There should be measures to ensure that bearer share warrants for local companies are not misused for money laundering.</li> <li>• 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</li> </ul>	<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"> <li>• Registration of domestic trusts is optional and the register is not open to public inspection.</li> <li>• No requirements for financial institutions to verify legal status of legal arrangements such as trusts.</li> <li>• The register of international trusts is inadequate as it does not include information on beneficiaries of trusts.</li> <li>• 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..</li> <li>• Neither the register of international foundations nor registered agents are required to maintain adequate information on the control of foundations.</li> </ul>	<ul style="list-style-type: none"> <li>• The authorities should consider making it a legal requirement for the registration of all domestic trusts created under the TA</li> <li>• Financial institutions should be required to verify the legal status of legal arrangements such as trusts.</li> <li>• The register of international trusts should include information on beneficiaries of trusts.</li> <li>• 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.</li> <li>• The register of international foundations and registered agents should be required to maintain adequate, reliable and timely information on the control of foundations</li> </ul>	<p>Section 3(a)(iii) of Act 4 of 2013</p> <p>Section 3 of Trust Amendment Act 2007</p>
<b>International Co-operation</b>				
35. Conventions	PC	<ul style="list-style-type: none"> <li>• 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</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	<p>Further instructions issued to address this Recommendation</p>
36. Mutual legal assistance (MLA)	LC	<ul style="list-style-type: none"> <li>• The Belize/USA Treaty Act does not provide that a request for mutual legal assistance cannot be denied on the ground of secrecy or</li> </ul>	<ul style="list-style-type: none"> <li>• The authorities should consider amending the Belize/USA Treaty Act to provide that a request for mutual legal assistance cannot be denied on the</li> </ul>	<p>The Attorney General's Office, International Legal Affairs deal with MLAT requests. This department is</p>

		<p>confidentiality.</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• There are no arrangements for the best venue for prosecuting defendants in cases where such may be facilitated in more than one country.</li> </ul>	<p>ground of secrecy or confidentiality.</p> <ul style="list-style-type: none"> <li>• The authorities should consider establishing a single competent authority for the receipt and processing of requests for mutual legal assistance.</li> <li>• 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.</li> </ul>	<p>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 responsibility to head the new office.</p>
37.Dual criminality	LC	<ul style="list-style-type: none"> <li>• The Belize/USA Treaty Act requires dual criminality in relation to search, seizure and forfeiture</li> </ul>		
38.MLA on confiscation and freezing	LC	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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</li> </ul>		
39.Extradition	PC	<ul style="list-style-type: none"> <li>• The procedures for extradition are long and unwieldy.</li> <li>• Belize has only concluded extradition treaties with the USA and Guatemala.</li> <li>• Effective implementation is adversely affected by the competent authority not being appropriately equipped</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• The authorities should consider concluding extradition treaties with a broader range of countries.</li> <li>• The authorities should consider equipping the competent authority with the appropriate tools to efficiently manage requests for extraditions</li> </ul>	
40.Other forms of co-operation	PC	<ul style="list-style-type: none"> <li>• There is no legislation empowering the police, the customs authorities and other law</li> </ul>	<ul style="list-style-type: none"> <li>• Legislation should be created empowering the police, the customs authorities and other law enforcement</li> </ul>	

		<p>enforcement agencies to undertake international cooperation inquiries for and on behalf of foreign countries;</p> <ul style="list-style-type: none"> <li>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</li> </ul>	<p>agencies to undertake international cooperation inquiries for and on behalf of foreign countries;</p> <ul style="list-style-type: none"> <li>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</li> </ul>	<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>
<b>Nine Special Recommendations</b>		<b>Summary of factors underlying rating</b>		
SR.I Implement UN instruments	PC	<ul style="list-style-type: none"> <li>There is no legislation in Belize that fully implements Articles 6, 12,13,14,15 and 16 of the Terrorist Financing Convention</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<p>Further instructions issued to address this recommendation</p>
SR.II Criminalise terrorist financing	PC	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>No provision for the prosecution of a defendant who commits an ancillary terrorist financing offence in another jurisdiction.</li> <li>The DPP and the FIU’s parallel jurisdiction to prosecute financing of terrorism matters in Belize could adversely affect implementation..</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>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</li> </ul>	<p>Section 2 of Act 4 of 2013</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</p>

			matters in Belize.	that the constitutional change required for this recommendation is not necessary. <i>Please find attached document recording that decision</i>
SR.III Freeze and confiscate terrorist assets	PC	<ul style="list-style-type: none"> <li>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.</li> <li>Unable to assess the practical effectiveness of provisions giving effect to freezing mechanisms initiated in other jurisdictions due to lack of requests</li> <li>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.</li> <li>There is no legislative or other provision that enables the authorities to publicly delist persons or entities in a timely manner.</li> <li>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.</li> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>The authorities should consider promulgating legislation that would enable the authorities to publicly delist persons or entities in a timely manner.</li> <li>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.</li> <li>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</li> <li>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.</li> <li>Designated supervisory authorities should be required to monitor compliance with the provisions concerning SRIII</li> <li>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.</li> <li>The authorities should consider amending section 67 (1) of the MLTPA to enable an affected party to apply</li> </ul>	<p>Further instructions to be made to deal with this action. Timeline is June 2013</p> <p>Section 14 of Act 4 of 2013</p>



		<p>intended effect of S/RES1452..</p> <ul style="list-style-type: none"> <li>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.</li> <li>Designated supervisory authorities are not required to monitor compliance with the provisions concerning SRIII</li> <li>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 cash</li> </ul>	to the court for relief against an order seizing and detaining terrorist cash.	
SR.IV Suspicious transaction reporting	PC	<ul style="list-style-type: none"> <li>Low number of STRs submitted by financial institutions suggests that STR reporting is ineffective in non-bank reporting entities.</li> </ul>		
SR.V International co-operation	NC	<ul style="list-style-type: none"> <li>The deficiencies identified with regard to MLAT for ML are also applicable for FT</li> <li>Deficiencies noted with regard to extradition are also applicable for FT</li> <li>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;</li> <li>The noted deficiencies concerning extradition in Belize also affect improved international cooperation that is consistent with Special Recommendation V.</li> </ul>	<ul style="list-style-type: none"> <li>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;</li> <li>The noted deficiencies concerning extradition in Belize should be remedied to facilitate improved international cooperation that is consistent with Special Recommendation V.</li> </ul>	
SR VI AML requirements for money/value transfer services	PC	<ul style="list-style-type: none"> <li>Supervisory fines under the MLTPA are not dissuasive for financial institutions</li> <li>Number of inspections suggests ineffective monitoring.</li> </ul>	<ul style="list-style-type: none"> <li>Supervisory fines under the MLTPA should be dissuasive.</li> </ul>	Section 9 of Act 4 of 2013
SR VII Wire transfer rules	NC	<ul style="list-style-type: none"> <li>Definition of originator information does not</li> </ul>	<ul style="list-style-type: none"> <li>The definition of originator information should</li> </ul>	Section 7 of Act 4 of 2013

		<p>include the originator's address</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• No requirement for beneficiary financial institutions to adopt effective risk-based procedures for identifying and handling wire transfers that are not accompanied by complete originator information.</li> <li>• The fine penalty is not dissuasive nor is it applicable to directors and senior management</li> </ul>	<p>include the originator's address or a national identity number, customer identification number or date and place of birth</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• The fine penalty of section 19(5) of the MLTPA should be dissuasive and applicable to directors and senior management</li> </ul>	<p>Section 4 of Act 4 of 2013-02-27</p> <p>Section 5 of Act 4 of 2013-02-27</p> <p>Section 7 of Act 4 of 2013</p>
SR.VIII Non-profit organisations	NC	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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..</li> <li>• No monitoring or supervision of NPOs and churches incorporated under the Companies Act</li> <li>• There is presently no legislation in Belize that authorises public access to NGO information duly retained by the RNGO.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• The authorities should implement measures to monitor or supervise NPOs and churches incorporated under the Companies Act</li> <li>• The authorities should promulgating legislation that authorises public access to NGO information duly retained by the registrar.</li> <li>• The authorities should consider promulgating</li> </ul>	

		<ul style="list-style-type: none"> <li>• There is no legislation that requires NGOs to maintain records of their domestic and international transactions for a minimum period of five years.</li> <li>• No measures to ensure effective cooperation, coordination and information sharing between the FIU and the RNGO.</li> </ul>	<p>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.</p> <ul style="list-style-type: none"> <li>• The authorities should consider enacting legislation requiring NGOs to maintain records of their domestic and international transactions for a minimum period of five years.</li> <li>• The authorities should implement measures to ensure effective cooperation, coordination and information sharing between the FIU and the RNGO.</li> </ul>	
SR.IX Cross Border Declaration & Disclosure	PC	<ul style="list-style-type: none"> <li>• No provision for restraint of negotiable instruments.</li> <li>• Provision does not allow for the seizure of currency under amounts of BZ\$10,000.</li> <li>• Penalties for making a false declaration or failure to make a declaration do not extend to directors and senior management of legal persons</li> <li>• The fine for legal persons who make a false declaration or fail to make a declaration is not dissuasive.</li> </ul>	<ul style="list-style-type: none"> <li>• The authorities should amend the MLTPA with a provision for the restraint of negotiable instruments.</li> <li>• Section 38 of the MLTPA should be amended to allow for the seizure of currency of any amount.</li> <li>• Penalties for making a false declaration or failure to make a declaration should be extended to directors and senior management of legal persons.</li> <li>• The fine for legal persons who make a false declaration or fail to make a declaration should be made dissuasive.</li> </ul>	<p>Section 13 of Act 4 of 2013</p> <p>Section 13 of Act 4 of 2013</p> <p>Submitted in further instructions</p>