



First Follow-Up Report

BELIZE

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BELIZE – FIRST FOLLOW-UP REPORT

I. Introduction

1. This report presents an analysis of Belize’s report to the 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 has submitted information in the attached matrix on measures taken since the adoption of the third round Mutual Evaluation Report to comply with the examiners’ recommendations. Belize was rated partially compliant or non-compliant on 14 Core and Key Recommendations and 27 other Recommendations. The Core and Key Recommendations are indicated in italics in the table below.

Table 1; Ratings of Core and Key Recommendations

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

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

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

Partially Compliant (PC)	Non-Compliant (NC)
R. 12 (DNFBP – R.5,6,8-11)	R. 8 (New technologies & non face-to-face business)
R. 15 (Internal controls, compliance & audit)	R. 9 (Third parties and introducers)
R. 16(DNFBP – R.13-15 & 21)	R. 17 (Sanctions)
R. 18 (Shell banks)	R. 19 (Other forms of reporting)
R. 21 (Special attention for higher risk countries)	R.22 (Foreign branches & subsidiaries)
R. 27 (Law Enforcement authorities)	R. 24 (DNFBP – regulation, supervision and monitoring)
R. 29 (Supervisors)	R. 25 (Guidelines & Feedback)
R. 39 (Extradition)	R. 30 (Resources, integrity and training)
SR. VI (AML requirements for money value transfer services)	R. 31 (National co-operation)
SR. IX (Cross-border Declaration & Disclosure)	R. 32 (Statistics)
	R. 33 (Legal persons – beneficial owners)
	R. 34 (Legal arrangements – beneficial owners)
	SR. VII (Wire transfer rules)
	SR. VIII (Non-profit organizations)

3. The following table gives some idea of the level of risk in the financial sector by indicating the size and integration of the sector in Belize [*Note: Belize has not provided all the necessary information yet*].

**Table 3: Size and integration of Belize’s financial sector
As at March 2011.**

		Banks	Other Credit Institutions*	Securities	Insurance	TOTAL
Number of institutions	Total #	5 - Domestic 6 - Int'l Banks (Offshore)	13 - Credit Unions 2 – Financial Institutions			
Assets	US\$	\$1,262M - Domestic Banks \$509M - Int'l Banks	\$275M - Credit Unions \$0.46M - Financial Institutions			
Deposits	Total: US\$	\$1,011M - Domestic Banks \$ 392M - Int'l Banks (Offshore)	\$217M – Credit Unions N/A.			
	% Non-resident	27.94% of deposits				
International Links	% Foreign-owned:	% of assets	% of assets	% of assets	% of assets	% of assets
	#Subsidiaries abroad					

II. Summary of progress made by Belize

4. New 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. The CFATF Secretariat has not yet undertaken a comprehensive review of the new Guidelines, but based on the information provided by the authorities in their matrix of progress, the Guidelines appear to address several shortcomings identified during the mutual evaluation in the following areas:

- a. Customer Due Diligence
- b. Politically Exposed Persons
- c. Correspondent Banking
- d. New Technologies & Non Face to Face Business
- e. Third Parties and Introducers
- f. Record Keeping
- g. Internal Controls Compliance & Audit
- h. Shell Banks
- i. Foreign Branches & Subsidiaries
- j. Wire Transfer Rules

6. The FIU submitted a Paper to Cabinet outlining actions that should be taken for Belize to become compliant with AML/CFT international standards, pursuant to the findings and

recommendations the Mutual Evaluation Report. On November 11th, 2011, the authorities informed that Cabinet has recently endorsed the FIU's submission and the pertinent government bodies are now taking the steps necessary to have the changes implemented within defined timeframes. Planned measures and dates of completion include the following:

7. A Task Force Committee chaired by the FIU and comprising of members from other agencies has been established to enhance the area of National Cooperation.

8. Handling of Mutual Legal Assistance requests is now fully within the Attorney General's Ministry. However, it is expected that foreign countries will continue to submit requests through the Ministry of Foreign Affairs due to its role in fostering diplomatic relations; and, in view of such, the two affected Ministries are streamlining a process for the transfer of requests to happen within 48 hours of receipt. Agreements between both Ministries should be documented and effected by ending of November 2011.

9. Amendments to the Money Laundering and Terrorism Prevention Act (MLTPA) have been drafted and serve to:

- a. Broaden the scope of money laundering offences and by extension predicate offences for the reporting of suspicious transactions
- b. Expand the definition of terrorist property
- c. Provide for sharing of information among local authorities
- d. Foster effective enforcement of legislation by instituting more stringent penalties & fines
- e. Insert the word "expeditiously" in the provision pertaining to rendering international assistance
- f. Provide for public delisting of persons on terrorist lists
- g. Designate the Free Zone as a Reporting Entity

10. These draft amendments are now under review and are scheduled for enactment by February 2012.

11. Registration of DNFBPs along with payment of registration fees will be mandated in a Regulation. This new registration process will be done annually with the FIU and aims to account for all DNFBPs and improve statistical compilation. Registration period will be based on the calendar year and so registration is planned for the first quarter of Year 2012 and successive years.

12. The IFSC is starting the ground work necessary to begin conducting on-site supervision of offshore practitioners. The evaluation highlighted the need for the IFSC to ascertain that practitioners are operating within the legal framework through on-site supervision. Necessary ground works include, among others:

- a. Legal amendment empowering the IFSC to conduct routine on-site supervision
- b. Budgeting for the additional costs to be incurred from this new function
- c. Recruiting competent personnel
- d. Training new recruits
- e. Formulating supervision policies and procedures

13. The authorities' aim is to have this new function up and ready to conduct a first supervision in the second quarter of 2012.

14. Budget approval has been granted for the FIU to relocate in a more spacious office building in order to accommodate the hiring of additional employees and to obtain autonomy over its information system. The FIU has already recruited an attorney and identified a qualified law enforcement officer; however, recruitment of the said officer and other needed personnel are being delayed as the present office building is not able to host them. The FIU has signed a lease

contract for office space in a building presently under construction and is expected to be fully relocated by September 2012.

15. The FIU has obtained commitment from the IMF for assistance in strengthening oversight given to DNFBBs. Drafting of Regulations is required for DNFBBs along with special provisions addressing specific business operations exclusive to only certain types of DNFBBs. The FIU is currently in communications with the IMF to obtain a definitive date by which assistance will be provided.

III. Conclusion

16. This is Belize's first follow up review. In the six months since the approval of their mutual evaluation report, the authorities have undertaken important changes to the AML/CFT Guidelines, and these (still pending review by the Secretariat) appear to address several deficiencies in key and core areas, among others.

17. Resolution of most other important weaknesses outside the preventative framework requires legislative action and/or a significant reallocation of resources. Belize has already taken steps in that direction, and has set an estimated timeframe for completion.

18. Based on the information submitted by the country, we believe that the authorities are effectively working to address the identified deficiencies, their plans and actions are going in the right direction and they are giving adequate priority to the key and core recommendations.

19. The Secretariat therefore recommends that Belize remains in its current stage of the expedited follow-up process. Their next report to Plenary would be in May 2012.

BELIZE

Matrix of Progress since the Mutual Evaluation approved in May, 2011. 3rd Round Mutual Evaluation

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. 	The FIU has compiled the necessary changes to the various laws and submitted to the Government's legal draft person. The first set of draft amendments to the various laws is now in process, with priority for completion being given to the MLTPA legislation.
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. 		
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. 	The FIU has compiled the necessary changes to the various laws and submitted to the Government's legal draft person. The first set of draft amendments to the various laws is now in process, with priority for completion being given to the MLTPA legislation.
Preventive measures				

<p>4. Secrecy laws consistent with the Recommendations</p>	<p>PC</p>	<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>5.Customer due diligence</p>	<p>NC</p>	<ul style="list-style-type: none"> No requirement for financial institutions to obtain proof of incorporation or similar evidence to verify legal status of corporate entities. No requirement for financial institutions to verify legal status of legal arrangements such as trusts. No requirement for financial institutions to take reasonable measures to understand the ownership and control structures of legal arrangements or determine who are the natural persons that ultimately own or control legal arrangements . No requirement in legislation or regulations for financial institutions to conduct ongoing due diligence on business relationships No requirement for financial institutions to ensure that documents, data or information collected under the CDD process is kept up-to-date and relevant by undertaking reviews of existing records, particularly for higher risk categories of customers or business relationships No requirement for financial institutions to perform enhanced due diligence for higher risk categories of customer, business relationship or transaction. No requirement prohibiting simplified CDD measures where there is a suspicion of money laundering or terrorist financing or specific higher risk scenarios No requirement for financial institutions when 	<ul style="list-style-type: none"> Regulation 4 of the MLPR and section 15(1) of the MLTPA should be amended to correct the inconsistency in the transaction threshold. Financial institutions should be required to obtain proof of incorporation or similar evidence to verify legal status of corporate entities.. Financial institutions should be required to verify legal status of legal arrangements such as trusts. Financial institutions should be required to take reasonable measures to understand the ownership and control structures of legal arrangements or determine who are the natural persons that ultimately own or control legal arrangements . Financial institutions should be required either in legislation or regulations to conduct ongoing due diligence on business relationships Financial institutions should be required to ensure that documents, data or information collected under the CDD process is kept up-to-date and relevant by undertaking reviews of existing records, particularly for higher risk categories of customers or business relationships Financial institutions should be required to perform enhanced due diligence for higher risk categories of customer, business relationship or transaction. Simplified CDD measures should be prohibited when there is a suspicion of money laundering or terrorist financing or specific higher risk scenarios Financial institutions should be required when 	<p>The FIU has compiled the necessary changes to the various laws and submitted to the Government’s legal draft person. The first set of draft amendments to the various laws is now in process, with priority for completion being given to the MLTPA legislation.</p> <p><i>Attached is a copy of the AML/CFT Guidelines that were passed after the Mutual Evaluation and address Customer Due Diligence.</i></p> <p>Section 15 of the MLTPA as further detailed in Section 4.2 of the Guidelines require financial institutions to identify corporate customers through name, mailing address, registered office, place of business, board resolution conferring opening of account and control/signatory on account, original certificate of incorporation, memorandum and articles of association, good standing certificate for companies in existence more than one year, shareholders and directors register, etc.</p> <p>Section 4.3.1 of the Guidelines speaks specific to trust identification and Paragraph 113 requires financial institutions to obtain documents evidencing the creation of a trust, such document commonly obtained is the trust deed.</p> <p>The documents listed above that must be obtained to identify corporations under Section 4.2 of the Guidelines also help financial institutions to understand corporate structures and identify ultimate individual owners and controllers of the corporation. The Guidelines require directors and shareholders to be known by obtaining such company registers; and when such directors or shareholders are other legal entities, financial institutions should require further documentation until the individuals are identified.</p>

		<p>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.</p> <ul style="list-style-type: none"> • No requirement for a financial institution to adopt risk management procedures concerning the conditions under which a customer may utilise a business relationship prior to verification. • No requirement for financial institutions to consider making a suspicious transaction report when terminating an application for a business relationship or a one-off transaction due to inability to identify and verify the identity of the applicant. • No requirement for financial institutions to consider making a suspicious transaction report when terminating an existing account due to inability to identify and verify the identity of the applicant • Financial institution which have doubts about the veracity or adequacy of previously obtained customer identification are not required to terminate the relationship and considering making a suspicious transaction report on failure to renew customer identification. • Unable to assess effectiveness of application of CDD measures to existing customers. 	<p>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.</p> <ul style="list-style-type: none"> • 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>Financial institutions are required to identify each shareholder, director and signatory in the same manner identification is done to open account for an individual person, i.e. passport, reference, address verification, etc. The requirements to identify ownership and control structure are also stated in Section 15(3)(c) of the MLTPA.</p> <p>Section 3.2 Paragraph 60 of the Guidelines requires a financial institution to ensure customer information collected during the due diligence process is kept up-to-date by undertaking reviews (on-going due diligence) of existing records, particularly for higher risk customers or business relationships.</p> <p>Section 3.1 Paragraph 52(ii) of the Guidelines states that a financial institution should employ enhanced due diligence procedures for high risk customers or transactions or business relationships.</p> <p>Guideline 232 allows financial institutions to apply reduced due diligence to a customer provided it is satisfied that the customer is of a risk (as defined in the Guidelines) to qualify for this treatment. Guideline 234 further restricts reduced CDD measures where there is suspicion of money laundering or terrorist financing or specific higher risk scenarios apply. Guideline 235 permits financial institutions to determine the extent of CDD measures that may be applied on a risk sensitive basis, consistent with the Guidelines. Risk Based Approach and Risk Management are also addressed in Section II of the Guidelines.</p> <p>Paragraph 57 of Guidelines requires institutions to consider making an STR due to inability to satisfactorily complete CDD measures. The said guideline also restricts institutions from opening accounts or perform transactions when CDD measures cannot be completed.</p>
6.Politically exposed persons	LC	<ul style="list-style-type: none"> • No requirement for the senior management of a reporting entity to approve continuing the relationship with an existing customer who subsequently becomes or is found to be a PEP 	<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 	<p>Guideline 178 (iv) requires senior management to approve whether to commence or continue customer relationship where a customer is found to be or becomes a PEP subsequent to account opening or</p>

		<ul style="list-style-type: none"> Some institutions did not have systems to determine whether a potential customer, a customer or beneficial owner is a politically exposed person 	<p>PEP</p> <ul style="list-style-type: none"> 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>forming of business relationship.</p> <p>Guideline 178 requires systems to be in place for institutions to determine PEPs.</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>Paragraph 192(v) of the Guidelines requires financial institutions to obtain information on regulatory action and investigation into ML/FT of respondent banks so as to ascertain the effectiveness of AML measures taken by the respondent bank.</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>Paragraph 122 of the Guidelines requires financial institutions to have policies preventing misuse of technological developments</p> <p>Paragraphs 156 – 165 of the Guidelines extensively cover requirements of financial institutions to address risks inherent in non face-to-face business</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 FATF Recs. 23, 24 and 29. Competent authorities do not take into account information available on countries which adequately apply FATF Recs in determining which countries third parties can be based. Current legislation does not address the FATF requirement for the ultimate responsibility for customer identification and verification to remain with the financial institution relying on the third party 	<ul style="list-style-type: none"> Financial institutions relying on a third party should be required to immediately obtain from the third party the necessary information concerning the elements of the CDD process in criteria 5.3 to 5.6 Third parties or intermediaries should be regulated and supervised in accordance with the requirements of FATF Recs. 23, 24 and 29. Competent authorities should take into account information available on countries which adequately apply FATF Recs in determining which countries third parties can be based. The ultimate responsibility for customer identification and verification should remain with the financial institution relying on the third party 	<p>Guideline 173 states notwithstanding any reliance on an eligible introducer’s KYC procedures, a financial institution should ensure that it immediately obtains all the relevant information pertaining to a customer’s identity.</p> <p>Guidelines 166-173 set out specific guidance on dealing with third parties and introduced business such as who can be classified as an eligible introducer, the fact that the ultimate responsibility remains with the financial institution for customer identification and verification, when to re-verify the identification documents, the documentation required to be produced, ensuring documentation is made available from the third party upon request without delay, documenting a written agreement the respective responsibilities of the two parties, the conduct of periodic reviews and when to terminate the relationship.</p>

				<p>Guideline 170 (ii) defines an eligible introducer to be, among other things, as one that is based in a country with equivalent or higher AML/CFT standards of regulation</p> <p>Paragraph 49 of the Guidelines states that a financial institution is ultimately responsible for verifying the identity of their customers and beneficial owners.</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. Licenses 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. 	<p>Guideline 221 requires a financial institution to ensure that all customer and transaction records and information on wire transfers are made available, on a timely basis, to domestic competent authorities upon appropriate authority.</p>
12.DNFBP – R.5, 6, 8-11	PC	<ul style="list-style-type: none"> Deficiencies identified in Recs.5, 6 and 8-11 in relation to the above recommendations would also be applicable to the DNFBPs since they are subject to the requirements of the MLTPA. The transaction threshold level for casinos to comply with the requirements of Rec. 5 and Rec. 10 are well above the FATF level of US\$3,000. 	<ul style="list-style-type: none"> Deficiencies identified in Recs.5, 6 and 8-11 in relation to the above recommendations would also be applicable to the DNFBPs since they are subject to the requirements of the MLTPA. Implementation of the specific recommendations in the relevant sections of this Report will also apply to listed DNFBPs The transaction threshold level for casinos should be amended in the MLTPA to comply with the requirements of Rec. 5 and Rec. 10. 	
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 	
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 	<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 	

		for reporting STRs to be available even if the underlying criminal activity is not precisely known and regardless of whether illegal activity actually occurred	secrecy for reporting STRs even if the underlying criminal activity is not precisely known and regardless of whether illegal activity actually occurred.	
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 18(1)(c) requires financial institution to establish audit function to test its AML/CFT procedures and systems and Guideline 291 requires the internal audit department of financial institutions to carry out reviews to test and evaluate how effectively compliance policies are being implemented. Such reviews should be carried out on a frequency consistent with the financial institution’s size and risk profile. The review process should identify and note weaknesses in policies and procedures, corrective measures and ensure timely follow-up of actions.</p> <p>This section of the Guidelines will be reworded to clearly communicate “timely access”</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. 	
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. 	Fines are being revisited along with amendments to the law and Guidelines
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 	Guideline 192 (iv) requires institutions to ensure that respondents do not maintain relationships with shell banks
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. 	The was considered and will be formally documented
21.Special attention for higher risk countries	PC	<ul style="list-style-type: none"> No measures in place to ensure that financial 	<ul style="list-style-type: none"> Measures should be put in place to ensure that 	Guideline 183 requires institutions to consult publicly available information and Appendix 2 of the

		<p>institutions were advised of concerns about weaknesses in the AML/CFT systems of other countries</p> <ul style="list-style-type: none"> • No mechanism to apply appropriate counter measures to countries that continue not to apply or insufficiently applies the FATF Recommendations. 	<p>financial institutions are advised of concerns about weaknesses in the AML/CFT systems of other countries</p> <ul style="list-style-type: none"> • 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>Guidelines provide examples of web sites that can be used to become aware of concerns of the systems in other countries</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. • The requirement for financial institutions to report to the designated supervisory or regulatory authority or the competent disciplinary authority where the foreign branch or subsidiary is unable to adopt and observe certain AML/CFT measures has not been imposed by the supervisory authority. 	<ul style="list-style-type: none"> • The requirement that the reporting entity should ensure that their foreign branches and subsidiaries adopt and enforce measures consistent with the MLTPA to the extent that local laws and regulations so permit should be imposed by supervisory authorities. • Financial institutions should be required to pay particular attention that their branches and subsidiaries in countries which do not or insufficiently apply FATF Recommendations observe AML/CFT measures consistent with home country requirements and the FATF Recommendations. • Financial institutions should be required, where the minimum AML/CFT requirements of the home and host countries differ, to ensure that branches and subsidiaries in host countries apply the higher standard, to the extent that host country laws and regulations permit. • 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. 	<p>The Application section of the Guidelines states that these guidelines apply to all financial institutions in Belize and financial institutions should ensure that at minimum, the guidelines are also implemented in branches and subsidiaries abroad.</p> <p>The said Application section of the Guidelines goes on to state that where standards in host countries are more rigorous, then institutions should abide by higher standards.</p> <p>The said Application section of the Guidelines continues that where laws and regulations in countries abroad prohibit implementation on these guidelines, the financial institution should immediately inform the Central Bank of such.</p>
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 	<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. 	

		<p>proper assessment.</p> <ul style="list-style-type: none"> • 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"> • 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>24. DNFBP – regulation, supervision and monitoring</p>	<p>NC</p>	<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. • 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 	<ul style="list-style-type: none"> • Casinos should be subject to a comprehensive regulatory and supervisory regime that ensures they are effectively implementing the AML/CFT measures required under the FATF Recommendations. • Designated supervisory for casinos should have the 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 • There should be adequate measures in relation to the granting of licences for gaming premises and the use of gaming machines to prevent criminals or their associates from holding or being beneficial owner of a significant or controlling interest, holding a management function in or being an operator under these licences. • 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 	

		DNFBPs except for trust and company service providers		
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 	
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 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.. 	
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 	<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 	

		involved in such activities or for evidence gathering.	persons involved in such activities or for evidence gathering.	
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 	
29.Supervisors	PC	<ul style="list-style-type: none"> IFSC does not carry out AML/CFT on-site inspections IFSC does not have the power to carry out on-site inspection except for international insurance companies The IFSC can only access or compel production of records from licensees under the MFA and the IIA. 	<ul style="list-style-type: none"> The IFSC should implement AML/CFT on-site inspections of its reporting entities IFSC should have the power to carry out on-site inspection of all its reporting entities. The IFSC should have access or be able to compel production of records from all its reporting entities. 	
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.. Comprehensive statistics are not maintained at the FIU that would lend to analysis efforts, identification of trends, typologies and techniques. 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 	<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. The FIU should consider providing its own IT service by either employing an IT Administrator or training someone in-house to carry out these functions, in the process relinquishing the reliance on Central Bank IT staff. 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. The FIU should consider the implementation (procurement) of a database system to store its STR and other data as well as analytical tools to assist its Financial Investigators with their analysis. 	

		<p>facilitate effective enforcement of Customs Act.</p> <ul style="list-style-type: none"> • 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. • 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"> • 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. • The background of prospective Customs officers applying for employment is investigated prior to employment but there is no continuous vetting of staff to ensure that they maintain high professional standards. • 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 collaborating with the FIU in joint investigations. • 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. 	
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			<ul style="list-style-type: none"> 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. 	
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. 	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
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 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>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 on a regular basis 	
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. 	<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 	

		<ul style="list-style-type: none"> • 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"> • 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 	
34. Legal arrangements – beneficial owners	NC	<ul style="list-style-type: none"> • Registration of domestic trusts is optional and the register is not open to public inspection. • No requirements for financial institutions to verify legal status of legal arrangements such as trusts. • The register of international trusts is inadequate as it does not include information on beneficiaries of trusts. • Scope and reliability of information on domestic and international trusts maintained by relevant DNFBPs and trust agents respectively is doubtful since there is no inspection regime to verify the information.. • Neither the register of international foundations nor registered agents are required to maintain adequate information on the control of foundations. 	<ul style="list-style-type: none"> • The authorities should consider making it a legal requirement for the registration of all domestic trusts created under the TA • Financial institutions should be required to verify the legal status of legal arrangements such as trusts. • The register of international trusts should include information on beneficiaries of trusts. • 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 	
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. 	
36. Mutual legal assistance (MLA)	LC	<ul style="list-style-type: none"> • The Belize/USA Treaty Act does not provide that a request for mutual legal assistance cannot be denied on the ground of secrecy or confidentiality. 	<ul style="list-style-type: none"> • The authorities should consider amending the Belize/USA Treaty Act to provide that a request for mutual legal assistance cannot be denied on the ground of secrecy or confidentiality. • The authorities should consider establishing a single 	

		<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>competent authority for the receipt and processing of requests for mutual legal assistance.</p> <ul style="list-style-type: none"> • The authorities should consider making arrangements for the best venue for prosecuting defendants in cases where such may be facilitated in more than one country. • The authorities should consider creating a single mutual legal assistance statute in Belize for consistency and convenience and in an effort to avoid confusion. • The authorities should consider amending section 76 of the MLTPA to include a range of safeguards for the rights of persons who may be subject to requests for mutual legal assistance. • The authorities should consider equipping the competent authority with the appropriate tools to efficiently manage requests for mutual legal assistance. 	
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 		
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 		
39.Extradition	PC	<ul style="list-style-type: none"> • The procedures for extradition are long and unwieldy. • Belize has only concluded extradition treaties with the USA and Guatemala. • Effective implementation is adversely affected by the competent authority not being appropriately equipped 	<ul style="list-style-type: none"> • The authorities should consider enacting a single Extradition Act that seeks to simplify and expedite the procedures for extradition applications in Belize whilst safeguarding the rights of the defendant. • 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	
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 	
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. 	
SR.II Criminalise terrorist financing	PC	<ul style="list-style-type: none"> The definition of the term “funds” does not include the qualifying phrase or the qualifying term “in any form including electronic or digital” into the description of legal documents and instruments that prove a defendant’s title or interest in property. Prosecution of the range of ancillary offences set out under section 68(2) of the same Act is not exempt from being required to establish that funds provided by the defendant were actually used in the commission of a terrorist act. No provision for the prosecution of a defendant who commits an ancillary terrorist financing offence in another jurisdiction. The DPP and the FIU’s parallel jurisdiction to prosecute financing of terrorism matters in Belize could adversely affect implementation.. 	<ul style="list-style-type: none"> The authorities should consider amending the definition of the word “funds” in section 2 (1) of the MLTPA to incorporate the qualifying terms “however acquired” and “in any form including electronic or digital” into the description of legal documents and instruments that prove a defendant’s title or interest in property. The authorities should consider amending section 68(3) of the MLTPA to include the range of ancillary offences set out under section 68(2) of the same Act. The authorities should consider amending section 68(1)(b) of the MLTPA to provide for the prosecution of a defendant who commits an ancillary terrorist financing offence in another jurisdiction. The authorities should consider making legislative amendments that would remove the constitutional concerns relating to the DPP and FIU’s parallel jurisdiction to prosecute financing of terrorism 	

			<p>matters in Belize.</p>	
<p>SR.III Freeze and confiscate terrorist assets</p>	<p>PC</p>	<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. • There is no legislative or other provision that enables the authorities to publicly delist persons or entities 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 	<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. • The definition of terrorist property in the MLTPA should extend to property jointly owned or controlled directly or indirectly by terrorists, those who finance terrorism or terrorist organisations or property derived or generated from funds or other assets owned or controlled directly or indirectly by terrorists, those who finance terrorism or terrorist organisations • The authorities should consider amending section 40 (2) of the MLTPA to exclude from its ambit the reasonable living expenses of an applicant’s dependants and an applicant’s debts incurred in good faith. • Designated supervisory authorities should be required to monitor compliance with the provisions concerning SRIII • The authorities should consider providing reporting entities with clear guidance as it relates to their obligations for the freezing of funds belonging to terrorists on the United Nations designated list. • The authorities should consider amending section 67 (1) of the MLTPA to enable an affected party to apply to the court for relief against an order seizing and 	<p>The FIU has compiled the necessary changes to the various laws and submitted to the Government’s legal draft person. The first set of draft amendments to the various laws is now in process, with priority for completion being given to the MLTPA legislation.</p>

		<p>it relates to their obligations for the freezing of funds belonging to terrorists on the United Nations designated list.</p> <ul style="list-style-type: none"> • 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 	<p>detaining terrorist cash.</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. 		
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>The FIU has compiled the necessary changes to the various laws and submitted to the Government’s legal draft person. The first set of draft amendments to the various laws is now in process, with priority for completion being given to the MLTPA legislation.</p>
SR.VI AML requirements for money/value transfer services	PC	<ul style="list-style-type: none"> • Supervisory fines under the MLTPA are not dissuasive for financial institutions • Number of inspections suggest ineffective monitoring. 	<ul style="list-style-type: none"> • Supervisory fines under the MLTPA should be dissuasive 	<p>Fines are being revisited along with legal amendments</p>
SR.VII Wire transfer rules	NC	<ul style="list-style-type: none"> • Definition of originator information does not include the originator’s address • No provision for a receiving intermediary 	<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 	<p>Guideline 209 defines originator information to include address or date and place of birth or national identity number</p>

		<p>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.</p> <ul style="list-style-type: none"> • 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 	<p>place of birth</p> <ul style="list-style-type: none"> • 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>Guideline 219 requires retention of information for at least 5 years.</p> <p>Guideline 217 provides for procedures where there are technical limitations in transmitting complete originator information</p>
<p>SR.VIII Non-profit organisations</p>	<p>NC</p>	<ul style="list-style-type: none"> • There has been no review of the adequacy of Belize’s laws and regulations relating to NPOs to determine the sector’s susceptibility to being used by terrorist organisations or for terrorist activities. • There has been no outreach programme to the NPO sector in Belize to raise awareness about the risks of terrorist abuse and the available measures to protect against such abuse and promote transparency, accountability, integrity and public confidence in the administration and management of all NPOs.. • No monitoring or supervision of NPOs and churches incorporated under the Companies Act • There is presently no legislation in Belize that authorises public access to NGO information duly retained by the RNGO. • There is no legislation that imposes other criminal, civil or administrative sanctions for violations of oversight measures or rules relating to NGOs further to those prescribed under section 18 of the NGOA. • There is no legislation that requires NGOs to 	<ul style="list-style-type: none"> • The authorities should consider undertaking a review of the adequacy of Belize’s laws relating to NPOs with a view to determine the sector’s susceptibility to being used by terrorist organisations or for terrorist activities. • The authorities should consider implementing an outreach programme to the NPO sector Belize to raise awareness about the risks of terrorist abuse and the available measures to protect against such abuse and promote transparency, accountability, integrity and public confidence in the administration and management of all NPOs. • The authorities should implement measures to monitor or supervise NPOs and churches incorporated under the Companies Act • The authorities should promulgating legislation that authorises public access to NGO information duly retained by the registrar. • The authorities should consider promulgating legislation that imposes other criminal, civil or 	

		<p>maintain records of their domestic and international transactions for a minimum period of five years.</p> <ul style="list-style-type: none"> • No measures to ensure effective cooperation, coordination and information sharing between the FIU and the RNGO. 	<p>administrative sanctions for violations of oversight measures or rules relating to NGOs further to those prescribed under section 18 of the NGOA.</p> <ul style="list-style-type: none"> • 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>SR.IX Cross Border Declaration & Disclosure</p>	<p>PC</p>	<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>The FIU has compiled the necessary changes to the various laws and submitted to the Government’s legal draft person. The first set of draft amendments to the various laws is now in process, with priority for completion being given to the MLTPA legislation.</p> <p>Fines and Penalties are being revisited along with legal amendments.</p>