



Sixth Follow-Up Report

BELIZE

May 23, 2014

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BELIZE – SIXTH FOLLOW-UP REPORT

I. Introduction

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

Table 1; Ratings of Core and Key Recommendations

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

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

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

Partially Compliant (PC)	Non-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)

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, 2013**

		Domestic Banks \$'000	Int'l Banks \$'000	Other Credit Institutions \$'000	Securities \$'000	Insurance \$'000	TOTAL \$'000
Number of institutions	Total #	6	6	9		14	34
Assets	US\$	\$1,414,907	\$727, 920	\$362,096		\$113,249	\$2,616,59
Deposits	Total: US\$	\$1,152,294	\$569,899	\$291,824			\$2,014,017
	% Non-resident	2.65% of deposits	100% of deposits	0.29% of deposits			
International Links	% Foreign-owned:	86.86% of assets	71.90% of assets	0% of assets	% of assets	62.41% of assets	% of assets
	#Subsidiaries abroad	N/A	N/A	N/A		N/A	N/A

II. Summary of progress made by Belize

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

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

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

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

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

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

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

8. As reported in the previous report the enactment of the various pieces of legislation in October 2013 resulted in improvement in the level of compliance of Belize with several Recommendations (Rec. 1, 8, 13, 19, 25, 26, 29, 30, 32, 33, 34, and SR. III, SR. VIII). Additionally Belize is fully compliant with Rec. 3, Rec. 10, SR. II and Rec. 4. The Plenary in November 2013 decided that all members in the follow-up process will be required to complete

their reform measures by the November 2014 Plenary. In accordance with present procedures the following is a report on measures taken by Belize since November 2013 to deal with the recommended actions in those Financial Action Task Force (FATF) Recommendations rated partially compliant (PC) or non-compliant (NC). 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

9. The last report noted that two examiners' recommendations were outstanding. 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 an amendment to Schedule 2 of the Misuse of Drugs Act under the Misuse of Drugs (Amendment of Second Schedule) Order, 2013 which became enforceable in November 2013. This fully complies with examiners' recommendation.

10. 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. The Firearms (Amendment) Act 2013 which became enforceable in October 2013 provides for the insertion in the principal Act of Section 31A which criminalizes the offence of illicit trafficking in arms. This complies with the recommendation for the introduction of the criminal offence of illicit arms trafficking. The Criminal Code (Amendment) Act 2013 (CCAA) has been enacted and became enforceable in December 2013. Sections 4, 6(c) and 7 of the CCAA create the offences of insider trading, extortion and piracy respectively and fully comply with the examiners' recommendations with regard to these offences. Based on the above, Belize is fully compliant with this Recommendation.

Recommendation 5

11. As reported in the last report, seven of the examiners' recommendations were partially met and one was fully outstanding. 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 section 7 of the MLTPAA 2014 which amends subsection (2) (b) (i) of section 15 of the MLTPA by deleting the words "fifteen thousand dollars" with the words "twenty thousand dollars". This corrects the inconsistency between the requirements to identify and verify customers in regulation 4 of the MLPR and section 15 of the MLTPA. This provision fully complies with the examiners' recommendations.

12. 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, was evaluated as being partially met. While the cited provision of section 3(b) of the MLTPAA 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. Subsection 7(d) of the MLTPAA 2014 amends section 15 of the MLTPA by inserting subsection (3C)(b) which requires a reporting entity in carrying out ongoing monitoring of a business relationship to keep documents, data or information obtained for the purpose of applying due diligence measures up-to-date and relevant by undertaking reviews of existing records. This provision fully complies with the examiners' recommendation.

13. The recommendations for financial institutions to be required to perform enhanced due diligence for higher risk categories of customer, business relationship or transaction has been incorporated in subsection 7(e) of the MLTPAA 2014 which amends section 15 of the MLTPA by inserting subsection (4A) requiring reporting entities to apply enhanced due diligence measures and ongoing monitoring on a risk-sensitive basis to a list of specific high risk scenarios and in general to any situation which presents a higher risk of money laundering or terrorist financing. This provision fully complies with the examiners' recommendation.

14. The recommendation for simplified CDD measures to be prohibited when there is a suspicion of money laundering or terrorist financing or specific higher risk scenarios have been included subsection 7(f) of the MLTPAA 2014 which amends section 15 of the MLTPA by inserting subsection (5A) which prohibits simplified CDD measures as outlined in subsection 5 of the MLTPA when there is a suspicion of money laundering or terrorist financing or a higher risk of money laundering or terrorist financing has been identified. This measure fully complies with the examiners' recommendation.

15. 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 2013.

16. 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 2013.

17. 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. Subsection 6(h) of the MLTPAA 2014 amends subsection (6A) of the MLTPA by replacing the words "financial institution" in the chapeau with the words "reporting entity" thereby making the above requirements applicable to all reporting entities. Consequently the four recommendations have been met. Given the above, Recommendation 5 is compliant.

Recommendation 13

18. As noted in the section of this report dealing with Rec. 1 the examiners' recommended action for the criminalization of offences of illicit arms trafficking, extortion, piracy and insider trading in the laws of Belize, were included in amendments to the Firearms Act and the Criminal Code. The Firearms (Amendment) Act 2013 which criminalizes the offence of illicit trafficking in arms was enacted in October 2013 and complies with the examiners' recommendation. The Criminal Code (Amendment) Act 2013 (CCAA) was enacted and became enforceable in December 2013. Sections 4, 6(c) and 7 of the CCAA creates the offences of insider trading,

extortion and piracy respectively and fully comply with the examiners' recommendations with regard to these offences. Consequently this recommendation is met.

19. With regard to specific guidance being provided for reporting entities as to how to treat suspicious transactions involving tax matters subsection 9(b) of the MLTPAA 2014 amends section 17 of the MLTPA by inserting subsection (4A) which stipulates that the obligation to report any knowledge or suspicion of money laundering applies even though the offence that results in proceeds of crime may be a tax offence or may involve or relate to tax. This obligation is imposed on all reporting entities. It was indicated in the last report that the AML/CFT Guidelines issued by Central Bank, at paragraph 278, provide guidance to financial institutions and money services businesses on how to treat suspicious transactions involving tax matters. Likewise, paragraph 237 of the AML/CFT Guidelines for Insurers and Insurance Intermediaries provides guidance specific to tax matters. The above measures fully comply with the examiners' recommendation. Given the above, Belize is fully compliant with this Recommendation.

Special Recommendation IV

20. As noted in the last report while the examiners made no recommendation for SR. IV, the specific rating factor was the low number of STRs submitted by financial institutions suggesting that STR reporting was ineffective. The authorities submitted information regarding reporting of STRs by financial institutions as follows:

Table 4: Comparative Table of STRs for 2010 to April 2014

Type of reporting entity	Apr. 2014	2013	2012	2011	2010	Total
Casino	0	2	0	0	0	2
Corporate Service Providers	0	6	3	2	1	12
Credit Unions	1	1	1	0	0	3
Domestic Banks	14	42	52	40	37	185
Offshore Banks	10	83	39	43	20	195
Lawyers/Notary/Accountant	0	1	1	0	1	3
Local Regulatory	2	0	0	0	1	3
Money Services Business	0	0	2	0	1	3
Other	2	3	1	0	0	6
Total	29	138	99	85	61	412

21. While the number of STRs had been increasing from 2010 to 2013, domestic and offshore banks continue to account for a significant majority (93%) of STRs for the whole period. Only 20 STRs were submitted by non-bank reporting entities for the review period. The number is extremely low when compared with the number of non-bank reporting entities which as indicated at the time of the MER included 146 licensees under the International Financial Services Commission (IFSC), 13 insurance companies, 13 credit unions, 3 non-bank financial institutions and DNFBPs. The above figure suggests that STR reporting remains ineffective among the non-bank reporting entities. The authorities report that the FIU is currently undertaking a programme of implementation and outreach, including training specifically to address suspicious transactions and the requirement to report. This training includes DNFBPs and non-bank financial institutions. In addition, the FIU has published guidelines for DNFBPs including sector specific guidance on suspicious transaction "red flag" indicators.

Key Recommendations

Recommendation 23

22. 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 has been included in sections 4 and 5 of the Insurance (Amendment) Act 2014 (IAA 2014). Section 4 of the IAA 2014 amends section 38 of the IA by inserting subsection (1A) giving the SOI the power to object to the appointment of a director, chief executive officer or managing director or any executive officer of an insurance company on the basis of not being satisfied that the person is fit and proper. Section 5 of the IAA 2014 amends the IA by inserting section (38A) giving the SOI the power to object to the holding or transfer of a significant interest in an insurance company to any person the SOI is not satisfied is fit and proper. Significant interest has been defined as controlling ten percent or more of voting rights. The above provisions comply with the examiners' recommendation.

23. The authorities have advised that the recommendation for applications for licences for associations of underwriters and insurance intermediaries to be subject to fit and proper assessment has been addressed in sections 6 and 7 of the IAA 2014. Section 6 of the IAA 2014 amends section 73 of the IA by inserting paragraph (ba) after paragraph (1)(b) requiring the SOI to be satisfied that each member of the committee or governing body of an applicant association of underwriters is fit and proper. Section 7 of the IAA 2014 amends section 75 of the IA by inserting paragraph (ca) after paragraph (1)(c) giving the SOI the power to cancel the licence of a licensed association of underwriters on the basis that one or more of the members of the committee or governing body of the association is no longer fit and proper. Section 83(1)(c) of the IA requires the SOI to be satisfied that an applicant for a licence as an insurance intermediary is a person of good character and is otherwise a fit and proper person to be a broker, agent or sub-agent as the case may be. Subsection (2) further specifies that if any condition referred to in subsection (1) is not met, refusal of the application is mandatory. Consequently, this examiners' recommendation has been met.

24. With regard to shareholders or owners of IFS practitioners being subject to fit and proper assessment, the authorities have cited section 2 of the IFSCAR, 2014 which amends regulation 7 of the IFSCAR by inserting subsection (2) which stipulates that the IFSC cannot grant a licence unless it is satisfied that the applicant is fit and proper. IFSCAR 4(b) requires an applicant to submit biographical data on each director, shareholder and officer. The specific data required is set out in Schedule 2 to those Regulations and is sufficient to make a fit and proper assessment for each director, shareholder and officer. The authorities advise that if any one of an applicant's directors, shareholders or officers is not fit and proper, then the applicant is not considered fit and proper. Overall, both recommendations have been met.

Recommendation 26

25. As indicated in the last report with regard 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 the FIU had published its Annual Report on November 14, 2013. The contents of the Annual Report included the requirements of the examiners' recommended action. Consequently this recommendation was met.

26. With regard to the recommendation for the provision of feedback to the financial institutions the authorities had advised in a previous follow-up report that a database system had been created for easy generation of feedback. Information regarding the categorization of the STRs to be used in generating feedback was submitted. On June 26 and June 27, 2013 the FIU held meetings with all financial institutions providing general feedback based on reports generated from the database on the quality and information submitted in the STRs. Feedback on

statistics and typologies was also given. The above measures resulted in Belize being compliant with this recommendation at the last report. A similar meeting was held by the FIU for all financial institutions on 4 December 2014. General feedback on STRs, statistics and typologies was again given. As such, this recommendation is considered met for this report.

27. With regard to the recommendation for measures to be considered to ensure the operational independence of the FIU, the authorities advised in a previous report 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." Section 8 of the FIUAA removes the requirement to report to the Minister on the work of the Unit, thereby ensuring that the confidentiality requirements found in section 12 of the FIUA will apply without this exception. The authorities have advised that specific recommendations made by the IMF to improve operational independence have been included in the FIUAA 2014. Section 3 of the FIUAA amends section 3 of the FIUA to specify that the FIU is a statutory body with operational independence. Section 4 of the FIUAA amends section 4 to specify that the Director is responsible for the day-to-day management and administration of the Unit and for the performance of its functions and to provide for the same level of security of tenure as that afforded the DPP by prescribing the reasons for which, and the procedure by which, a Director can be removed. Section 5 of the FIUAA removes the requirement for ministerial involvement in the appointment of staff. Consequently the examiners' recommendation has been met. Based on the above, all three recommendations have been met.

Recommendation 35

28. The recommendation requires 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. Article 8 of the Vienna Convention requires parties to the convention to give consideration to the possibility of transferring to one another proceedings for criminal prosecution of offences established in article 3 paragraph 1 (illicit drug manufacture and trafficking), in cases where such transfer is considered to be in the interests of a proper administration of justice. The authorities have advised, where proceedings concerning an offender in Belize relate to the same or similar proceedings elsewhere, Belize engages in arrangements relating to transfer of proceedings on an informal basis. Belize would provide the evidence gathered to the foreign authority that has a better chance of securing a conviction/higher sentence. When a person has committed an offence in another jurisdiction and is apprehended for being in Belize illegally, arrangements are made to return that person to the jurisdiction in which they are wanted for the offence. Recently, such arrangements were carried out with Honduras. The above measures comply with article 8.

29. Article 11 of the Vienna Convention requires that measures to allow for appropriate use of controlled delivery at the international level on the basis of mutually consented agreements or arrangements. The authorities have advised that section 4 of the MLTPAA 2014 amends section 3 of the MLTPA, which addresses the offence of ML, by inserting subsections (1B) to (1D) which provides that a person is not guilty of an offence if—

- he makes an authorised disclosure and, if the disclosure is made before he does the act specified in subsection (1), he has the appropriate consent or

- the act he does is done in carrying out a function he has relating to the enforcement of any provision of this Act or of any other law relating to serious crime or the proceeds of crime.

30. Under section 3(1B), “appropriate consent” specifically includes, where a person makes a disclosure to the FIU, the consent of the FIU to do the prohibited act. These provisions, when read together, enable law enforcement to engage in undercover operations and utilise controlled delivery by non-law enforcement personnel. Section 8(1) of the MLAICA 2014 provides that a request for assistance will be executed in accordance with the procedures specified in the request, unless such execution would be contrary to the fundamental principles of the laws of Belize. Given that undercover operations and controlled delivery are specifically allowed under the laws of Belize, they would be available on an international level as required by article 11. Consequently this article is met.

31. Article 15 of the Vienna Convention requires appropriate measures to ensure that means of transport operated by commercial carriers are not used in the commission of offences established under article 3 paragraph 1 and that commercial carriers and the appropriate authorities cooperate to prevent unauthorized access to means of transport and cargo. Sections 28 to 88 of the Customs Regulation Act empowers officers to conduct searches of goods and persons, whether at a port or elsewhere. Security checks are carried out at ports of entry to ensure that carriers are not used for unlawful drug activity. There is a rigorous inspection regime geared toward detecting smuggling, of both goods and cash, and drug related offences. The above provisions complies with article 15.

32. Article 17 of the Vienna Convention requires countries to co-operate to the fullest extent possible to suppress illicit trade by sea. The article specifies situation where a country can request information or assistance from another in carrying out certain measures to suppress the use of vessels engaged in illicit traffic. Sections 33 to 35 of the Mutual Legal Assistance and International Cooperation Act 2014 (MLAICA 2014) include all requirements of Article 17 with regard to requesting information and assistance from another country in above mentioned situations. Consequently this article is met.

33. Article 19 of the Vienna Convention requires countries to adopt measures to suppress the use of the mails for illicit traffic and to co-operate with one another to that end. Measures include co-ordinated action for the prevention and repression of the use of mails for illicit traffic and use of investigative and control techniques designed to detect illicit consignments of drugs. Section 46 of the Post Office Act specifically empowers the Postmaster to open and inspect any packet, parcel or other postal matter where he has reasonable ground to suspect that the article contains any controlled drug or any dangerous goods. Section 46 goes on to create offences for posting, sending or delivering illicit substances through the mail. Section 31 of the Post Office Act empowers customs officers to search vessels for mail that may be unlawful and to seize such mail. Section 5 of the Interception of Communications Act, permits interception of communications, by law enforcement upon ex parte application to a Supreme Court Judge in chambers. Section 2 of this Act defines “communication” to include “anything encrypted or unencrypted transmitted by means of a postal service,” including “an envelope, packet, package, or wrapper containing a communication, document or article.” The above provisions comply with article 19 of the Vienna Convention.

34. Article 20 of the Palermo Convention requires countries to take the necessary measures to allow for the appropriate use of controlled delivery and other special investigative techniques such as surveillance and undercover operations. Countries are encouraged to conclude bilateral and multilateral agreements for the use of special investigative techniques in the context of international co-operation. As noted with regard to article 11 of the Vienna Convention, section 3 of the MLTPA enables law enforcement to engage in undercover operations and utilise controlled delivery by non-law enforcement personnel.

35. Additionally Section 34 of the MLTPA specifically provides that a police officer or an authorized office of the Financial Intelligence Unit may apply, *ex parte*, to a Judge of the Supreme Court, for an interception of communications order. Any information contained in an intercepted communication, whether intercepted within Belize or another jurisdiction, is admissible in legal proceedings. Further section 5 of the Interception of Communications Act permits interception of communications, including communications made by post or electronically, by law enforcement upon *ex parte* application to a Supreme Court Judge in chambers. In practice, the FIU has used telecommunications analysis in the analysis of potential ML offences. The above provisions comply with the requirement of the article for measures to allow for use of controlled delivery and special investigative techniques. While there are no bilateral or multilateral agreements for the use of these techniques in international co-operation, this requirement is discretionary. Moreover, section 8 of the MLAICA 2014 requires that requests for assistance be executed in accordance with the procedures specified in the request. Consequently, the above measures are compliant with article 20.

36. Article 24 of the Palermo Convention requires appropriate measures to provide effective protection from potential retaliation or intimidation for witnesses in criminal proceedings. Measures include physical protection, relocation, non-disclosure or limited disclosure of information on identity and whereabouts. The Justice Protection Act 2005 implements the CARICOM Agreement Establishing the Regional Justice Protection Programme, in which Belize has been an active participant. The law provides for a comprehensive witness protection programme which incorporates the measures of article 24. Consequently Belize is compliant with article 24.

37. Article 25 of the Palermo Convention requires appropriate measures to provide assistance and protection to victims of offences covered by the Convention and procedures to provide access to compensation and restitution for victims. Section 65 of the MLTPA makes provision for restoring property to victims of unlawful conduct and other *bona fide* third parties. Section 79(2)(b) of the MLTPA provides that victims who suffered losses as a result of serious crimes, terrorism or other unlawful activity may be compensated from the Belize Confiscated and Forfeited Assets Fund. A comprehensive victim assistance programme has not been implemented domestically. However, other forms of assistance, such as counselling, and protection are available in the jurisdiction as needed. Where victims are also witnesses, the Justice Protection Act 2005 applies. As such, this article has been implemented.

38. Article 30 of the Palermo Convention requires countries to enhance their cooperation at various levels with developing countries with a view to strengthening the capacity of the latter to prevent and combat transnational organized crime. The authorities have advised that Belize is a member of INTERPOL and has arrangements for co-operation with foreign bodies such as the FBI, and the assistance of foreign bodies, such as the UK SOCA, is often sought. The annual meetings of the Caribbean Commissioners of Police enable a system of regular dialogue and exchange of information and techniques regarding the effective combating of transnational organised crime in the region. The Caribbean jurisdictions also assist each other upon request with expertise on an as needed basis. The above measures comply with article 30.

39. Article 31 of the Palermo Convention requires countries to establish and promote best practices and policies aimed at the prevention of transnational organized crime. These include trying to reduce existing or future opportunities for organized criminal groups to participate in lawful markets with proceeds of crime through legislative, administrative or other measures. The authorities advise that provisions of the Financial Intelligence Unit Act and the MLTPA create avenues by which cooperation between law enforcement agencies and relevant private entities is achieved. Those Acts, along with the International Financial Services Commission Act, Domestic Banks and Financial Institutions Act, create mechanisms aimed at safeguarding the integrity of the financial services and related industries, including accountants and attorneys, and preventing the misuse of legal persons. The authorities advise that Belize's Financial Order and

Stores Order contains safeguards with regard to procurement and stores. The above measures comply with article 31.

40. Article 6 of the International Convention for the Suppression of the Financing of Terrorism (Terrorist Financing Convention) requires states to ensure that criminal acts within the scope of the Convention are under no circumstances justifiable by considerations of a political, philosophical, ideological, racial, ethnic, religious or other similar nature. “Terrorism” and “terrorist act” are defined in section 2 of the MLTPA to include the use or threat of action made for the purpose of advancing a political, religious or ideological cause. The authorities advise that there is no provision in the Criminal Code that provides a defence based on considerations of a political, philosophical, ideological, racial, ethnic, religious or other similar nature. The above provisions comply with article 6.

41. Article 13 of the TFC prohibits countries from refusing a request for extradition or mutual legal assistance on the sole ground that it concerns a fiscal offence the authorities advise that there is no provision in Belize law that permits a requests made for mutual legal assistance to be refused on the sole ground that the offence is considered to involve fiscal matters. Further no request for MLA was ever refused on the sole ground that the offence was considered to involve fiscal matters. Additionally, section 10 of the MLAICA 2014 prescribes the grounds on which a request for assistance may be refused. The list is exhaustive and does not include consideration of whether a request concerns fiscal matters. As such, article 13 is implemented.

42. Article 14 of the TFC prohibits countries from refusing a request for extradition or mutual legal assistance on an offence set out in article 2 (terrorist and terrorist financing offences) on the sole ground that it concerns a political offence. While the authorities have advised that there is no provision in Belize law that provides for refusing to assist in the case of a political offence, it is noted that in paragraph 757 of the mutual evaluation report of Belize that one of the grounds for the refusal of a request for mutual legal assistance stated in the provision of Belize/USA Treaty Act and the Caribbean Treaty Act is that the offence relates to a political offence. However, Article 17 of the Belize/USA Treaty provides that the assistance and procedures provided for in the treaty do not prevent assistance being granted pursuant to national law. As discussed above, section 10 of the MLAICA prescribes grounds on which refusal to provide assistance might be based and does not allow for refusal of a request on the ground that the request concerns a political offence. When read together, these provisions prevent refusal of requests concerning terrorism and terrorist financing on the grounds of that they are considered political offences. Consequently this article is implemented.

43. Article 15 of the TFC stipulates that there is no obligation to extradite or afford mutual legal assistance if there are substantial grounds for believing that the request has been made for the purpose of prosecuting or punishing on the basis of race, religion, nationality, ethnic origin, or political opinion. The authorities have advised that if there are substantial grounds for believing that the request for mutual legal assistance is made for the purpose of prosecuting or punishing a person on account of that person’s race, religion, nationality, ethnic origin or political opinion or that compliance with the request would cause prejudice to that person’s position, the request would be denied. It should be noted that another basis for the refusal of a request for mutual legal assistance stated in the provisions of Belize/USA Treaty Act and the Caribbean Treaty Act is substantial grounds for believing that compliance would facilitate the prosecution or punishment of a person affected by the request on account of that person’s race, religion, nationality or political opinion or that compliance with the request would cause prejudice to that person. Given the above, this article has been implemented.

44. Article 16 of the TFC details conditions for the transfer of prisoners from one state to another state for purpose of identification, testimony or otherwise providing assistance in obtaining evidence for the investigation or prosecutions of the offences in article 2 of the TFC. Sections 16 and 17 of the MLAICA 2014 provide for the transfer of Belizean prisoners to other

countries and foreign prisoners to Belize. The competent authority (Attorney General) may issue a warrant for the voluntary transfer a person in custody in Belize to a foreign state, or in a foreign state to Belize, for the purposes of giving evidence in criminal proceedings, being identified in, or otherwise assisting, such proceedings or the investigation of an offence. In cases where availability is not voluntary, the Supreme Court of Belize has held that the UK 1870 Extradition Act and subsequent amendments apply in Belize to govern extradition proceedings. The Colonial Prisoners Removal Act, 1884 also permits the transfer of prisoners between Belize and the UK, Commonwealth countries and British Overseas Territories.

45. Consequently, article 16 is implemented. Overall, all of the necessary articles have been implemented.

Recommendation 40

46. 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, the authorities have advised that the MLAICA 2014 empowers the Attorney General's Ministry to undertake international co-operation enquiries. Although, the MLAICA 2014 deals primarily with mutual legal assistance with regard to mutual service of process, provision of evidence and enforcement of foreign court orders, it empowers the Attorney General to more generally undertake international co-operation. Section 4(1) of the Act establishes the Attorney General as the central authority. Section 4(2)(a) empowers the central authority to make and receive requests and to execute, or arrange for the execution of, requests and 4(2)(f) empowers the central authority to carry out such other functions as may be necessary for effective assistance to be provided or received. Section 5 provides for spontaneous transmission of information to a central authority or other agency or authority that performs similar functions in a foreign State. Additionally, the newly added sections 75C and 75D of the MLTPA specifically empower all supervisory authorities in Belize to expeditiously co-operate with foreign regulatory authorities and Belize law enforcement authorities. Moreover, the Ministry of Foreign Affairs advises that it often engages in international co-operation, primarily by forwarding the request to the appropriate law enforcement or supervisory authority. As such, this recommendation is met.

47. The authorities indicated in the last report that provisions 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 were under consideration for inclusion in the legislation referred to above. Upon consideration, authorities determined that specific legislative provisions would not be required. There are already in place a wide variety of means by which customs information can be shared or international co-operation inquiries can be undertaken on behalf of other customs authorities, including mechanisms for information sharing through the Caribbean Customs Law Enforcement Council, the Regional Clearance System, the World Customs Organization and participation in numerous multilateral agreements relating to trade and environment. Likewise, the police are empowered to co-operate via their unrestricted access to, and involvement with, INTERPOL, membership in the Caribbean Commissioner of Police and participation in the Central American Integration System (SICA). Consequently this Recommendation has been met.

Special Recommendation I

48. As noted in the section of this report dealing with Recommendation 35, the examiners' recommendation was for the full implementation of articles 6, 13, 14, 15, and 16 of the TFC. As reported in the section under Recommendation 35, Belize had complied with all articles. Consequently, this Recommendation has been met.

Special Recommendation III

49. Six examiners' recommended actions are outstanding. The first recommendation requires the authorities to consider amending section 76 of the MLTPA to provide that assistance rendered to a superior court or competent authority of another jurisdiction must be facilitated expeditiously by the Belizean counterparts. The authorities did consider amending section 76 of the MLTPA; however, they considered replacing the provision in its entirety to be a preferable course of action. Section 25 of the MLTPAA 2014 amends the MLTPA by inserting Part IVA comprising sections 75A to 75G after section 75. Section 75C requires a supervisory authority to co-operate expeditiously with foreign regulatory authorities and law enforcement agencies in Belize. Section 75B and the Sixth Schedule of the MLTPA address provision of assistance to a foreign court by enforcement of requests for freezing assets and execution of foreign judgments. As noted in relation to R.40, international co-operation by law enforcement authorities is governed by the principles of the various global and regional bodies through which co-operative measures are undertaken. Therefore this recommendation is met.

50. The second recommendation requires the authorities to consider promulgating legislation that would enable the authorities to publicly delist persons or entities in a timely manner. Section 24 of the MLTPAA 2014 amends section 68 of the MLTPA by inserting subsections (5) to (12) immediately after subsection (4). These sections allow for the Minister of Foreign Affairs to list suspected terrorists in public directions. Written notice has to be sent by the Minister to the listed person. This listing can be challenged by the listed person or any person affected by the listing with the Supreme Court which can set aside such directions. Once set aside, the Minister is required to publicize the decision. The above measures comply with the recommendation.

51. The third recommendation requires the authorities to consider promulgating legislation that requires competent authorities to communicate to the financial sector actions taken under the freezing mechanisms in essential criteria III.1 to III. 3. The referenced essential criteria deal with the implementation of Security Council Resolutions 1267 (1999) and 1373 (2001) requiring the freezing of the assets of designated entities and persons without delay or prior notice of the designated persons and entities. Additionally there is a requirement for laws and procedures to examine and give effect to actions initiated under the freezing mechanisms of another jurisdiction. The authorities have cited section 27 of the MLTPAA 2014 which amends the MLTPA by inserting 76A after section 76. Section 76A empowers the FIU to issue notices without delay on the basis of adoption of Security Council Resolution. These notices will require reporting entities to immediately, and without notice to the relevant party, take such action to give effect to a resolution including freezing of funds and other financial assets or economic resources. Although stated generally, section 11(1)(j) empowers the FIU to examine and give effect to actions initiated under the freezing mechanisms of another jurisdiction. Section 75B and the Sixth Schedule of the MLTPA enable the Attorney General to give effect to freezing orders made in another jurisdiction. Consequently, this recommendation is met.

52. The next recommendation requires that 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 organizations or property derived or generated from funds or other assets owned or controlled directly or indirectly by terrorists, those who finance terrorism or terrorist organizations. Section 2 of the MLTPAA 2014 amends the definition of terrorist property in the MLTPA to extend to include the requirements of the examiners' recommendation. As such, this recommendation is met.

53. With regard to the recommendation that designated supervisory authorities should be required to monitor compliance with the provisions concerning SR.III, section 14 of the MLTPAA 2014 amends section 21 of the MLTPA to require the supervisory authority

responsible for supervising each reporting entity to supervise compliance with the entity's AML/CFT obligations. This requirement will include provisions implementing SR.III in the MLTPA.

54. With respect to the recommendation that the authorities should consider amending section 67(1) of the MLTPA to enable an affected party to apply to the court for relief against an order seizing and detaining terrorist cash, subsection 23(a)(ii) of the MLTPAA 2014 allows for a judge to discontinue detention of cash upon the application by or on behalf of the person from whom the cash was seized after considering the views of the Director of the Financial Intelligence Unit. This provision complies with the recommendation. Overall, all recommendations have been met.

Special Recommendation V

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

56. The second recommendation requires that noted deficiencies concerning extradition should be remedied to facilitate improved international co-operation consistent with SR. V. Compliance with this recommendation will require dealing with all examiners' recommendations for R. 39 which as of this report has two examiners' recommendations outstanding. Given the above, one recommendation has been met and one recommendation remains partially met.

Other Recommendations

Recommendation 8

57. The first recommendation requires financial institutions to have policies in place or take measures to prevent the misuse of technological developments in money laundering or terrorism schemes. The authorities have cited section 9(b) (iii) of the MLTPAA 2014 as addressing this recommendation. This citation could not be found. However, subsection (b) (iv) of section 10 of the MLTPAA 2014 amends section 18 of the MLTPA by inserting subparagraph (x) thereby requiring a reporting entity to establish and maintain internal policies, procedures, controls and systems to guard against the use of technological developments in money laundering or terrorist financing. This provision complies with the examiners' recommendation.

58. The second recommendation requires 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. Subsection 7(e)(f) of the MLTPAA 2014 amends section 15 of the MLTPA by inserting subsection (4B) requiring reporting entities to not only apply due diligence measures or ongoing monitoring to individuals who are not physically present but to also have policies and procedures to address specific risks associated with non-face to face business relationships or transactions. This provision complies with the examiners' recommendations. Given the above all the examiners' recommendations have been met.

Recommendation 9

59. 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 advised in the last report 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. Paragraph 15(7)(c) of the MLTPA, as amended in 2013 and 2014, now requires that the reporting entity immediately obtain from the intermediary or third party, copies of identification data and other documents the intermediary or third party, copies of identification data and other documents relating to the obligation of the customer due diligence process. Information on ownership, in particular beneficial ownership, control structure and purpose and intended nature of the business relationship is part of customer due diligence as specified in paragraph 15(7)(a). Therefore, the rules of statutory interpretation require that “other documents relating to the obligation of the [CDD] process” be necessarily interpreted to include all of the information referred to in paragraph 15(7)(a). As such, this recommendation is met.

60. The other recommendation requires 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 5(b) of the MLTPAA 2014 which amends section 11(1) of the MLTPA by inserting paragraph (dd) to allow the FIU in consultation with the Anti-Money Laundering Committee and having regard to objective information available on countries that do not or do not adequately apply the FATF Recommendations, to determine the countries in which an intermediary, introducer or third party can be based. This provision complies with the examiners’ recommendation. Given the above, both examiners’ recommendations have been implemented.

Recommendation 12

61. 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 Designated Non-Financial Businesses and Professions; Guide to Registration and Overview of Responsibilities and Obligations (DNFBP Guide) issued by the FIU is now OEM and acceptable for compliance with FATF requirements in this report. Additionally, the Money Laundering and Terrorism (Prevention) (Designated Non-Financial Businesses and Professions) Regulations, 2014 (MLTPDNFBPR 2014) became enforceable in February 2014. These regulations, among other things, provide for the imposition of a wide range of sanctions and administrative penalties. 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. Subsection 8(d)(ii) amends subsection (6) of section 16 of the MLTPA to require casinos or licensed gaming premises to apply the obligations in subsections (1),(3) and (4) when engaging in a transaction equal to or above six thousand Belizean dollars which is equivalent to US\$3,000. Subsections (1), (3) and (4) detail record keeping requirements, which would suggest that these obligations are only applicable to transactions equal to or above BZD\$6,000. However, record keeping requirements in accordance with Rec. 10 should be applicable to all transactions. Additionally, it is noted that the requirement for Rec.5 which obliges customer due diligence for all transactions equal to or above US\$3,000 is not addressed. Consequently, this recommendation is outstanding. Overall this Recommendation remains partially outstanding.

Recommendation 15

62. 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 2013 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. Subsection 10(c) of the MLTPAA 2014 amends section 18 of the MLTPA by revising paragraph (1)(c) to require reporting entities to establish an adequately resourced and independent audit function to test compliance as outlined above. Consequently, this examiners' recommendation has been met.

Recommendation 16

63. 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. Additionally, the Fifth Schedule of the MLTPA and the MLTPDNFBPR 2014 which provide for the imposition of a wide range of sanctions and administrative penalties became enforceable in February 2014. Consequently, this examiners' recommendation has been met.

Recommendation 18

64. 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 2013 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. Subsection 7(g)(b) of the MLTPAA 2014 requires a bank or financial institution in a correspondent banking relationship to take appropriate measures to ensure that it does not enter into, or continue a correspondent relationship with a bank that is known to permit its accounts to be used by a shell bank. It is noted that this provision replaces paragraph (d) as mentioned above. This measure complies with the examiners' recommendation.

Recommendation 21

65. 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. Subsection 14(c) of the MLTPAA 2014 amends section 21 of the MLTPA by inserting in paragraph (2)(b) wording requiring all supervisory authorities of reporting entities to issue warnings, notices or other information on concerns about weaknesses in the anti-money laundering and combating of financing of terrorism systems of other countries. This provision complies with the examiners' recommendation.

66. 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. Subsection 14(g) of the MLTPAA 2014 amends section 21 of the MLTPA by inserting subsection (2A) which outlines measures a supervisory authority may direct a reporting entity to take with any person carrying on business, resident, incorporated, constituted or formed in a country which the FATF has recommended that counter-measures be applied or a country which continues not to apply or insufficiently applies the FATF Recommendations. This measure complies with the examiners' recommendation.

Recommendation 22

67. As noted in the last report one examiners' recommendation was partially outstanding. This 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. Subsection 14(e) of the MLTPAA 2014 amends subparagraph (2) (d)(i) of section 21 of the MLTPA by replacing the words "financial institutions" with the words "reporting entities" thereby making the provision fully compliant with the examiners' recommendation.

Recommendation 24

68. The last report indicated that two examiners' recommendations were outstanding and two had been partially met. The two examiners' recommendations which were partially met 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 and an amendment to section 85B of the MLTPA requires all DNFBPs supervised by the FIU to register with the FIU. The AML/CFT Guidelines for DNFBPs issued by the FIU are OEM and are acceptable for compliance with FATF requirements. The FIU commenced on-site inspections of casinos completing ten (10) inspections of 5 casinos in 2012 and as of July 31, 2013 inspected 2 casinos. The FIU commenced the registration of certain sectors of DNFBPs that it supervises. As of 16 May 2014, 423 DNFBPs were registered and included as follows:

- Vehicle Dealers: 40
- Dealing in real estate: 79
- NGO/NPO: 135
- Dealing in precious metals & stones: 19
- Business operating in a free zone area: 134
- Casinos: 7
- Attorneys/Notaries/Accountants: 9

69. The FIU issued surveys to persons dealing in real estate and non-governmental organizations to assess risk and was due to commence on-site inspections of DNFBPs apart from casinos after the initial survey based assessment. Additionally, the MLTPDNFBPR 2014 which provide for the imposition of a wide range of sanctions and administrative penalties became enforceable in February 2014. The FIU reports that it plans to focus on registration and outreach for the next six months, familiarizing DNFBPs new to the system with the requirements and obligations. At the completion of this implementation and outreach period, the FIU will reassess, based on the number of DNFBPs registered, its projected schedule of 20 on-site visits per month and consider the adequacy of its compliance staff complement which currently stands at 3 compliance officers. The authorities have advised that all casinos have been subjected to at least one on-site inspection and a new cycle of examinations has begun. Additionally, casinos are required to submit regular reports to allow the FIU to monitor AML/CFT compliance. Prior to the enactment of the MLTPDNFBPR 2014, a total of 25 inspections were conducted on casinos and real estate agents. Identified deficiencies included failure to have systems, policies and procedures in place; failure to perform internal audit of systems, policies and procedures; failure to provide periodic training; under-reporting STRs; and record keeping deficiencies. As administrative penalties were not available at the time, all DNFBPs inspected were issued directives, specifying what actions were required and setting a deadline. Based on follow-up inspections and compliance reports submitted by the inspected entities, all have been fully compliant with the directives issued. The above measures would suggest that casinos are being subject to a comprehensive regulatory and supervisory regime in accordance with the recommendation. With regard to the other DNFBPs the FIU's focus on registration and outreach for the next six months suggest the system is still in a start-up mode. Information on the continued implementation of the above measures should be submitted in future reports. Given the above, the examiners' recommendation with regard to casinos is met while the other concerning DNFBPs except for trust and company service providers has been partially met.

70. The first of the two outstanding recommendations require the obtaining of information on natural persons behind the corporate shareholders of applicants for licences for the provision of gaming facilities by hotels for their guests. The Gaming Control (Amendment) Act, 2013 became enforceable in October 2013. While the Act requires that every applicant for a gaming licence disclose the full particulars of all directors, chief executive officer, managing director,

executive officer and shareholders, there is no specific requirement that information on the natural persons behind the corporate shareholders be obtained. The authorities have advised that a Gaming Control (Amendment) Act 2014 with a provision addressing this matter has been drafted and is scheduled to be considered by the National Assembly when it next meets. As such, this recommendation remains outstanding.

71. The last recommendation required adequate measures in relation to the granting of licences for gaming premises and the use of gaming machines to prevent criminals or their associates from holding or being beneficial owner of a significant or controlling interest or holding a management function in or being an operator under these licences. The obligation under the Gaming Control (Amendment) Act as noted above only provides for the obtaining of information about the control and management of an applicant for a gaming licence and does not provide measures for the use of fit and proper criteria for assessing an applicant to prevent criminals or their associates from holding or being beneficial owner of a significant or controlling interest or holding a management function in or being an operator under these licences. The authorities have advised that a Gaming Control (Amendment) Act 2014 with provisions addressing this matter has been drafted and is scheduled to be considered by the National Assembly when it next meets. As such, this recommendation remains outstanding. Given the above, one recommendation has been met, one is partially met and two are outstanding.

Recommendation 25

72. 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 for the recording and management of information pertaining to STRs and requests for information had been created by the Network Administrator for the easy generation of feedback and has been in operation since June 2012. On June 26 and June 27, 2013 the FIU held meetings with all financial institutions providing general feedback based on reports generated from the database on the quality and information submitted in the STRs. Feedback on statistics and typologies was also given. A similar meeting was held by the FIU for all financial institutions on 4 December 2014. General feedback on STRs, statistics and typologies was again given. Additional training for non-banking financial institutions is scheduled for 28 June and targeting the domestic and international banking sector, for 12 July 2014.

73. As noted in the last report with regard to the recommendation for guidelines to be issued for licensees of the SOI and IFSC, the SOI issued AML/CFT guidelines to the insurance sector in 2011. Regulation 3 of the IFSPCCR requires the licensees of the IFSC to comply with the guidelines and direction issued by the Central Bank of Belize. Additionally, the FIU has published on its website and through the IFSC made the IFS sector aware of, FATF and FSRB Best Practice Papers, Guidance and typologies reports. Given the above, both recommendations have been met.

Recommendation 27

74. 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 advised that the time of arrest is a tactical consideration taken into account by the investigating police after consultation with the legal officer of the FIU that works with the investigative unit and the approach depends upon the circumstances of the case. While this practice should allow for the measures outlined in the recommendation, there is need to provide some documentation supporting this practice. As

discussed in relation to R. 35, section 4 of the MLTPAA 2014, which amends section 3 of the MLTPA, addresses the recommendation. As such, this recommendation is met.

Recommendation 29

75. As indicated in the last report two examiners' recommendations remained outstanding. With regard to the recommendation that the IFSC should implement AML/CFT on-site inspections of its reporting entities the IFSC developed an on-site inspection schedule and inspections commenced on 4th November 2013. It was noted in the last report that three entities had been inspected and the IFSC was in the process of preparing reports on its findings. Since that time, the compliance officer has left her post without preparing the necessary reports. The IFSC has appointed the SOI to conduct compliance visits for the IFS sector. Inspections of all entities in the domestic and international insurance sector have been completed as of April 2014. Inspection reports are being prepared and generalized findings will be published in the SOI annual assessment report. Onsite inspections of the remainder of the IFS sector are scheduled to begin in June 2014. They will be undertaken by a three person team and two inspections will be undertaken monthly. After the initial inspections are complete, the SOI will assess and reconsider both the inspection schedule and whether additional compliance officers will be required.

76. In relation to the recommendations that the IFSC should have the power to carry out on-site inspections the authorities in the last report cited section 21(2) (a) of the MLTPA which provides for the supervisory authority responsible for the relevant reporting entity to examine and supervise those entities and regulate and oversee effective compliance with AML/CFT obligations of the MLTPA or any other preventative AML/CFT measures through on-site examinations or other means. The IFSC is an AML/CFT designated supervisory authority under section 2(1) of the MLTPA as set out in the Third Schedule of the MLTPA. Given the above the IFSC does have the power to carry on AML/CFT on-site inspections. It is noted that the International Financial Services Commission (Amendment) Act which became enforceable in October 2013 incorporates a requirement to carry out on-site inspections. Based on the above, both recommendations have been met.

Recommendation 30

77. 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.

78. As noted in the last report with regard to two of the recommendations concerning the FIU for relocation to a larger office and consideration of increasing staff, 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. With regard to staff, the FIU hired 2 legal officers and 2 financial analysts in June 2013 and a legislative drafter with experience in AML/CFT issues in October 2013. The FIU currently employs 2 legal officers, 1 legislative drafter, 3 financial analysts, 2 compliance examiners, 1 compliance officer, 1 senior investigator, 4 police investigators and a network/IT systems administrator. The investigative department of the FIU has a legal officer dedicated to working in consultation with the department. As noted previously, the FIU intends to reassess the sufficiency of its compliance staff once the registration and outreach process is complete. The staff received technical assistance from the IMF to strengthen operations.

79. With respect 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 advised that the compliance officer 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 Compliance Officer also completed and received the Certified Fraud Examiner (CFE) certification in August 2013. 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. The Senior Compliance Officer attended training on investigative techniques and transnational organized crime sponsored by SICA from 3 to 19 December 2013 and the annual AML and financial crime workshop hosted by ACAMS from March 16 to 19, 2014. An FIU analyst attended a course on identifying and investigating ML schemes presented by the US Embassy November 7 – 8, 2013 and the Egmont Strategic Analysis Training held in Miami from 3 to 7 March 2014. An FIU investigator attended a ML seminar hosted by Intelligence Services and sponsored by El Centro de Investigacion y Seguridad Nacional de Mexico (CISEN) from 28 October to 1 November 2013. The Director and Legal Officer attended the National Risk Assessment Workshop held in Barbados on March 26-27, 2014. The FIU Director and FIU prosecutor attended a conference for proceeds of crime practitioners conducted by Caribbean Criminal Asset Recovery Program (CCARP) on 9th & 10th April 2014 in Dominica. Training on proceeds of crime and asset recovery sponsored by the UK's Department for International Development (DFID) and conducted by CCARP was provided for FIU Staff during the week of May 19th, 2014. The above complies with the recommendation.

80. 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, as indicated in the last report, the Customs Regulation (Amendment) Act 2013 provides for investigations and inquiries to ascertain whether a person is fit and proper to be appointed to the Customs Department. This amendment became enforceable in October 2013. The authorities advise that customs received technical assistance from IMF regarding its operational capacity. Augmentation of the staff was considered. However, implementation of the Automated System for Customs Data (ASYCUDA) system has greatly increased the efficiency of customs administration and more officers were made available for re-deployment to border security and inspection stations. Accordingly, authorities concluded that further augmentation should be deferred until efficiency and effectiveness of the re-deployment exercise is assessed. Since July 2013, the Customs Department has become a part of the National Canine Unit. The Customs Canine Unit comprises three officers who have been trained as dog-handlers with three dogs and is supervised by a senior customs officer. Additionally the vehicle fleet used for patrol and covert operations have been increased by four. An extensive training programme has been undertaken since July 2013 whereby nine officers were trained in property rights, two were trained in enforcement procedures relating to precursor chemicals, two were trained in national security and anti-terrorism, 13 were trained on issues related to trafficking in persons, one was trained in detection of chemical weapons and one was trained in anti-corruption. Training on cash seizures, sponsored by DFID and conducted by CCARP, was provided to Customs officers on 20 May 2014. As such, four recommendations have been met.

81. 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 report that two investigators attended training on financial investigative techniques in March 2013. Since April 2013, systematic training has been undertaken, in which 55 police officers have been trained through 11 seminars conducted by various agencies including INTERPOL, Central American Integration System (SICA), the International Law Enforcement Academy, and the Center of Investigation and National Security (CISEN) and CCARP. Topics included basic criminal intelligence analysis, advanced criminal intelligence analysis, money laundering investigation from intelligence services, investigation, prosecution and punishment of money laundering, international cooperation in the fight against drugs and organized crime, intelligence on countering

transnational organized crime, cash seizure and forfeiture. Regarding technical, capital and human resources, 130 officers have been recruited to the police force since 1 May 2014. Upon completion of training, authorities that these officers will be distributed among all departments of the police, including the MCU and ADU. Additionally, technical resources, including 30 vehicles, cameras, tape recorders and bullet proof vests, were provided by the US Embassy and the Central American Security Network, many of which are earmarked for the ADU and MDU. As such four of the six recommendations dealing with the MDU and the ADU are met.

82. As indicated in the last report 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 the judiciary, including both judges and magistrates underwent a week long training in October 2013, sponsored by SICA, on adjudication of money laundering cases, including confiscation and ancillary matters. Since February 2013, the judiciary has been engaged in ongoing training and consultation, sponsored by DFID, relating to criminal justice reform with a focus on proceedings related to AML and asset recovery. As a result of this training, draft Rules of Court for proceedings involving cash forfeiture are currently being prepared. All Magistrates are scheduled to participate in training regarding asset recovery, conducted by CCARP, on 21 May 2014. All judiciary, including Supreme Court justices, are scheduled to participate in training addressing investigatory powers, confiscation, pecuniary penalties and production orders on 20 May 2014. As such this recommendation is met.

83. 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 which deals with mutual legal assistance matters, including undertaking international co-operation inquiries for and on behalf of foreign countries as requested in the last report. The authorities advise that the MLAICA which was enacted in February 2014 formalizes the administrative structures that have been put in place and specify procedures and standards for executing international co-operation requests. Given the above, eleven recommendations have been met and four recommendations remain outstanding.

Recommendation 31

84. 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 advised in the last report that the Task Force Committee meets on the last Friday of every quarter.

85. Subsequent to the above, section 28 of the MLTPAA 2014 inserted sections 77A and 77B in the MLTPA. Section 77B of the MLTPA establishes the National Anti-Money Laundering Committee for the purpose of –

- Advising the Minister of Finance on the detection and prevention of money laundering, terrorist financing and the financing of proliferation and the development of a national

plan of action to include recommendations on effective mechanisms to enable coordination among supervisory and law enforcement authorities in developing and implementing policies and activities to combat money laundering, terrorist financing and financing of proliferation.

- Advising the Minister on the participation of Belize in the international effort against money laundering, terrorist financing and the financing of proliferation
- Advising the Minister in the development of policies to combat money laundering, terrorist financing and the financing of proliferation.

86. Members of the National Anti-Money Laundering Committee as detailed in subsection 77B (2) include the Director of the FIU who will be the Chairman, the Solicitor General, the Financial Secretary, the Chief Executive Officer of the Ministry responsible for the police, the Commissioner of Police, the Governor of the Central Bank of Belize, the DPP, the Comptroller of Customs, the Director of Immigration, the SOI and other persons appointed by the Minister of Finance. The Money Laundering and Terrorism (Prevention) (National Anti-Money Laundering Committee) Regulations 2014 enacted in February 2014 sets out membership and procedural requirements. Since the last report, the Committee has met twice. In its initial meeting on 19 March 2014, all agencies reaffirmed their commitment to co-operation and co-ordination. In its next meeting, conducted by round robin, the Committee approved amendments to the DNFBP Regulations. As such, this Recommendation has been met.

Recommendations 32

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

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

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

Underlying Offence	2009	2010	2011	2012	2013	April 2014
Bribery	0	0	0	0	1	0
Drug Trafficking	1	5	2	3	0	1
Due Diligence	3	1	9	23	8	1
Embezzlement	1	7	6	0	3	1
Fraud	48	47	99	38	19	2
Human Trafficking	0	2	1	2	0	0
Illegal Trade	0	1	1	2	0	0

Money Laundering	33	30	46	39	32	6
Organized Crime	0	0	3	0	0	0
Ponzi Scheme	3	1	4	4	0	0
STR	67	37	31	47	47	6
Tax evasion	2	6	10	4	1	0
Terrorist Financing	0	2	1	2	0	0
Theft	6	9	10	3	0	0
Other	6	24	26	10	6	2
Total	170	172	249	177	117	19

The FIU reports that none of these requests have been refused.

89. The recommendation for the authorities to develop a mechanism to review the effectiveness of their systems for combating money laundering and terrorist financing on a regular basis remains outstanding. The Chairman of the AML/CFT Committee reports that he will meet with the Statistics Institute of Belize to discuss development of such a mechanism. As result of the above, one of the recommendations is partially met and one recommendation is outstanding.

Recommendation 33

90. As at the last report, three recommendations were outstanding. The first recommendation required the authorities to consider implementing measures to ensure that the company register maintains adequate, reliable and timely information on the beneficial ownership of registered companies. The Companies (Amendment) Act 2014, which was enacted in February 2014, amends sections 26 and 27 of the Companies Act to require companies to maintain an up to date register of beneficial ownership information and to file annual returns, including beneficial ownership information, with the Registrar of Companies. As such, this recommendation is met.

91. As noted in the last report with the regard to the recommendation for registered agents to be subject to measures to ensure that the beneficial ownership information on international business companies (IBCs) that they maintain is adequate, reliable and timely section 2 of the International Financial Services Commission (Amendment) Act, 2013 empowers the IFSC to carry out on-site inspections of any entity carrying on international financial services which includes registered agents. This measure should allow for the IFSC to ensure that the beneficial ownership information on international business companies (IBCs) maintained by registered agents is adequate, reliable and timely. The IFSC had developed an on-site inspection schedule inspections which began on 4th November 2013 and three service providers had been inspected for AML/CFT compliance at the date of the last report. As noted in relation to R.29, the IFSC compliance officer has left her post without preparing the necessary reports. The IFSC has appointed the SOI to conduct compliance visits for the IFS sector. Inspections of all entities in the international insurance sector have been completed as of April 2014. Inspection reports are being prepared and generalized findings will be published in the SOI annual assessment report. Onsite inspections of the remainder of the IFS sector are scheduled to begin in June 2014. The last recommendation required 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. The authorities advise that, instead, a prohibition against bearer shares was enacted in the Companies (Amendment) Act 2013, which came into force on 12 April 2013. This Act provided a six-month

period in which bearer shares must be converted or the company's registration would be cancelled. The authorities report that the one company known to have issued bearer shares has converted them in accordance with the prohibition. Consequently, one recommendation remains partially met and one is met.

Recommendation 34

92. As indicated in the last report two examiners' recommendations were outstanding. With regard to the recommendation that the register of international trusts should include information on beneficiaries of trusts the authorities have referred to the Trusts (Amendment) Act, 2013 as containing provisions addressing this matter. However, the Trusts (Amendment) Act deals with domestic trusts rather than international trusts. To address this issue, the Trusts (Amendment) Act 2014 has been approved by Cabinet and is scheduled for consideration by the National Assembly when it next meets. Consequently, this recommendation remains outstanding.

93. With regard to the recommendation to implement measures to ensure the scope and reliability of information on domestic and international trusts maintained by relevant DNFBPs and trust agents respectively, in the last report the authorities referred to the FIU's efforts to register DNFBPs it is responsible to supervise for AML/CFT compliance and the plans to commence on-site inspections after a survey to assess risk of certain DNFBPs sectors. Measures to implement the DNFBP regime taken by the FIU since the last report are outlined in relation to R.24. As noted, outreach and education as to AML/CFT obligations are ongoing and onsite inspections will resume at the expiry of the outreach programme. With regard to trust agents, as noted in relation to R.33, the IFSC has appointed the SOI as compliance inspector and onsite compliance visits will begin in June 2014. These measures partially meet the recommendation. Given the above, one recommendation has been partially met and one remains outstanding.

Recommendation 39

94. The first recommendations called for the authorities to consider enactment of a single Extradition Act that seeks to simplify and expedite the procedures for extradition applications in Belize whilst safeguarding the rights of the defendant. The Attorney General has advised that a Committee comprising of counsels from departments of the Attorney General's Ministry has been convened to revise and amend the Extradition Act in accordance with the recommendation. It is anticipated that the Committee will make policy framework recommendations for consideration by Cabinet within the next three to six months. Consequently, this recommendation is outstanding.

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

96. The last recommendation requires the authorities to consider equipping the competent authority with the appropriate tools to efficiently manage requests for extraditions. The Attorney General has advised that the resources of the law library of the Attorney General's Ministry has been recently updated with regard to extradition law. The Crown Counsel responsible for

extradition has access to updated research material in the area of extradition and mutual legal assistance. The above measures should help in improving the management of extradition requests. Given the limitation of a desk-based review the recommendation is met. Overall, two recommendations are still outstanding.

Special Recommendation VII

97. As indicated in the last report, one recommendation remained partially met. The recommendation stipulated 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. This recommendation was included in section 4(b) of the MLTPAA. However, it was 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 whereas the term reporting entity as defined in the MLTPA covers all financial institutions and DNFBPs. Consequently this recommendation only partially complied with the examiners' recommendation. Subsection 8(b) of the MLTPAA 2014 amends subsection (4C) of section 16 of the MLTPA by deleting the words "financial institution" and replacing them with the words "reporting entity" thereby fully complying with the recommendation.

Special Recommendation VIII

98. The first examiners' recommendation is for the authorities to consider undertaking a review of the adequacy of Belize's laws relating to non-profit organizations (NPOs) with a view to determine the sector's susceptibility to being used by terrorist organizations or for terrorist activities. While no documented review has been submitted subsection 32(b) of the MLTPAA 2014 amends the First Schedule of the MLTPA to include non-profit organizations making them subject to the AML/CFT requirements of the MLTPA. The definition of a non-profit organization as set out in section 2 of the MLTPAA 2014 is in accordance with 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". The above measures aim to address inadequacies in Belize's laws in relation to NPOs by subjecting them to AML/CFT obligations, thereby satisfying the intent of the recommendation. Consequently, this recommendation has been met.

99. With regard to the recommendation for the authorities to consider implementing an outreach program to the NPO sector in Belize the authorities have advised that the FIU has engaged in a direct mailing program to advise NPOs and non-governmental organizations (NGOs) of the need to register. An informational brochure targeting NPOs and NGOs has been published by the FIU and submitted for this report. This measure complies with the recommendation.

100. With respect to the recommendation to implement measures to monitor or supervise NPOs and churches incorporated under the Companies Act, as mentioned above, subsection 32(b) of the MLTPAA 2014 amends the First Schedule of the MLTPA to include non-profit organizations making them subject to the AML/CFT requirements of the MLTPA. FIU compliance officers researched the Companies Registry to compile a list of all NPOs (including churches) to assess the members of the sector and begin implementation of the DNFBP supervisory regime in relation to NPOs. As noted in relation to R.24, onsite inspections are

scheduled to begin when the implementation and outreach period is concluded. Consequently this recommendation is partially met.

101. As noted in the last report the recommendation for the authorities to enact legislation that authorizes public access to non-governmental information duly maintained by the register was met. With regard to the recommendation for the authorities to consider enacting 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 Non-Governmental Organizations Act (NGOA), section 4 of the NGOAA stipulates additional sanctions. It is noted that section 20 of the MLTPAA 2013 amends the First Schedule to make NGOs subject to AML/CFT obligations. Consequently, the administrative penalty regime imposed under the Fifth Schedule of the MLTPA and the MLTPADNFBPR 2014 now applies to NGOs for breach of any AML/CFT obligation. As such, this recommendation is met.

102. The last report indicated that the recommendation for requiring NGOs to maintain records of their domestic and international transactions for a minimum period of five years is included in section 3 of the NGOAA was met. Subsection 15(3) of the MLTPA as amended imposes a duty for supervisory authorities and relevant regulatory authorities, such as the Registrar of Non-Governmental Organizations, to co-operate and co-ordinate with the FIU without delay should it discover facts that create a suspicion of ML/FT. Consequently this recommendation is met. Given the above, all seven of the examiners' recommendations have been met.

Special Recommendation IX

103. As indicated in the last report, two examiners' recommendations are outstanding. The first recommendation required that penalties for making a false declaration or failure to make a declaration should be extended to directors and senior management of legal persons. Section 19 (c) of the MLTPAA 2014 amends section 37 of the MLTPA by inserting after subsection 37(1) subsections (2) to (4). Subsection 37(3) extends penalties for making a false declaration or failure to make a declaration to directors and senior management of legal persons. This complies with the examiners' recommendation.

104. The last recommendation required that the fine for legal persons who make a false declaration or fails to make a declaration should be made dissuasive. Sub-paragraph (b) of subsection 37(2) of the MLTPA specifies the fine for a legal person who makes a false declaration or fails to make a declaration as ranging from BZD\$50,000 (USD\$24,800) to not more than BZD\$100,000 (USD\$49,600). This complies with the examiners' recommendation. Consequently, Belize is fully compliant with this Recommendation/.

III. Conclusion

105. The enactment of the various pieces of legislation in February 2014 has improved the level of compliance of Belize with several Recommendations (Recs. 1, 5, 8, 9, 12, 13, 15, 16, 18, 21, 22, 23, 24, 25, 26, 27, 29, 30, 31, 35, 40, SR. I, SR. III, SR. V, SR. VII, SR. VIII and SR. IX). Among the just mentioned Recommendations Belize is fully compliant with Rec. 1, 5, 8, 9, 13, 15, 16, 18, 21, 22, 23, 25, 26, 27, 35, 40, SR. I, SR. III, SR. VII and SR. IX. Belize is now compliant in twelve of the fourteen Key and Core Recommendations originally rated PC and NC. The areas of strategic AML/CFT deficiencies identified in the public statement of November 2014 included customer due diligence requirements, implementation of CFT framework, extension of AML/CFT framework to DNFBPs operational independence of the FIU and prohibiting dealing with shell banks. The improved level of compliance reported in the above

recommendations should substantially remedy the areas of customer due diligence requirements, implementation of CFT framework, prohibiting dealing with shell banks and operational independence of the FIU. Given the above, it is recommended that Belize remains in enhanced follow-up and be required to report to the next Plenary in November 2014.

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

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

2. ML offence – mental element and corporate liability	LC	<ul style="list-style-type: none"> The low number of ML convictions demonstrates ineffective implementation which may be due to insufficient training of the law enforcement agencies and judiciary. 		<p>Training sponsored by GOVRISK in collaboration with American Bar Association was held from January 9 – 17, 2012. This training targeted Judiciary, Prosecutors, Investigators, and Regulators. GOVRISK is expected to do more trainings in the future. A presentation was made to the Magistrates during their Magistrate's Retreat on February 9, 2013 regarding appropriate evidence for Money Laundering Charges.</p> <p>Training sponsored by the Central American Integration System (SICA) was held in October, 2013. This training targeted judges and judicial officers and was focused on Money Laundering.</p> <p>There have been three convictions between January 2012 to December 2012, involving 5 natural persons and 1 corporate entity, this includes two failure to declare conviction, and one money laundering conviction. There have been three failure to declare convictions as of July 31st, 2013.</p> <p>Between August 1st, 2013 to January 31st, 2014 there have been three failure to declare convictions.</p>
3. Confiscation and provisional measures	LC	<ul style="list-style-type: none"> Section 67 of the MLTPA does not facilitate the making of ex parte applications for the seizure and detention of terrorist cash. Ineffective implementation of seizure, restraint and confiscation regime 	<ul style="list-style-type: none"> The authorities should consider amending section 67 of the MLTPA to facilitate the making of ex parte applications for the seizure and detention of terrorist cash. 	Section 15 of Act 4 of 2013
Preventive measures				
4. Secrecy laws consistent with the Recommendations	PC	<ul style="list-style-type: none"> No provision allowing the designated supervisory authorities the CBB, SOI, IFSC and Ministry of Finance to share information among themselves. The IFSC can only access information from its supervised entities when necessary for criminal investigations, prosecutions or proceedings 	<ul style="list-style-type: none"> The designated supervisory authorities, the Central Bank, SOI, IFSC and Ministry of Finance should have the power to share information among themselves. The IFSC should be able to access information from its supervised entities as necessary for carrying on its functions. 	<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"> No requirement for financial institutions to 	<ul style="list-style-type: none"> Regulation 4 of the MLPR and section 15(1) of the 	Further instructions have been given to amend the

		<p>obtain proof of incorporation or similar evidence to verify legal status of corporate entities.</p> <ul style="list-style-type: none"> • No requirement for financial institutions to verify legal status of legal arrangements such as trusts. • No requirement for financial institutions to take reasonable measures to understand the ownership and control structures of legal arrangements or determine who are the natural persons that ultimately own or control legal arrangements . • No requirement in legislation or regulations for financial institutions to conduct ongoing due diligence on business relationships • No requirement for financial institutions to ensure that documents, data or information collected under the CDD process is kept up-to-date and relevant by undertaking reviews of existing records, particularly for higher risk categories of customers or business relationships • No requirement for financial institutions to perform enhanced due diligence for higher risk categories of customer, business relationship or transaction. • No requirement prohibiting simplified CDD measures where there is a suspicion of money laundering or terrorist financing or specific higher risk scenarios • No requirement for financial institutions when completing the verification of the identity of the customer and beneficial owner following the establishment of the business relationship for the money laundering risks to be effectively managed. • 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 	<p>MLTPA should be amended to correct the inconsistency in the transaction threshold.</p> <ul style="list-style-type: none"> • Financial institutions should be required to obtain proof of incorporation or similar evidence to verify legal status of corporate entities. • Financial institutions should be required to verify legal status of legal arrangements such as trusts. • Financial institutions should be required to take reasonable measures to understand the ownership and control structures of legal arrangements or determine who are the natural persons that ultimately own or control legal arrangements . • Financial institutions should be required either in legislation or regulations to conduct ongoing due diligence on business relationships • Financial institutions should be required to ensure that documents, data or information collected under the CDD process is kept up-to-date and relevant by undertaking reviews of existing records, particularly for higher risk categories of customers or business relationships • Financial institutions should be required to perform enhanced due diligence for higher risk categories of customer, business relationship or transaction. 	<p>MLTPA to correct the inconsistencies. There is a timeline of October 2013 for the amendments to be enacted. MLTPAA, section 6(a) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 3(a) (iii) of Act 4 of 2013. MLTPAA, section 6(b) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 3(a) (iii) of Act 4 of 2013 MLTPAA, section 6(b) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 3(a) (iii) of Act 4 of 2013 MLTPAA, section 6(b) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 3(a) (iv) of Act 4 of 2013 MLTPAA, section 6(c) – (d) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 3(b) of Act 4 of 2013 Instructions have been given to amend section 3(b) to impose an obligation to conduct ongoing reviews that will apply to all customers and particularly to higher risk category of customers or business relationships. There is a timeline of October 2013 for the amendments to be enacted. MLTPAA, section 6(c) – (d) makes recommended amendment; enacted and in force 7 Feb 2014. See attached</p> <p>Further instructions to amend the MLTPA to deal with this issue. There is a timeline of October 2013 for the amendments to be enacted. MLTPAA, section 6(e) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p>
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		<p>verification.</p> <ul style="list-style-type: none"> • No requirement for financial institutions to consider making a suspicious transaction report when terminating an application for a business relationship or a one-off transaction due to inability to identify and verify the identity of the applicant. • No requirement for financial institutions to consider making a suspicious transaction report when terminating an existing account due to inability to identify and verify the identity of the applicant • Financial institution which have doubts about the veracity or adequacy of previously obtained customer identification are not required to terminate the relationship and considering making a suspicious transaction report on failure to renew customer identification. • Unable to assess effectiveness of application of CDD measures to existing customers. 	<ul style="list-style-type: none"> • Simplified CDD measures should be prohibited when there is a suspicion of money laundering or terrorist financing or specific higher risk scenarios • Financial institutions should be required when completing the verification of the identity of the customer and beneficial owner following the establishment of the business relationship to ensure that the money laundering risks are effectively managed. • Financial institutions should be required to adopt risk management procedures concerning the conditions under which a customer may utilise a business relationship prior to verification. • Financial institutions should be required to consider making a suspicious transaction report when terminating an application for a business relationship or a one-off transaction due to inability to identify and verify the identity of the applicant. • Financial institutions should be required to consider making a suspicious transaction report when terminating an existing account due to inability to identify and verify the identity of the applicant • Financial institution which have doubts about the veracity or adequacy of previously obtained customer identification should be required to terminate the relationship and considering making a suspicious transaction report on failure to renew customer identification. 	<p>Further instructions for an amendment to the MLTPA to prohibit simplified CDD where there is a suspicion of ML/TF or specific higher risk scenarios. There is a timeline of October 2013 for the amendments to be enacted.</p> <p>MLTPAA, section 6(f) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 3(a) (iv) (d) of Act 4 of 2013</p> <p>Section 3(d) of Act 4 of 2013 MLTPAA, section 6(h) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Instructions have been given to amend section 3(d) to place this requirement on all reporting entities. There is a timeline of October 2013 for the amendments to be enacted.</p> <p>MLTPAA, section 6(h) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 3(d) of Act 4 of 2013 Instructions have been given to amend section 3(d) to place this requirement on all reporting entities. There is a timeline of October 2013 for the amendments to be enacted.</p> <p>MLTPAA, section 6(h) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 3(f) of Act 4 of 2013 Section 3(d) of Act 4 of 2013 Instructions have been given to amend section 3(d) to place this requirement on all reporting entities. There is a timeline of October 2013 for the amendments to be enacted.</p> <p>MLTPAA, section 6(h) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p>
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				attached.
6. Politically exposed persons	LC	<ul style="list-style-type: none"> No requirement for the senior management of a reporting entity to approve continuing the relationship with an existing customer who subsequently becomes or is found to be a PEP Some institutions did not have systems to determine whether a potential customer, a customer or beneficial owner is a politically exposed person 	<ul style="list-style-type: none"> Financial institutions should be required to obtain senior management approval to continue a business relationship with an existing customer or beneficial owner who subsequently becomes or is found to be a PEP Authorities should ensure that all financial institutions in Belize have in place systems to determine whether a potential customer, a customer or the beneficial owner is a politically exposed person. 	<p>Section 3(a) (iv) of Act 4 of 2013</p> <p>Section 3(a)(iv) of Act 4 of 2013</p>
7. Correspondent banking	LC	<ul style="list-style-type: none"> No requirement for financial institutions to ascertain whether a respondent institution has been subject to a money laundering or terrorist financing investigation or regulatory action 	<ul style="list-style-type: none"> Financial institutions should be required to ascertain whether a respondent institution has been subject to a money laundering or terrorist financing investigation or regulatory action. 	<p>Section 3(c) of Act 4 of 2013</p> <p>MLTPAA, section 6(g) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p>
8. New technologies & non face-to-face business	NC	<ul style="list-style-type: none"> No requirement for financial institutions to have policies in place or take such measures to prevent the misuse of technological developments in money laundering or terrorist financing schemes. No requirement for financial institutions to have in place policies and procedures to address specific risks associated with non-face to face business relationships or transactions, particularly when establishing customer relationships and when conducting ongoing due diligence. 	<ul style="list-style-type: none"> Financial institutions should be required to have policies in place or to take measures to prevent the misuse of technological developments in money laundering or terrorism financing schemes. Financial institutions should be required to have in place policies and procedures to address specific risks associated with non-face to face business relationships or transactions, particularly when establishing customer relationships and when conducting ongoing due diligence 	<p>Further instructions to amend the MLTPA to require financial institutions to have policies in place or take measures to prevent the misuse of technological developments in ML/TF schemes. There is a timeline of October 2013 for the amendments to be enacted.</p> <p>MLTPAA, section 9(b)(iii) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Further instructions to amend the MLTPA to require financial institutions to have in place policies and procedures in place to address specific risks associated with non-face to face business. Timeline for this action is June 2013. There is a timeline of October 2013 for the amendments to be enacted.</p> <p>MLTPAA, section 6(e) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p>
9. Third parties and introducers	NC	<ul style="list-style-type: none"> Financial institutions relying on a third party are not required to immediately obtain from the third party the necessary information concerning the elements of the CDD process in criteria 5.3 to 5.6 The requirement for third parties or intermediaries to be regulated and supervised does not specify this in accordance with the 	<ul style="list-style-type: none"> Financial institutions relying on a third party should be required to immediately obtain from the third party the necessary information concerning the elements of the CDD process in criteria 5.3 to 5.6 	<p>Section 3(e) (ii) of Act 4 of 2013</p> <p>Further instructions to amend the MLTPA to require reporting entities to obtain from the third party, copies of identification data, information on ownership, in particular beneficial ownership, control structure, purpose and intended nature of business relationship. There is a timeline of October 2013 for the amendments to be enacted.</p> <p>MLTPAA, section 6(i) makes recommended</p>

		<p>FATF Recs. 23, 24 and 29.</p> <ul style="list-style-type: none"> Competent authorities do not take into account information available on countries which adequately apply FATF Recs in determining which countries third parties can be based. Current legislation does not address the FATF requirement for the ultimate responsibility for customer identification and verification to remain with the financial institution relying on the third party 	<ul style="list-style-type: none"> Third parties or intermediaries should be regulated and supervised in accordance with the requirements of FATF Recs. 23, 24 and 29. Competent authorities should take into account information available on countries which adequately apply FATF Recs in determining which countries third parties can be based. The ultimate responsibility for customer identification and verification should remain with the financial institution relying on the third party 	<p>amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 3(e)(i) of Act 4 of 2013</p> <p>MLTPAA, section 6(i) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 3(e)(ii) of Act 4 of 2013</p> <p>Further instructions to amend the MLTPA to require the competent authority to take into account information available on countries which adequately apply FATF Recommendations in determining which countries third parties can be based. There is a timeline of October 2013 for the amendments to be enacted.</p> <p>MLTPAA, section 4(b) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 3(e)(ii) of Act 4 of 2013</p>
10.Record keeping	PC	<ul style="list-style-type: none"> No explicit legal provision requiring financial institutions under the supervision of the CBB, SOI and the FIU to ensure that all customer and transaction records and information are available on a timely basis to domestic competent authorities upon appropriate authority. Licensees of the IFSC are required to ensure that all documentation is accessible within a reasonable time to only court orders or court directives 	<ul style="list-style-type: none"> Financial institutions under the supervision of the Central Bank, SOI, the FIU and the IFSC should be required to ensure that all customer and transaction records and information are available on a timely basis to all domestic competent authorities upon appropriate authority. 	Section 4(b) of Act 4 of 2013
12.DNFBP – R.5, 6, 8-11	PC	<ul style="list-style-type: none"> Deficiencies identified in Recs.5, 6 and 8-11 in relation to the above recommendations would also be applicable to the DNFBPs since they are subject to the requirements of the MLTPA. The transaction threshold level for casinos to comply with the requirements of Rec. 5 and Rec. 10 are well above the FATF level of US\$3,000. 	<ul style="list-style-type: none"> Deficiencies identified in Recs.5, 6 and 8-11 in relation to the above recommendations would also be applicable to the DNFBPs since they are subject to the requirements of the MLTPA. Implementation of the specific recommendations in the relevant sections of this Report will also apply to listed DNFBPs The transaction threshold level for casinos should be amended in the MLTPA to comply with the 	<p>Guidelines for DNFBP are now in effect. See actions taken in relation to R.5, 6 and 8-11. Updated guide, including sector specific guidance, in effect. See attached and FIU website: https://www.fiubelize.org/images/DNFBPs_Guide_to_Registration_and_Overview_of_Obligations_with_Form_R101-Final.pdf</p> <p>MLTPAA, section 32 makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>DNFBP Regulations, 2014 enacted and in force 7 Feb 2014. See attached.</p>

			requirements of Rec. 5 and Rec. 10.	Further instructions to amend the MLTPA to comply with transaction threshold for casinos as stipulated in FATF Recommendations. There is a timeline of October 2013 for the amendments to be enacted. MLTPAA, section 7(d) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.
13.Suspicious transaction reporting	PC	<ul style="list-style-type: none"> The obligation to submit suspicious transaction reports does not apply to the proceeds of all FATF predicate offences Low number of STRs submitted by financial institutions suggests that STR reporting ineffective in non-bank reporting entities. 	<ul style="list-style-type: none"> The authorities should extend the range of predicate offences for ML to include all the FATF designated categories of offences by criminalizing racketeering, illicit arms trafficking, illicit trafficking in stolen and other goods, hostage taking, smuggling, extortion, piracy and insider trading. Specific guidance should be provided for reporting entities as to how to treat suspicious transactions involving tax matters 	<p>The range of substances set out in Table I and II of the Annex to the Vienna Convention is included in the Final Draft of the Misuse of Drugs (Amendment of Schedule) Order 2013. There is a timeline of September 2013 for this Order to be signed by the Minister and to enter into force. See the Order attached.</p> <p>The Misuse of Drugs (Amendment) Order was enacted 2 November 2013. See attached.</p> <p>The Firearms (Amendment) Bill, 2013 and the Criminal Code (Amendment) Bill, 2013 was prepared. The Bill was introduced at the House of Representatives on August 7th, 2013 and was discussed at the House Committee meeting on August 19th, 2013 and has been recommended for a second reading in the House. There is a timeline of September 2013 for the Bills to be enacted. See the Bills attached.</p> <p>Criminal Code (Amendment) Act, 2013 created offences for (1) illicit arms trafficking (2) extortion (3) piracy and (4) insider trading and was enacted 2 December 2013. See attached.</p> <p>The same level of diligence and guidelines will be applied to STRs involving tax matters, but will additionally be corroborated with the General Sales Tax Department, as well as the Income and Business Tax Department.</p> <p>MLTPAA, section 8(b) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p>
14.Protection & no tipping-off	LC	<ul style="list-style-type: none"> No provision for protection against criminal, civil, disciplinary or administrative proceedings for breaches of banking or professional secrecy for reporting STRs to be available even if the underlying criminal activity is not precisely known and regardless of whether illegal activity actually occurred 	<ul style="list-style-type: none"> There should be provision for protection against criminal, civil, disciplinary or administrative proceedings for breaches of banking or professional secrecy for reporting STRs even if the underlying criminal activity is not precisely known and regardless of whether illegal activity actually occurred. 	<p>Section 15 of the Financial Intelligence, as well as Section 81 and 82 of the MLTPA addresses this issue MLTPA section 17(12) provides as follows:</p> <p>(12) No criminal, civil, disciplinary or administrative proceedings for breach of banking or professional secrecy or contract may be instituted against the reporting entity, or its directors, principals, officers, partners or employees who in good faith submit reports or</p>

				provide information in accordance with the provisions of this section. No criminal action for money laundering or financing of terrorism shall be brought against a reporting entity, or its directors, principals, officers, partners or employees in connection with the execution of a suspicious transaction where such entity or person complied with the provisions of this section.
15.Internal controls, compliance & audit	PC	<ul style="list-style-type: none"> No requirement for internal audit to be adequately resourced, independent and include sample testing for compliance Requirement only allows for reasonable access to information by the AML/CFT compliance officer rather than unimpeded access Access to information is limited to AML/CFT compliance officers and not extended to other appropriate staff. 	<ul style="list-style-type: none"> Financial institutions should be required to maintain adequately resourced, independent internal audit function which includes sample testing for compliance. Financial institutions should be required to ensure timely access by the AML/CFT compliance officer and other appropriate staff to information necessary to consider the reporting of suspicious transactions. 	<p>Section 6(b) of Act 4 of 2013</p> <p>Further instructions to amend the MLTPA to include the requirement of 'adequately resourced' before independent internal audit function. There is a timeline of October 2013 for the amendment be enacted MLTPAA, section 9(c) makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 6(d) of Act 4 of 2013</p>
16.DNFBP – R.13-15 & 21	PC	<ul style="list-style-type: none"> Deficiencies identified in Recs.13 to 15 and 21 in relation to the above recommendations would also be applicable to the DNFBPs since they are subject to the requirements of the MLTPA 	<ul style="list-style-type: none"> Deficiencies identified in Recs.13 to 15 and 21 in relation to the above recommendations would also be applicable to the DNFBPs since they are subject to the requirements of the MLTPA. Implementation of the specific recommendations in the relevant sections of this Report will also apply to listed DNFBPs. 	<ul style="list-style-type: none"> Guidelines for DNFBP have been implemented to address these shortcomings. The FIU commenced on-site inspections of DNFBPs and has completed this process with Casinos. 10 inspections have been executed on 5 casinos for the year 2012. The FIU has commended on-site inspections on the Casino's for the year 2013. 2 casinos have been inspected as of July 31st, 2013. The DNFBP Guidelines are now being implemented. The website for Belize FIU reflects that these Guidelines were issued in the last quarter of 2011. The FIU has commenced the registration of certain sectors of DNFBPs that it supervises. As of July 2013, 209 DNFBPs have been registered. They are: <ol style="list-style-type: none"> 1) Vehicle Dealers – 20 2) Dealing in real estate – 39 3) Non-Governmental Organizations – 135

				<p>4) Dealing in precious metals & stones – 13</p> <ul style="list-style-type: none"> The FIU has issued surveys to persons dealing in real estate and non-governmental organizations to assess risk and will commence on-site inspections of the other sectors of DNFBP's apart from casino's after the initial survey based assessment. <p>See actions taken in relation to R. 13 – 15 and 21. Updated guide, including sector specific guidance, in effect. See attached and FIU website: https://www.fiubelize.org/images/DNFBPs_Guide_to_Registration_and_Overview_of_Obligations_with_Form_R101-Final.pdf</p> <p>MLTPAA, section 32 makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>DNFBP Regulations, 2014 enacted 7 Feb 2014. See attached.</p>
17.Sanctions	NC	<ul style="list-style-type: none"> Administrative fines under supervisory sanctions of subsection 22(1) are not dissuasive. Unable to assess effectiveness of supervisory sanctions since none have been applied 	<ul style="list-style-type: none"> Administrative fines under supervisory sanctions of subsection 22(1) should be dissuasive. 	<p>Section 9(b) of Act 4 of 2013</p> <p>MLTPAA, sections 13 and 14 make recommended amendment; enacted and in force 7 Feb 2014. See attached.</p>
18.Shell banks	PC	<ul style="list-style-type: none"> No requirement for financial institutions to satisfy themselves that a respondent financial institution in a foreign country does not permit its accounts to be used by shell banks. 	<ul style="list-style-type: none"> The authorities should enact measures that require financial institutions to satisfy themselves that a respondent financial institution in a foreign country does not permit its accounts to be used by shell banks 	<p>Section 3(c)(ii) of Act 4 of 2013</p> <p>Further instructions to amend the MLTPA to completely prohibit accounts being used by shell banks. There is a timeline of October 2013 for the amendment to be enacted.</p> <p>MLTPAA, sections 6(g) and 6(j) make recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>DBFIAA sections 2 and 4 also address recommendation; enacted and in force 7 Feb 2014. See attached.</p>
19.Other forms of reporting	NC	<ul style="list-style-type: none"> No consideration has been given to the feasibility and utility of implementing a system where financial institutions report all transactions in currency above a fixed threshold to a national central agency with a computerized data base. 	<ul style="list-style-type: none"> Belize should consider the feasibility and utility of implementing a system where financial institutions report all transactions in currency above a fixed threshold to a national central agency with a computerized data base. 	<p>On July 23rd, 2013 a meeting of the Money Laundering Committee was convened and the feasibility and utility of implementing a national system of all currency transactions above a fixed threshold was discussed and the motion not to adopt such a system was put to the committee. The motion is being fully considered by virtue of the Round Robin procedure.</p> <p>Belize considered implementation of a threshold reporting regime and determined it would not be feasible at this stage. DBFIAA section 3 reflects the outcome of Belize's consideration of threshold reporting; enacted and in force 7 Feb 2014. See</p>

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

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

		<ul style="list-style-type: none"> • Fines applicable by the designated supervisory authority under section 22(1) of the MLTPA are not dissuasive • No requirement for information on natural persons behind the corporate shareholders of applicants for licences for the provision of gaming facilities by hotels for their guests • No adequate provisions in relation to the granting of licences for gaming premises and the use of gaming machines to prevent criminals or their associates from holding or being beneficial owner of a significant or controlling interest, holding a management function in or being an operator under these licences. • No comprehensive regulatory and supervisory regime to ensure effective implementation of AML/CFT measures required under the FATF Recommendations has been instituted for other DNFBPs except for trust and company service providers 	<ul style="list-style-type: none"> • 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. • Fines applicable by the designated supervisory authority under section 22(1) of the MLTPA should be dissuasive. • Information should be required on natural persons behind the corporate shareholders of applicants for licences for the provision of gaming facilities by hotels for their guests 	<p>attached.</p> <p>Casinos are presently submitting a month transaction report to the supervisory authority. Also Section 8(b) of Act 4 of 2013) gives the supervisory authority the power to obtain access to information, records, documents</p> <p>MLTPAA, sections 13 and 14 make recommended amendment; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 9(b) of Act 4 of 2013</p> <p>Gaming Control (Amendment) Act, 2014 drafted and under consideration by Gaming Control Board. Scheduled to be considered by National Assembly when it next meets. Draft includes the following proposed amendments to GCA section 6:</p> <p>(2) Every application for a licence under this Act or the regulations made under this Act shall be accompanied by the following,</p> <ul style="list-style-type: none"> (a) identification information for any director or senior officer of the applicant; and (b) a current list of shareholders of the applicant, including, where any beneficial interest is 5% or more of the outstanding shares of any class, identification information for the beneficial owner of any shares held by a legal person or in the name of nominee shareholder; and (c) such information as may be required by this Act or the regulations made under this Act or requested by the Board; (d) such fee as the Board may from time to time prescribe by regulations made under this Act. <p>(3) Paragraphs (2)(a) and (b) do not apply to an applicant that is a publicly traded company.</p> <p>In the process of drafting legislation to set up a Commission, who will be responsible for this action</p>
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			<p>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.</p>	<p>and also for new standards.</p> <p>Gaming Control (Amendment) Bill, 2013 was prepared. The Bill was introduced at the House of Representatives on August 7th, 2013 and was discussed at the House Committee meeting on August 26th, 2013 and has been recommended for a second reading in the House. The Bill requires information on natural person behind the corporate shareholders of applicants for licenses for the provision of gaming facilities. There is a timeline of September 2013 for the Bill to be enacted. See the Bill attached</p> <p>Gaming Control (Amendment) Act, 2014 drafted and under consideration by Gaming Control Board. Scheduled to be considered by National Assembly when it next meets. Draft includes proposed amendments to various sections of the GCA clarifying fit and proper requirements for any person seeking a licence or approval of the Board to perform any function; provision of robust supervisory powers, including power to impose administrative sanctions. See below for examples of implementation. The following are some examples:</p> <p>5.- (2) For the purposes of performing its functions under subsection (1) of this section, the Board shall have power to,</p> <p>...</p> <p>(b) <i>supervise the operation of licensees to ensure that licensees comply with the terms and conditions of their gaming licenses</i> [compliance with AML/CFT obligations is now a condition of every license] and with the provisions of this Act and of regulations made under this Act and with any applicable directives issued by the Board in accordance with this Act or regulations made under this Act;</p> <p>(c) <i>inquire into the suitability of any person applying for any gaming license or approval under this Act or the regulations made under this Act and to ensure that those involved in the operation or management of, or</i></p>
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				<p><i>employment in, a licensed gaming premises are fit and proper persons to carry out their functions relative to such licensed premises;</i></p> <p>(d) <i>use all powers vested in it by this or any other law to ensure that games and gaming are kept free from criminal activity, and to prevent, detect and take all reasonable measures to ensure the prosecution of any offence against this Act or the regulations made under this Act;</i></p> <p>...</p> <p>5A. – (2) It is a condition of every gaming licence issued or approval granted that the person in respect of whom the gaming licence is issued or approval granted is considered by the Board to be a fit and proper person for the function he performs or proposes to perform. [Fit and proper criteria for licensees are now articulated in the Act; The Board may issue guidelines as to F&P criteria for gaming management and employees.]</p> <p>...</p> <p>6A. –(1) Upon an application made in accordance with section 6, the Board may grant to the applicant a gaming licence, if the Board is satisfied that—</p> <p>(a) <i>the applicant and each associate of the applicant is a fit and proper person to be concerned in or associated with the management or operation of a premises to be used for gaming;</i></p> <p>(b) <i>the applicant or any associate has not been convicted of a specified offence.</i></p> <p>[Specified offence is defined to include any gambling offence, any form of fraud, any predicate offence, any offence under the MLTPA. :Associate is defined as follows:</p> <p>(2) A person is an associate of a licensee or an applicant for a gaming licence if the</p>
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			<ul style="list-style-type: none"> • A comprehensive regulatory and supervisory regime to ensure effective implementation of AML/CFT measures required under the FATF Recommendations should be instituted for other DNFBPs except for trust and company service providers 	<p>person,</p> <p>(a) holds or will hold any relevant financial interest, or is or will be entitled to exercise any relevant power, whether on his own behalf or on behalf of any other person, in the licensee or applicant, and by virtue of that interest or power, is able or will be able to exercise significant influence over or with respect to the operation of that premises to be used for gaming; or</p> <p>(b) holds or will hold any relevant position, whether on his own behalf or on behalf of any other person, in the business of the licensee or applicant.</p> <p>(3) For the purposes of subsection (2),</p> <p>“relevant financial interest” means, in relation to a gaming business, five per cent or more of the voting capital of the business;</p> <p>“relevant position”, in relation to a gaming business, means the position of director, manager or secretary, or other executive position, however that position is designated;</p> <p>“relevant power” means any power, whether exercisable by voting or otherwise, and whether exercisable alone or in association with others,</p> <p>(a) to participate in any directorial, managerial or executive decision; or</p> <p>(b) to elect or appoint any person to any relevant position.:</p> <p>Guidelines for DNFBP have been implemented to address these shortcomings. The FIU is in the process of drafting regulation to govern DNFBP. There is a timeline of September 2013 for the draft of the regulations.</p> <p>Updated guide, including sector specific guidance, in effect. See attached and FIU website: https://www.fiubelize.org/images/DNFBPs_Guide_to_Registration_and_Overview_of_Obligations_with_Form_R101-Final.pdf</p>
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				MLTPAA, section 32 makes relevant amendment; enacted and in force 7 Feb 2014. See attached. DNFBP Regulations, 2014 enacted 7 Feb 2014. See attached.
25. Guidelines & Feedback	NC	<ul style="list-style-type: none"> Feedback is limited only to acknowledgement of receipt of STRs No guidelines have been issued for the DNFBPs except for the trust and company service providers. No guidelines have been issued for licensees of the SOI and IFSC 	<ul style="list-style-type: none"> The FIU should provide general feedback to financial institutions with regard to statistics on the number of disclosures or information on current techniques, methods, trends and typologies. Guidelines should be issued for licensees of the SOI and IFSC 	<p>A database for the recording and management of information pertaining to STRs and Requests for Information has been created and in operation since June 2012.</p> <p>On June 26th and June 27th the FIU conducted meetings with all the Financial Institutions giving them general feedback based on reports generated from the database on the quality and information that they have provided in STRs. The FIU also gave feedback on statistics and typologies.</p> <p>The IFS practitioners refer to the regulations to guide the sector. The IFSC are in the process of drafting guidelines to regulate the sector. The SOI has issued guidelines to the insurance sector.</p>
Institutional and other measures				
26.The FIU	PC	<ul style="list-style-type: none"> Minimal security arrangements for custody of information with main vulnerabilities being security and IT support provided by personnel not in the employ of the FIU. Minimal feedback is provided to financial institutions and DNFBPs by the FIU in relations to STRs filed or requests made of the institutions. No publicly released periodic reports which include statistics, typologies and trends as well as information regarding activities. Operational independence of the FIU is vulnerable to external influence. 	<ul style="list-style-type: none"> Belize should consider providing a more secure location for its FIU, since information held at the FIU may be accessed by persons other than FIU staff, since the security officers of the Central Bank building has access to the FIU offices after work hours. The FIU should consider removing internet access from its server on which sensitive data and information is stored and establish a system where their server is stand alone. Consideration should be given to storing the FIU's server backups offsite. Measures should be considered to ensure the operational independence of the FIU 	<p>On September 13th 2012, the FIU moved into its new building. The architecture of the permanent office is done in accordance with the security, staffing and record storing needs of the FIU.</p> <p>The professional staff essential to the core functions of the FIU has grown. The FIU currently employs 2 Legal Officers as of June 24th, 2013, 2 Financial Analysts as of June 24th, 2013, 1 Compliance Examiner, 1 Compliance Officer, 1 Senior Investigator, 4 Police Investigators and a floating officer. The FIU has hired a Network/ IT Systems Administrator since April 23, 2012. The investigative department of the FIU now has a legal offer dedicated to working in consultation with that department.</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. FIU (Amendment) Act, 2014 implemented specific recommendations made by IMF to improve operational</p>

			<ul style="list-style-type: none"> 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. The FIU should consider making its Annual Report public and include statistics, typologies and trends as well as information regarding its activities in it. 	<p>independence; enacted 7 Feb 2014. See attached. Mechanism presently in place categorizes STR by:</p> <ol style="list-style-type: none"> 1) the type of entity, 2) the name of the entity, 3) the type of suspicious transaction 4) Date of transaction 5) Subject of STR <p>These categorization may be used to generate feedback.</p> <p>On June 26th and June 27th the FIU conducted meetings with all the Financial Institutions giving them general feedback based on reports generated from the database on the quality and information that they have provided in STRs. The FIU also gave feedback on statistics and typologies.</p> <p>The FIU has compiled a draft of its Annual Report to be finalized for September 2013. Annual Report published 11 November 2013.</p>
27.Law enforcement authorities	PC	<ul style="list-style-type: none"> No measures, whether legislative or otherwise, to allow competent authorities investigating ML cases to postpone or waive the arrest of suspected persons and/or the seizure of the money for the purpose of identifying persons involved in such activities or for evidence gathering. 	<ul style="list-style-type: none"> Belize should consider taking measures, whether legislative or otherwise, that allow competent authorities investigating ML cases to postpone or waive the arrest of suspected persons and/or the seizure of the money for the purpose of identifying persons involved in such activities or for evidence gathering. 	<p>Section 4 of the Police Act, Chapter 138 of the Laws of Belize RE 2000, states that one of the functions of the police is the apprehension of offenders. There are no restrictions or limitations as to when to arrest an offender. Section 10 of Police Regulations Paragraph 6 of Police Standing Order (specifically item (c) and (g) The time of arrest is a tactical consideration taken into account by the investigating police after consultation with the legal officer of the FIU that works with investigative unit. The approach depends upon the circumstances of the case.</p> <p>MLTPAA, section 3 makes recommended amendment; enacted and in force 7 Feb 2014. See attached.</p>
28 Powers of competent authorities	LC	<ul style="list-style-type: none"> No written provisions granting the FIU powers to be able to take witness statements for use in investigations and prosecutions of ML, FT and predicate offenses in Belize 	<ul style="list-style-type: none"> The authorities should consider written provisions granting the FIU powers to be able to take witness statements for use in investigations and prosecutions of ML, FT and predicate offences in Belize 	<p>The Belize FIU is a hybrid FIU. Police officers are attached to the unit and these officers retain all their powers as a police officer and have the authority to take witness statements for use in investigations and prosecutions of ML, FT and predicate offences in Belize. The officers received instructions from the Director in executing their duties, but are still subjected to all the rules and regulations of the Belize Police Department</p>

				<p>The Interception of Communications (Amendment) Bill, 2013 has been prepared. This amendment will allow the Director of the FIU to make interception applications among the other orders pursuant to that act. The Bill was introduced at the House of Representatives on August 7th, 2013 and was discussed at the House Committee meeting on August 20th, 2013 and has been recommended for a second reading in the House. There is a timeline of September 2013 for the Bill to be enacted. See the Bill attached</p> <p>Also see Recommendation 27</p> <p>This matter is specifically addressed in “Judges’ Rules: Being Guidelines for the Interviewing of Persons and Obtaining Statements from them while in Police Custody” issued pursuant to section 60 of the Supreme Court of Judicature Act - Chapter 82 of the Laws of Belize. Judges Rules 2000. Rules 1.1 – 9.4. The Judges’ Rules, 2000.</p> <p>R 1.1 When a police officer is trying to discover whether, or by whom an offence has been committed he is entitled to question any person, whether suspected of not, from whom he thinks that useful information may be obtained. The police officer can do this whether or not the person has been taken into custody provided he has not been charged with the offence or informed that he may be prosecuted for it.</p> <p>R 9.3 ...</p> <p>When a police officer writes the statement he must take down the exact words spoken by the person making it and he must not edit or paraphrase it. Any questions that are necessary (for example to make it more intelligible) and the answers give must be recorded contemporaneously on the statement form.</p>
29.Supervisors	PC	<ul style="list-style-type: none"> IFSC does not carry out AML/CFT on-site inspections IFSC does not have the power to carry out on-site inspection except for international insurance companies 	<ul style="list-style-type: none"> The IFSC should implement AML/CFT on-site inspections of its reporting entities IFSC should have the power to carry out on-site inspection of all its reporting entities. 	<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 Section 21(2) (a) MLTPA 2008</p>

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

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

		<p>techniques</p> <ul style="list-style-type: none"> No mechanism in Belize whereby the authorities review the effectiveness of their systems for combating money laundering and terrorist financing on a regular basis. 	<p>on a regular basis</p>	
33. Legal persons – beneficial owners	NC	<ul style="list-style-type: none"> Information on the companies register is limited to legal ownership and does not include beneficial ownership information and is not necessarily reliable. Registered agents are not subject to on-site inspection and it is not clear how reliable the beneficial ownership information of IBCs they maintain would be. There are no specific measures to ensure that bearer share warrants for local companies are not misused for money laundering. Reliability and implementation of measures for the immobilisation of bearer shares of IBCs by registered agents is doubtful since registered agents are not subject to on-site inspections to check these measures. 	<ul style="list-style-type: none"> The authorities should consider implementing measures to ensure that the company register maintains adequate, reliable, and timely information on the beneficial ownership of registered companies. Registered agents should be subject to measures to ensure that the beneficial ownership information on IBCs that they maintain is adequate, reliable and timely There should be measures to ensure that bearer share warrants for local companies are not misused for money laundering. Registered agents should be subject to on-site inspections to ensure that the measures for the immobilisation of bearer shares of IBCs are adequate and reliable 	<p>Further instructions to amend the Companies Act. There is a timeline of October 2013 for the amendments to be enacted. Companies (Amendment) Act, 2014 makes recommended amendments; enacted and in force 7 Feb 2014. See attached.</p> <p>Companies (Amendment) Act, 2013 section 5 prohibits the issue of bearer shares or share warrants; enacted and in force 9 Oct 2013. See attached.</p> <p>International Financial Services Commission (Amendment) Bill, 2013 was prepared. The Bill was introduced at the House of Representatives on August 7th, 2013 and was discussed at the House Committee meeting on August 26th, 2013 and has been recommended for a second reading in the House. There is a timeline of September 2013 for the Bills to be enacted. See the Bill attached. IFSC (Amendment) Act, 2013 enacted and in force 9 October 2014. See attached.</p> <p>Statutory Instrument 108 of 2012 dated December 8, 2012 requires registered agents to retain physical possession of bearer shares and requirements in dealing with professional intermediary</p>
34. Legal arrangements – beneficial owners	NC	<ul style="list-style-type: none"> Registration of domestic trusts is optional and the register is not open to public inspection. No requirements for financial institutions to verify legal status of legal arrangements such as trusts. The register of international trusts is inadequate 	<ul style="list-style-type: none"> The authorities should consider making it a legal requirement for the registration of all domestic trusts created under the TA 	<p>Trusts (Amendment) Bill, 2013 was prepared. The Bill was introduced at the House of Representatives on August 7th, 2013 and was discussed at the House Committee meeting on August 26th, 2013. There is a timeline of September 2013 for the Bills to be enacted. See the Bill attached. Trusts (Amendment) Act, 2013 enacted and in force 9 October 2014. See attached.</p>

		<p>as it does not include information on beneficiaries of trusts.</p> <ul style="list-style-type: none"> • Scope and reliability of information on domestic and international trusts maintained by relevant DNFBPs and trust agents respectively is doubtful since there is no inspection regime to verify the information.. • Neither the register of international foundations nor registered agents are required to maintain adequate information on the control of foundations. 	<ul style="list-style-type: none"> • Financial institutions should be required to verify the legal status of legal arrangements such as trusts. • The register of international trusts should include information on beneficiaries of trusts. • 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. • The register of international foundations and registered agents should be required to maintain adequate, reliable and timely information on the control of foundations 	<p>Section 3(a)(iii) of Act 4 of 2013</p> <p>Section 3 of Trust Amendment Act 2007 See Trusts (Amendment) Bill, 2013 attached clause 5. Trusts (Amendment) Act, 2013 enacted and in force 9 October 2014. See attached. Additional amendments requiring registration of identification information on beneficiaries have been drafted and are currently under consideration by IFSC Board and MoF; anticipated that amendments will be considered by National Assembly when it next meets.</p> <p>The FIU has commenced the registration of certain sectors of DNFBPs that it supervises. As of July 2013, 209 DNFBPs have been registered. They are:</p> <ol style="list-style-type: none"> 1) Vehicle Dealers – 20 2) Dealing in real estate – 39 3) Non-Governmental Organizations – 135 4) Dealing in precious metals & stones – 13 <p>The FIU has issued surveys to persons dealing in real estate and non-governmental organizations to assess risk and will commence on-site inspections of the other sectors of DNFBP's apart from casino's after the initial survey based assessment.</p> <p>The International Foundations (Amendment) Bill was prepared. The Bill was introduced at the House of Representatives on August 7th, 2013 and was discussed at the House Committee meeting on August 26th, 2013 and has been recommended for a second reading in the House. There is a timeline of September 2013 for the Bills to be enacted. See the Bill attached. International Foundations (Amendment) Act, 2013 enacted and in force 9 October 2014. See attached.</p>
International Co-operation				
35.Conventions	PC	<ul style="list-style-type: none"> • There is no legislation in Belize that fully implements Articles 8,10,11,15, 17 and 19 of the Vienna Convention, Articles 20,24,25,30 and 31 of the Palermo Convention and Articles 6, 13,14,15 and 16 of the Terrorist Financing Convention 	<ul style="list-style-type: none"> • The authorities should consider promulgating legislation to fully implement Articles 8,,11,15, 17 and 19 of the Vienna Convention, Articles 20,24,25,30 and 31 of the Palermo Convention and Articles 6, 13,14,15 and 16 of the Terrorist Financing Convention. 	<p>Further instructions issued to address this Recommendation by amending the MLTPA. There is a timeline of October 2013 for the amendments to be enacted.</p> <p>All articles have been implemented. Please see attached supplement to the Treaty Table previously submitted.</p>
36.Mutual legal assistance (MLA)	LC	<ul style="list-style-type: none"> • The Belize/USA Treaty Act does not provide that a request for mutual legal assistance cannot 	<ul style="list-style-type: none"> • The authorities should consider amending the Belize/USA Treaty Act to provide that a request for 	<p>The Attorney General's Office, International Legal Affairs deal with MLAT requests. This department is</p>

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

		<p>with the USA and Guatemala.</p> <ul style="list-style-type: none"> Effective implementation is adversely affected by the competent authority not being appropriately equipped 	<p>whilst safeguarding the rights of the defendant.</p> <ul style="list-style-type: none"> The authorities should consider concluding extradition treaties with a broader range of countries. The authorities should consider equipping the competent authority with the appropriate tools to efficiently manage requests for extraditions 	<p>Belize Extradition Act has been convened. The committee has determined that it will seek to amend the Extradition Act to include and update the procedure for extradition in order to simplify the procedure for extradition before, during and at the conclusion of the committal proceedings. See attached.</p> <p>The Belize-Mexico Extradition Treaty will be domesticated and brought into law by an amendment to the Extradition Act. See attached.</p> <p>The Law Library has recently been provided with updated resources regarding Extradition Law. There is a Crown Counsel responsible for Extradition. The Crown Counsel has been given access to research material in the area of Extradition and Mutual Legal Assistance. See attached.</p>
40.Other forms of co-operation	PC	<ul style="list-style-type: none"> There is no legislation empowering the police, the customs authorities and other law enforcement agencies to undertake international cooperation inquiries for and on behalf of foreign countries; There is no legislation empowering the Office of the Attorney General and the Ministry of Foreign Affairs to undertake international cooperation inquiries for and on behalf of foreign countries 	<ul style="list-style-type: none"> Legislation should be created empowering the police, the customs authorities and other law enforcement agencies to undertake international cooperation inquiries for and on behalf of foreign countries; Legislation should be created empowering the Office of the Attorney General and the Ministry of Foreign Affairs to undertake international cooperation inquiries for and on behalf of foreign countries 	<p>Handling of mutual legal assistance requests is now fully within the Attorney's General's Ministry. The AG Ministry has restructured and expanded to efficiently facilitate this process. The said Ministry has created an office for the handling of International Legal Affairs; and instituted a new position in its hierarchy as Deputy Solicitor General who is charged with the responsibility to head the new office.</p> <p>MLA&ICA, 2014 empowers the AGM to undertake international cooperation enquires; enacted and in force 7 Feb 2014. See attached.</p>
Nine Special Recommendations		Summary of factors underlying rating		
SR.I Implement UN instruments	PC	<ul style="list-style-type: none"> There is no legislation in Belize that fully implements Articles 6, 12,13,14,15 and 16 of the Terrorist Financing Convention 	<ul style="list-style-type: none"> The authorities should consider promulgating legislation to fully implement Articles 8, 11, 15, 17 and 19 of the Vienna Convention, Articles 20,24,25,30 and 31 of the Palermo Convention and Articles 6, 13, 14, 15 and 16 of the Terrorist Financing Convention. 	<p>Further instructions issued to address this Recommendation by amending the MLTPA. There is a timeline of October 2013 for the amendments to be enacted.</p> <p>All articles have been implemented. Please see attached supplement to the Treaty Table previously submitted.</p>
SR.II Criminalise terrorist financing	PC	<ul style="list-style-type: none"> The definition of the term "funds" does not include the qualifying phrase or the qualifying term "in any form including electronic or 	<ul style="list-style-type: none"> The authorities should consider amending the definition of the word "funds" in section 2 (1) of the MLTPA to incorporate the qualifying terms "however acquired" and "in any form including electronic or 	<p>Section 2 of Act 4 of 2013 MLTPAA, section 2 makes recommended amendments; enacted and in force 7 Feb 2014. See attached.</p>

		<p>digital” into the description of legal documents and instruments that prove a defendant’s title or interest in property.</p> <ul style="list-style-type: none"> • Prosecution of the range of ancillary offences set out under section 68(2) of the same Act is not exempt from being required to establish that funds provided by the defendant were actually used in the commission of a terrorist act. • No provision for the prosecution of a defendant who commits an ancillary terrorist financing offence in another jurisdiction. • The DPP and the FIU’s parallel jurisdiction to prosecute financing of terrorism matters in Belize could adversely affect implementation. 	<p>digital” into the description of legal documents and instruments that prove a defendant’s title or interest in property.</p> <ul style="list-style-type: none"> • The authorities should consider amending section 68(3) of the MLTPA to include the range of ancillary offences set out under section 68(2) of the same Act. • The authorities should consider amending section 68(1)(b) of the MLTPA to provide for the prosecution of a defendant who commits an ancillary terrorist financing offence in another jurisdiction. • The authorities should consider making legislative amendments that would remove the constitutional concerns relating to the DPP and FIU’s parallel jurisdiction to prosecute financing of terrorism matters in Belize. • 	<p>Section 16 of Act 4 of 2013</p> <p>Section 16 of Act 4 of 2013</p> <p>In our jurisdiction, the FIU does all prosecuting of money laundering and other related offences. The Office of the DPP and the FIU work in collaboration with each other and there has not been any concern about conflicts. As a result, the jurisdiction has decided that the constitutional change required for this recommendation is not necessary. <i>Please find attached document recording that decision</i></p>
SR.III Freeze and confiscate terrorist assets	PC	<ul style="list-style-type: none"> • Section 76 of the MLTPA does not expressly provide that assistance rendered to a superior court or competent authority of another jurisdiction must be facilitated expeditiously by the Belizean counterparts. • Unable to assess the practical effectiveness of provisions giving effect to freezing mechanisms initiated in other jurisdictions due to lack of requests • 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. 	<ul style="list-style-type: none"> • The authorities should consider amending section 76 of the MLTPA to provide that assistance rendered to a superior court or competent authority of another jurisdiction must be facilitated expeditiously by the Belizean counterparts. • The authorities should consider promulgating legislation that would enable the authorities to publicly delist persons or entities in a timely manner. • 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. 	<p>Further instructions issued to amend section 76 state that the Supreme Court and the other competent authorities shall expeditious handle requests for mutual assistance from other countries. There is a timeline of October 2013 for the amendments to be enacted. MLTPAA, section 24 makes recommended amendments; enacted and in force 7 Feb 2014. See attached.</p> <p>Further instructions issued to allow authorities to publicly delist persons or entities in a timely manner. There is a timeline of October 2013 for the amendments to be enacted. MLTPAA, section 23 makes recommended amendments; enacted and in force 7 Feb 2014. See attached.</p> <p>Further instructions issued to amend the MLTPA to require competent authorities to communicate to the financial sector actions taken under the freezing mechanisms in essential criteria III.1 to III.3. There is a timeline of October 2013 for the amendments to be enacted. MLTPAA, section 25 makes recommended</p>

		<ul style="list-style-type: none"> • There is no legislative or other provision that enables the authorities to publicly delist persons or entitles in a timely manner. • There is no legislative or other provision that requires competent authorities to communicate to the financial sector actions taken under the freezing mechanisms in essential criteria III.1 to III.3. • Section 40 (2) of the MLTPA which enables a court to consider the reasonable living expenses of an applicant's dependants and an applicant's debts incurred in good faith may undermine the intended effect of S/RES1452.. • Reporting entities do not have clear guidance as it relates to their obligations for the freezing of funds belonging to terrorists on the United Nations designated list. • Designated supervisory authorities are not required to monitor compliance with the provisions concerning SRIII • Section 67 (1) of the MLTPA does not enable an affected party to apply to the court for relief against an order seizing and detaining terrorist cash 	<ul style="list-style-type: none"> • The definition of terrorist property in the MLTPA should extend to property jointly owned or controlled directly or indirectly by terrorists, those who finance terrorism or terrorist organisations or property derived or generated from funds or other assets owned or controlled directly or indirectly by terrorists, those who finance terrorism or terrorist organisations • The authorities should consider amending section 40 (2) of the MLTPA to exclude from its ambit the reasonable living expenses of an applicant's dependants and an applicant's debts incurred in good faith. • Designated supervisory authorities should be required to monitor compliance with the provisions concerning SRIII • • The authorities should consider providing reporting entities with clear guidance as it relates to their obligations for the freezing of funds belonging to terrorists on the United Nations designated list. • The authorities should consider amending section 67 (1) of the MLTPA to enable an affected party to apply to the court for relief against an order seizing and detaining terrorist cash. 	<p>amendments; enacted and in force 7 Feb 2014. See attached.</p> <p>Further instructions issued to extend the definition of "terrorist property" in the MLTPA to include the recommendation. There is a timeline of October 2013 for the amendments to be enacted.</p> <p>MLTPAA, section 2 makes recommended amendments; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 14 of Act 4 of 2013.</p> <p>Further instructions issued to amend section 67 (1) of the MLTPA. There is a timeline of October 2013 for the amendments to be enacted.</p> <p>MLTPAA, section 14 makes recommended amendments; enacted and in force 7 Feb 2014. See attached</p> <p>MLTPAA, section 22 makes recommended amendments; enacted and in force 7 Feb 2014. See attached.</p>
SR.IV Suspicious transaction reporting	PC	<ul style="list-style-type: none"> • Low number of STRs submitted by financial institutions suggests that STR reporting is ineffective in non-bank reporting entities. 		<p>See Statistics attached demonstrating STR reporting since 2009 up to June, 2013.</p> <p>Outreach and training has been conducted and is planned for non-bank reporting entities.</p> <p>Choice Bank Limited has conducted AML/CFT training in November 2013 for Company Service Providers. See attached.</p>

				<p>A seminar for insurance companies and insurance intermediaries on AML/CFT and Fraud is scheduled to be conducted from 4-6 Mar, 2014. See attached.</p> <p>The FIU has prepared a guide for registration and an overview of obligations for DNFBPs. Updated guide, including sector specific guidance and typologies, in effect. See attached and FIU website: https://www.fiubelize.org/images/DNFBPs Guide to Registration and Overview of Obligations with Form R101-Final.pdf</p>
SR.V International co-operation	NC	<ul style="list-style-type: none"> • The deficiencies identified with regard to MLAT for ML are also applicable for FT • Deficiencies noted with regard to extradition are also applicable for FT • The legislative and other deficiencies noted throughout this report in the areas of financing of terrorism, terrorism and terrorist organisations affect improved international cooperation in these areas; • The noted deficiencies concerning extradition in Belize also affect improved international cooperation that is consistent with Special Recommendation V. 	<ul style="list-style-type: none"> • The legislative and other deficiencies noted throughout this report in the areas of financing of terrorism, terrorism and terrorist organisations should be remedied to facilitate for improved international cooperation in these areas; • The noted deficiencies concerning extradition in Belize should be remedied to facilitate improved international cooperation that is consistent with Special Recommendation V. 	<p>Handling of mutual legal assistance requests is now fully within the Attorney's General's Ministry. The AG Ministry has restructured and expanded to efficiently facilitate this process. The said Ministry has created an office for the handling of International Legal Affairs; and instituted a new position in its hierarchy as Deputy Solicitor General who is charged with the responsibility to head the new office.</p> <p>MLA&ICA, 2014 empowers the AGM to undertake international cooperation enquires, including matters related to TF; enacted and in force 7 Feb 2014. See attached.</p> <p>Belize considered Assessor's recommendations regarding R. 39 and a report was produced by AGM. See attached.</p> <p>A Committee for the Revision and Amendment to the Belize Extradition Act has been convened. The committee has determined that it will seek to amend the Extradition Act to include and update the procedure for extradition in order to simplify the procedure for extradition before, during and at the conclusion of the committal proceedings. See attached.</p> <p>The Belize-Mexico Extradition Treaty will be domesticated and brought into law by an amendment to the Extradition Act. See attached.</p> <p>The Law Library has recently been provided with updated resources regarding Extradition Law. There is a Crown Counsel responsible for Extradition. The Crown Counsel has been given access to research material in the area of Extradition and Mutual Legal</p>

				Assistance. See attached.
SR VI AML requirements for money/value transfer services	PC	<ul style="list-style-type: none"> Supervisory fines under the MLTPA are not dissuasive for financial institutions Number of inspections suggests ineffective monitoring. 	<ul style="list-style-type: none"> Supervisory fines under the MLTPA should be dissuasive. 	Section 9 of Act 4 of 2013 MLTPAA, sections 13 and 14 make recommended amendments; enacted and in force 7 Feb 2014. See attached
SR VII Wire transfer rules	NC	<ul style="list-style-type: none"> Definition of originator information does not include the originator's address No provision for a receiving intermediary financial institution to keep records (for five years) of all information received from an ordering financial institution in the case where technical limitations would prevent the full originator information that should accompany a cross border wire transfer from being transmitted with a related domestic wire transfer. No requirement for beneficiary financial institutions to adopt effective risk-based procedures for identifying and handling wire transfers that are not accompanied by complete originator information. The fine penalty is not dissuasive nor is it applicable to directors and senior management 	<ul style="list-style-type: none"> The definition of originator information should include the originator's address or a national identity number, customer identification number or date and place of birth A receiving intermediary financial institution should be required to keep records (for five years) of all information received from an ordering financial institution in the case where technical limitations would prevent the full originator information that should accompany a cross border wire transfer from being transmitted with a related domestic wire transfer. Beneficiary financial institutions should be required to adopt effective risk-based procedures for identifying and handling wire transfers that are not accompanied by complete originator information. The fine penalty of section 19(5) of the MLTPA should be dissuasive and applicable to directors and senior management 	<p>Section 7 of Act 4 of 2013 MLTPAA, section 11 makes recommended amendments; enacted and in force 7 Feb 2014. See attached</p> <p>Section 4 of Act 4 of 2013-02-27 Instructions have been given to amend section 3(b) to impose an obligation to keep records for 5 years of all information received from an ordering financial institution in the case where technical limitations would prevent the full originator information that should accompany a cross border wire transfer from being transmitted with a related domestic wire transfer. There is a timeline of October 2013 for the amendments to be enacted. MLTPAA, section 7(a) and (b) makes recommended amendments; enacted and in force 7 Feb 2014. See attached.</p> <p>Section 5(a) of Act 4 of 2013-02-27</p> <p>Section 7(c) of Act 4 of 2013</p>
SR.VIII Non-profit organisations	NC	<ul style="list-style-type: none"> There has been no review of the adequacy of Belize's laws and regulations relating to NPOs to determine the sector's susceptibility to being used by terrorist organisations or for terrorist activities. There has been no outreach programme to the NPO sector in Belize to raise awareness about the risks of terrorist abuse and the available measures to protect against such abuse and promote transparency, accountability, integrity and public confidence in the administration and 	<ul style="list-style-type: none"> The authorities should consider undertaking a review of the adequacy of Belize's laws relating to NPOs with a view to determine the sector's susceptibility to being used by terrorist organisations or for terrorist activities. The authorities should consider implementing an outreach programme to the NPO sector Belize to raise awareness about the risks of terrorist abuse and the available measures to protect against such abuse and promote transparency, accountability, integrity and 	<p>Section 20 of Act 4 of 2013</p> <p>The FIU has engaged in a direct mailing programme to advise NPOs and NGOs of the need to register; FIU has published an informational brochure targeting NPOs and NGOs. See attached.</p>

		<p>management of all NPOs.</p> <ul style="list-style-type: none"> • No monitoring or supervision of NPOs and churches incorporated under the Companies Act • There is presently no legislation in Belize that authorises public access to NGO information duly retained by the RNGO. • There is no legislation that imposes other criminal, civil or administrative sanctions for violations of oversight measures or rules relating to NGOs further to those prescribed under section 18 of the NGOA. • There is no legislation that requires NGOs to maintain records of their domestic and international transactions for a minimum period of five years. • No measures to ensure effective cooperation, coordination and information sharing between the FIU and the RNGO. 	<p>public confidence in the administration and management of all NPOs.</p> <ul style="list-style-type: none"> • The authorities should implement measures to monitor or supervise NPOs and churches incorporated under the Companies Act • The authorities should promulgating legislation that authorises public access to NGO information duly retained by the registrar. • The authorities should consider promulgating legislation that imposes other criminal, civil or administrative sanctions for violations of oversight measures or rules relating to NGOs further to those prescribed under section 18 of the NGOA. • The authorities should consider enacting legislation requiring NGOs to maintain records of their domestic and international transactions for a minimum period of five years. • The authorities should implement measures to ensure effective cooperation, coordination and information sharing between the FIU and the RNGO. 	<p>The First schedule is to be amended to make Non-Profit Organizations subject to the MLTPA.. There is a timeline of October 2013 for the amendments to be enacted. MLTPAA, sections 2 and 32 make amendments needed to implement recommendation; enacted and in force 7 Feb 2014. See attached.</p> <p>Non-Governmental Organizations (Amendment) Bill, 2013 was prepared. The Bill was introduced at the House of Representatives on August 7th, 2013 and was discussed at the House Committee meeting on August 20th, 2013 and has been recommended for a second reading in the House. There is a timeline of September 2013 for the Bills to be enacted. See the Bill attached.</p> <p>Non-Governmental Organizations (Amendment) Bill, 2013 was prepared. The Bill was introduced at the House of Representatives on August 7th, 2013 and was discussed at the House Committee meeting on August 20th, 2013 and has been recommended for a second reading in the House. There is a timeline of September 2013 for the Bills to be enacted. See the Bill attached. MLTPAA, sections 2 and 32 make amendments needed to implement recommendation; enacted and in force 7 Feb 2014. See attached.</p> <p>Non-Governmental Organizations (Amendment) Bill, 2013 was prepared. The Bill was introduced at the House of Representatives on August 7th, 2013 and was discussed at the House Committee meeting on August 20th, 2013 and has been recommended for a second reading in the House. There is a timeline of September 2013 for the Bills to be enacted. See the Bill attached.</p> <p>Non-Governmental Organizations (Amendment) Bill, 2013 was prepared. The Bill was introduced at the House of Representatives on August 7th, 2013 and was discussed at the House Committee meeting on August 20th, 2013 and has been recommended for a second reading in the House. There is a timeline of September 2013 for the Bills to be enacted. See the Bill attached. MLTPAA, sections 2 and 32 make amendments</p>
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				needed to implement recommendation; enacted and in force 7 Feb 2014. See attached.
SR.IX Cross Border Declaration & Disclosure	PC	<ul style="list-style-type: none"> • No provision for restraint of negotiable instruments. • Provision does not allow for the seizure of currency under amounts of BZ\$10,000. • Penalties for making a false declaration or failure to make a declaration do not extend to directors and senior management of legal persons • The fine for legal persons who make a false declaration or fail to make a declaration is not dissuasive. • 	<ul style="list-style-type: none"> • The authorities should amend the MLTPA with a provision for the restraint of negotiable instruments. • Section 38 of the MLTPA should be amended to allow for the seizure of currency of any amount. • Penalties for making a false declaration or failure to make a declaration should be extended to directors and senior management of legal persons. • The fine for legal persons who make a false declaration or fail to make a declaration should be made dissuasive. 	<p>Section 13 of Act 4 of 2013</p> <p>Section 13 of Act 4 of 2013</p> <p>Instructions have been given to amend section 37 to provide for penalties for making a false declaration or failure to make a declaration to be extended to directors and senior management of legal persons and for the penalty for legal persons to be dissuasive. There is a timeline of October 2013 for the amendments to be enacted.</p> <p>MLTPAA, section 18 make amendments needed to implement the two outstanding recommendations; enacted and in force 7 Feb 2014. See attached.</p>