



BELIZE

**INTERNATIONAL LIMITED LIABILITY
COMPANIES ACT
CHAPTER 270:01**

REVISED EDITION 2020

**SHOWING THE SUBSTANTIVE LAWS AS AT
31ST DECEMBER, 2020**

This is a revised edition of the Substantive Laws, prepared by the Law Revision Commissioner under the authority of the Law Revision Act, Chapter 3 of the Substantive Laws of Belize, Revised Edition 2020.



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CHAPTER 270:01

INTERNATIONAL LIMITED LIABILITY COMPANIES

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CHAPTER 270:01

INTERNATIONAL LIMITED LIABILITY COMPANIES

13 of 2011.

[31th December, 2011]

PART I

Preliminary

Short title. **1.** This Act may be cited as the International Limited Liability Companies Act.

Interpretation. **2.** In this Act, unless the context otherwise requires,

“articles of organisation” means the article of organisation filed with the Registrar for the purpose of forming an international limited liability company as specified in section 14 of this Act;

“assignee” means any person who acquires in any manner the ownership of an interest in a limited liability company but who has not been admitted as a member;

“beneficial owner” means a person who enjoys all the rights and benefits associated with the ownership of property or an interest in property but who may not necessarily be registered or listed as the legal owner of such property or interest in such property;

“business” means any lawful activity, including ownership of real or personal property, whether or not engaged in for profit;

“capital account” means a separate account maintained for each member; the capital account of each member shall consist of the fair market value of such member’s original capital contribution, increased by (1) additional capital contributions

and, (2) such member's share of company profits and decreased by (a) distributions to such member of cash or other property and (b) such member's share of company losses;

"Commission" means the International Financial Services Commission, established under the International Financial Services Commission Act, Cap. 272;

"contribution" or "capital contribution" means anything of value which a person may contribute to a limited liability company as a prerequisite for or in connection with membership, including cash, property, or services rendered or a promissory note or other binding obligation to contribute cash or property or to perform services;

"control" means the power, directly or indirectly, to appoint or remove a majority of the managers of a limited liability company or to exercise ten *per centum* or more of the voting power at a general or special meeting of members of such company;

"Court" means the Supreme Court of Belize;

"distribution" means a transfer of money, property or other benefit from a limited liability company to, or for the benefit of, a member in the capacity as a member, or to, or for the benefit of, an assignee of a member's interest in a limited liability company, in respect of a limited liability company interest;

"dollar" or "\$" means dollar in the currency of the United States of America unless specifically provided otherwise;

"entity" means a body corporate or un-incorporate;

"event of duress" means the occurrence of any of the following,

- (a) war or civil disturbance that directly or indirectly endangers or may endanger the safety of any money, investments, or property that may be included in or form part of the company property;
- (b) political action anywhere in the world, regardless of whether (1) instigated by any government, political organisation, or individual, or (2) constitutional or otherwise, which directly or indirectly will or may endanger the safety of any money, investments, or property that may be included in or form a part of the company property;
- (c) the enactment, passage or issuance anywhere in the world of any law, regulation, decree, or measure that directly or indirectly will or may expropriate, sequester, or in any way control, restrict, or prevent the free disposal by the company of any money, investments, or property that may be included in or form a part of the company property;
- (d) action or threat of action anywhere in the world by any government department, agency, or any official purporting to act on the instructions and with the authority of such government department, or agency, which directly or indirectly will or may expropriate, sequester, levy, lien, or in any way control, restrict, or prevent the free disposal by the company of any money, investments, or property that may from time to time be included in or form a part of the company property;
- (e) a claim, order, decree, or judgment or threat of any order, decree or judgment of any court

or tribunal anywhere in the world that directly or indirectly will or may expropriate, sequester, levy, lien, or in any way control, restrict, or prevent the free disposal by the company of any money, investments, or property that may from time to time be included in or form part of the company property and any distribution therefrom;

- (f) a claim, litigation or threat of litigation anywhere in the world that directly or indirectly may result in any order, decree, or judgment of any court or tribunal which directly or indirectly will or may expropriate, sequester, levy, lien, or in any way (i) control, restrict, or prevent the free disposal by the company of any money, investments, or property that may from time to time be company property; or (ii) violate this Act;

“financial institution” means a bank or financial institution as defined in the Banks and Financial Institutions Act, Cap. 263 or the International Banking Act, Cap. 267, and includes brokerage firms and insurance companies;

“foreign limited liability company” means a limited liability company of similar nature to that herein defined, formed under the laws of any jurisdiction other than Belize;

“limited liability company” or “company” or “LLC” means an international limited liability company organised and existing under this Act;

“manager” means the person or persons entitled to manage a limited liability company pursuant to section 63 of this Act;

“member” means a person with an ownership interest in a limited liability company with the rights and obligations specified under this Act;

“membership interest” means a member’s share of the profits and losses of a limited liability company and the right to receive distributions of the limited liability company’s assets;

“membership rights” means all of the rights of a member in a company including membership interest, voting rights and any other rights or interest arising from or incidental to being a member whether prescribed in this Act or in an operating agreement or otherwise at law;

“Minister” means the Minister for the time being responsible for international financial services;

“operating agreement” means any valid agreement of all of the members as to the affairs of a limited liability company and the conduct of its business; and in the case of a limited liability company that has a single member, any written statement and any amendments thereto of the member in good faith purporting to govern the affairs of a limited liability company or the conduct of its business as of the effective time of the statement;

“person” means a natural person or a legal person;

“real property” includes land, any interest whether leasehold or other estate in the land, and any improvements on it;

“Register” means the Register of International Limited Liability Companies maintained by the Registrar;

“registered agent” means a person licensed to conduct company formation or management services under the provisions of the International Financial Services Commission Act, Cap. 272;

“registered mail” means any form of mail that enables a person to track such mail together with a receipt on delivery and includes mail sent by express but it does not include electronic mail;

“registered office” means the office of the registered agent of the limited liability company;

“Registrar” means Registrar of International Limited Liability Companies appointed pursuant to section 28 of this Act;

“resident” means resident for the purposes of the Income and Business Tax Act, Cap. 55 and the Exchange Control Regulations Act, Cap. 52;

“succession committee” means a committee of one or more members of the limited liability company, appointed by the Manager pursuant to section 68 of this Act;

“termination of a member’s interest” means a complete cessation of a member’s continued membership in a limited liability company for any of the reasons enumerated in section 59 of this Act;

“transfer” by a member of his interest in the limited liability company means any sale, assignment, pledge, hypothecation, gift, bequest, or other voluntary disposition of such member’s interest or any part thereof or any interest therein, but it does not include an involuntary transfer, transfer by inheritance other than by specific bequest, or transfer by operation of law.

3. This Act shall apply to limited liability companies formed under, subject to, or continued under this Act.

Application.

4.-(1) Whenever any provision of this Act requires any instrument to be filed with the Registrar, such instrument shall comply with the provisions of this section unless otherwise expressly provided by another law in Belize.

Form of instruments; filing.

(2) Every instrument referenced herein, filed or required to be filed, shall be,

(a) in English, except that the company name may be in another language if written in

English letters or characters as provided in section 17(2) of this Act; or

- (b) accompanied by a certified English translation, if the instrument is not in English.

(3) For the purpose of this Act, a certified translation is a translation in the English language, certified as true and correct by a translator, to the satisfaction of the Registrar.

(4) All instruments shall be signed by the registered agent or a manager duly authorised by the limited liability company to sign such instruments on behalf of the limited liability company, or such other person duly delegated such authority by the manager or managers in whom such authority resides.

(5) Whenever any provision of this Act requires an instrument to be acknowledged, such requirement means,

- (a) the person signing the instrument shall acknowledge that it is his act and deed or that it is the act and deed of the limited liability company, as the case may be; and
- (b) the instrument shall be acknowledged before a notary public, commissioner of oaths or other person authorised to take acknowledgments, who shall attest that he knows the person making the acknowledgment to be the person who executed the instrument.

(6) Whenever any provision of this Act requires any instrument to be filed with the Registrar, such requirement means that,

- (a) an original and a duplicate copy of the signed instrument together with the appropriate fee shall be delivered to the Registrar;

- (b) upon delivery of instruments in subsection(6)(a) of this section, together with the required fees to the Registrar, the Registrar shall certify that the instrument has been filed in his office by endorsing the word “Filed” and affixing the date on the original instrument; the said date shall be the filing date;
- (c) the Registrar shall ensure the instruments are in conformity with the provisions of this Act and shall compare the duplicate signed and acknowledged copy with the original signed and acknowledged instrument, and if it is found that the text is identical, shall affix on the duplicate copy the same endorsement of filing as affixed on the original; the Registrar shall retain the signed original in the Registrar’s files and return the duplicate copy to the registered agent; the endorsement constitutes a certificate from the Registrar that the document is a true copy of the instrument filed and that it was filed as of the date stated in the endorsement;
- (d) any instrument filed in accordance with this subsection shall be effective as of the filing date stated thereon; and
- (e) no person is affected by or is presumed to have notice or knowledge of the contents of a document concerning a limited liability company by reason only that the document has been filed with the Registrar and is available for inspection at any office of the limited liability company.

(7) If the Registrar is unable to make a determination that the documents are in conformity with the relevant provisions

of this Act at the time any documents are delivered for filing, the documents are deemed to have been filed at the time of delivery if the Registrar subsequently determines either of the following,

- (a) the documents as delivered conform to the provisions of this Act; or
- (b) within twenty days after the Registrar gives notice of nonconformity to the person who delivered the documents for filing or the person's representative, the documents are brought into conformity.

(8) If the documents are not brought into conformity under the provisions of subsection (7) of this section, then the articles shall be deemed filed on the date of conformity without regard to when they were delivered for filing, and shall be so stamped or endorsed by the Registrar.

(9) A document may specify a delayed effective time or date, or both, and is effective at that specified time and date. If the document specifies a delayed effective date but does not specify the time, the document is effective on the specified date at 12:01 a.m. local time. A delayed effective date for a document may not be later than the ninetieth day after the date the document is delivered to the Registrar for filing.

(10) Any instrument relating to a limited liability company and filed with the Registrar under this Act may be corrected with respect to any error apparent on the face or defect in the execution thereof by filing with the Registrar a certificate of correction, executed and acknowledged in the manner required for the original instrument. The certificate of correction shall specify the error or defect to be corrected and shall set forth the portion of the instrument in correct form. The corrected instrument when filed shall be effective as of the date the original instrument was filed.

5. All certificates issued by the Registrar in accordance with the provisions of this Act and all copies of documents filed in his office in accordance with the provisions of this Act shall, when certified, be taken and received in all courts, public offices and official bodies within Belize as *prima facie* evidence of the facts therein stated and of the execution of such instruments.

Certificates or certified copies as evidence.

6.-(1) The Minister is hereby authorised to promulgate by regulations and shall so promulgate a schedule of fees for the filing and issuance of documents under this Act. Fees payable in respect of this Act shall be payable to the Registrar in dollars, or upon the authorisation of the Minister, in any other currency.

Fees on filing articles of organisation and other documents.

(2) Fees for certifying copies of documents, for filing, recording or indexing papers, and fees for searching the records of any limited liability company with the Registrar shall also be prescribed by the Minister by regulations and payable to the Registrar.

7. Every limited liability company shall pay to the Registrar an annual fee and such other fees as prescribed in the regulations required to be issued by the Minister under this Act.

Annual registration fee.

8. Any notice or information required to be given to members shall be provided in the manner designated in the limited liability company's operating agreement or, if the notice can no longer be provided as stated therein, the notice shall be published in a publication of general circulation in Belize and in such location where the limited liability company has a place of business, if any. A member may waive a notice or information required to be given to members by delivering a written waiver of notice to the manager.

Notice to members.

9.-(1) A limited liability company shall keep at the office of its Registered Agent the following,

Records to be kept; inspection rights of members.

- (a) a current list of the full name and last known business, residence or mailing address of each member and manager;
- (b) a copy of the initial articles of organisation and all amendments thereto;
- (c) copies of all operating agreements (if any) and all amendments thereto, including any prior operating agreements no longer in effect;
- (d) copies of any agreements relating to capital contributions as described in writing in section 41 of this Act;
- (e) copies of all membership certificates issued, if any (but membership certificates shall not be required);
- (f) an impression of the limited liability company seal, if any (but a limited liability company shall not be required to obtain a seal); and
- (g) such other documents required by any law in Belize to be kept by the registered agent.

(2) If any of the documents enumerated in subsection (1) of this section are not kept at the office of the registered agent, then the registered agent must be kept informed of their location and contents at all times.

(3) Each member and manager of a limited liability company has the right, subject to reasonable standards (including standards governing what information and documents are to be furnished, at what time, and location and at whose expense) as may be specified in the operating agreement or otherwise established by the manager, or if there

is no manager, then by the members, to inspect and obtain from the limited liability company from time to time upon reasonable request for any purpose reasonably related to the member's interest as a member or manager of the company,

- (a) a copy of the limited liability company records required to be maintained by this section;
- (b) inspect and copy other information regarding the affairs of the limited liability company as is just and reasonable for any purpose reasonably related to the member's interest.

10. Limited liability companies may be organised under this Act for any lawful business or other purpose or purposes, including, without limitation, the rendering of professional services by or through its members, managers, officers or agents, subject to any licensing or registration requirements applicable in any jurisdiction in which the services are rendered or in which such persons are licensed or registered.

Purposes.

11. Subject to any limitations provided in this Act or any other law of Belize or its articles of organisation or operating agreement, every limited liability company shall have the same powers as a natural person, body corporate or unincorporated entity to do all things necessary or convenient in furtherance of its purposes irrespective of company benefit and whether or not enumerated in its articles of organisation.

General powers of a limited liability company.

12.-(1) Any dispute between or among parties to an operating agreement or between or among the members and managers of any limited liability company operating under this Act shall be resolved by the Supreme Court and any appellate court having jurisdiction over Belize.

Resolution of disputes.

(2) A court of competent jurisdiction shall resolve any dispute between the members or managers or the limited liability company and a third person or persons other than

those provided in section 36 dealing with charging orders and judgment creditors.

Unauthorised
assumption of
powers.

13. Every person who assumes to act on behalf of a limited liability company without authority to do so and without good faith and belief that he has such authority shall be personally liable (if there is more than one such person, jointly and severally liable) for all debts and liabilities incurred by that person whilst so acting.

PART II

Formation and Articles of Organisation

Formation.

14.-(1) A registered agent acting on behalf of one or more persons (and if natural persons, 18 years of age or older) who do not reside in Belize may organise a limited liability company by executing and delivering articles of organisation to the Registrar as specified in section 20 of this Act. The person or persons on whose behalf the Registered Agent is acting need not be members of the limited liability company either at the time of formation or afterwards.

(2) A limited liability company shall be a legal entity with separate rights and liabilities distinct from its members and managers. Any estate or interest in property may be acquired, held or conveyed in the name of the Limited Liability Company and title to any estate or interest so acquired shall vest in the limited liability company.

Restriction on
business in
Belize.

15.-(1) A limited liability company formed under this Act shall not,

- (a) carry on business in or with persons resident in Belize; or

- (b) own an interest in real property situate in Belize, other than a lease referred to in subsection (2)(e) of this section;
- (c) hold shares, stock, debt obligations or other securities in a company incorporated under the Companies Act, Cap. 250 or under any enactment amending or substituting the said Act; or
- (d) issue its shares, stock, debt obligations or other securities to any person resident in Belize or to any company incorporated under the Companies Act, Cap. 250 or under any enactment amending or substituting the said Act.

(2) For purpose of subsection (1) (a) of this section, a limited liability company shall not be treated as carrying on business in or with persons resident in Belize by reason only that,

- (a) it makes or maintains deposits with a company incorporated in Belize and carrying on a banking business within Belize;
- (b) it makes or maintains professional contact with solicitors, barristers, accountants, bookkeepers, trust companies, administration companies, investment advisers or other similar persons carrying on business within Belize;
- (c) it prepares or maintains books and records within Belize;
- (d) it holds, within Belize, meetings of its officers or members;

- (e) it holds a lease of property for use as an office from which to communicate with members or where books and records of the company are prepared or maintained; or
- (f) it owns a vessel or vessels registered in Belize in accordance with the Merchant Ships (Registration) Act, Cap. 236, or any Act in substitution of the said Act.

Duration. **16.** A limited liability company formed under this Act continues perpetually, unless otherwise provided in its articles of organisation, or until the limited liability company is dissolved and terminated in accordance with the provisions of this Act.

Name. **17.-(1)** Except as otherwise provided in this section, the name of a limited liability company,

- (a) shall contain the words “limited liability company” or the abbreviation “LLC”, or “L.L.C.”,
- (b) shall not be the same as or substantially similar to the name of a limited liability company as such name appears on the index of names of existing limited liability companies, or on the reserved name list maintained by the Registrar or a name so similar to any such name as to tend to confuse or deceive; and
- (c) shall not be a name prohibited,
 - (i) by any other law in force in Belize; or
 - (ii) by regulations made by the Minister under section 104 of this Act.

(2) The name of a limited liability company shall be in Roman script, but a limited liability company may elect to use as an alternative name an accurate translation of the name registered in Roman script, and which name may be expressed in any script. For the purpose of satisfying the filing requirements under this Act, a limited liability company shall use the name as expressed in Roman script, but in any dealings with third parties the limited liability company may use the alternative name in the form submitted to the Registrar at the time of formation.

(3) A limited liability company which acquires upon a sale, lease, or other disposition to or exchange with another limited liability company, all or substantially all of the assets of that other limited liability company, including its name, may have the name of that limited liability company with one or more words added, altered, or deleted to make such name distinguishable from the name as used by the other limited liability company if that other limited liability company was organised under this Act.

(4) No limited liability company shall be formed under this Act under a name that,

- (a) contains the words “Building Society”, “Chamber of Commerce”, “Chartered”, “Cooperative”, “Imperial”, “Municipal”, “Royal”, or a word conveying a similar meaning, or any other word that, in the opinion of the Registrar, suggests or is calculated to suggest,
 - (i) the patronage of Her Majesty or that of a member of the Royal Family; or
 - (ii) a connection with the Government of Belize or a department, agency, authority or branch thereof, any political party or any professional

association recognised by the laws of Belize;

- (b) is indecent, offensive or, in the opinion of the Registrar, objectionable; or
- (c) contains the words “Assurance”, “Bank”, “Insurance” or “Trust”, or any or their derivatives or cognate expressions, unless it is licensed under an enactment authorising it to carry on such business or activities.

(5) The Minister may issue regulations in respect of names that are prohibited or otherwise restricted under this Act.

Register of names.

18. The Registrar shall keep an alphabetical index of all reserved names and the names of all limited liability companies subject to this Act together with any other names required to be kept by the Registrar by law.

Reservation of name.

19.-(1) A registered agent may reserve a name with the Registrar provided such reservation is made in accordance with this section and is made in good faith for subsequent use in the formation of a limited liability company under this Act or for use in changing the name of a limited liability company already subject to this Act. A name may be reserved under Part VIII by a foreign limited liability company which has filed for a transfer of domicile to Belize.

(2) An application to reserve a name shall be delivered to the Registrar together with the required fee. Such application shall set forth,

- (a) the name or names to be reserved in order of preference;
- (b) the name and address of the registered agent submitting the application;

- (c) whether the application is for a renewal of an already reserved name;
- (d) the type of business the limited liability company proposes to carry on, if any;
- (e) any derivation of the name to be reserved;
- (f) if the application is for a name change, the present name of the company; and
- (g) whether the application is for a foreign limited liability company that has filed for a transfer of domicile to Belize.

(3) Provided the name to be reserved is available for use, the Registrar shall enter the name upon the reserved name list and issue a certificate of name reservation in the name of the applicant or in the name designated by the applicant. The certificate of name reservation shall set forth,

- (a) the information contained in the application therefor;
- (b) the date the name was entered upon the reserved name list, which date shall be the date of reservation; and
- (c) a statement that the certificate is non-transferable.

(4) Commencing from the date of reservation, the name reserved will be maintained upon the reserved name list by the Registrar and shall not be used except by the person, in whose name the certificate of name reservation has been issued. Such reservation shall terminate upon the expiry of 90 days after date of reservation unless sooner renewed. Upon payment of the required fees, the reservation shall be renewed with the Registrar for no more than two periods of 90 days each. An

appropriate receipt for the required fees shall be presented along with the certificate of name reservation to be proof of the extension of the reservation.

(5) The certificate of name reservation and any renewals thereof shall be submitted to the Registrar at the time the name reserved is utilised by the person, in whose name such certificate of name reservation has been issued.

Contents of
articles of
organisation.

20.-(1) The articles of organisation shall state,

- (a) the name of the limited liability company;
- (b) the name, address and signature of the registered agent in Belize;
- (c) the name and address of the person who signed the articles of organisation;
- (d) the latest date, if any, on which the limited liability company must dissolve, or be terminated; and
- (e) any restrictions on the business that the limited liability company may carry on.

(2) The articles of organisation shall also make one of the following statements,

- (a) management of the limited liability company is vested in a manager or managers; or
- (b) management of the limited liability company is reserved to the members.

(3) The articles of organisation may include any other provision that is consistent with the law, including any provisions under this Act that are required or permitted to be

set out in an operating agreement of the limited liability company.

21. Two copies of the articles of organisation shall be signed by the person or persons forming the limited liability company as authorised by section 14 of this Act and shall be filed with the Registrar in conformity with the provisions of section 4 of this Act.

Execution and filing of articles of organisation.

22.-(1) A limited liability company is formed when the articles of organisation are delivered to the Registrar for filing, if all the provisions for filing are satisfied under this section or at such time as all the documents are brought into conformity as provided in section 4 of this Act. When a company is formed under the provisions of this Act, the Registrar shall issue a certificate of organisation and the date on such certificate shall be the date on which the articles of organisation were filed on such other date as provided in section 4.

Date limited liability company comes into existence.

(2) A copy of the certificate of organisation marked with the filing date is conclusive evidence that all conditions precedent required to be performed by the organisers have been complied with and that the limited liability company has been legally organised and formed under this Act.

23. Articles of organisation that are on file with the Registrar constitute notice that the limited liability company is a limited liability company validly formed under this Act.

Notice of existence of limited liability company.

24.-(1) The first certificate of organisation shall be valid for 12 months from the date of filing and shall be renewable thereafter for further periods of 12 months from each anniversary of the date of filing. Upon payment of the prescribed fee, a renewal certificate shall be issued by the Registrar within 14 days or as soon thereafter as practicable.

Term and renewal of certificate of organisation.

(2) Until such time as a limited liability company is dissolved pursuant to the provisions of this Act, the limited liability company shall continue its corporate existence

(without rendering defective any legal or other proceedings instituted against the limited liability company or affecting any property, rights, powers, authorities, duties, functions, liabilities or obligations of the limited liability company or any other person) notwithstanding that the certificate of organisation of the limited liability company may have expired and not been renewed within the time specified in this section.

Amendment of articles of organisation.

25.-(1) The articles of organisation of a limited liability company may be amended by filing with the Registrar an original and one copy of articles of amendment, signed on behalf of the limited liability company by its registered agent. The articles of amendment shall set forth,

- (a) the name of the limited liability company, and if it has been changed, the name under which it was formed;
- (b) the date the initial articles of organisation were filed;
- (c) the amendment to the articles of organisation.

(2) A limited liability company shall amend its articles of organisation within thirty days after any information in its articles of organisation has changed.

(3) A limited liability company may amend its articles of organisation if its articles of organisation as amended contain only provisions that may be lawfully contained in the articles of organisation at the time of making the amendment. In particular and without limitation to the general power of amendment, a limited liability company may amend its articles of organisation,

- (a) to change the name of the limited liability company;

- (b) if management is vested in the members of a limited liability company, to vest management of the limited liability company in one or more managers;
- (c) if management is vested in one or more managers, to vest management of the limited liability company in the members;
- (d) to make changes to the articles of organisation of the limited liability company in respect of restrictions on the business it may conduct or to change the date on which it must disclose such restrictions or be terminated.

(4) No amendment shall affect any existing cause of action or provision in favour of or against the limited liability company, or any pending suit to which it may be a party, or the existing rights of members or persons other than members; and in the event the limited liability company's name shall be changed, no suit brought by or against the limited liability company or judgment obtained against the limited liability company under its former name shall abate for that reason.

26.-(1) At any time after its articles of organisation have been amended, a limited liability company may by action of its managers, without necessity of vote of the members, cause to be prepared "Restated Articles of Organisation", which will integrate into one document its original articles of organisation (or articles of consolidation) and all amendments thereto, including those affected by articles of merger.

Restated articles of organisation.

(2) The restated articles of organisation shall be executed and filed in the same manner as articles of amendment. Restated articles of organisation shall be specifically designated as such in the heading and shall state either in the heading or in an introductory paragraph the limited liability company's present name and, if it has been changed, all of its

former names and the date of the filing of its initial articles of organisation. The restated articles shall also state that it is merely restating and not changing the provisions of the initial articles of organisation as amended and that there is no discrepancy between the initial articles as amended and the restated articles.

Registered agent
for service of
process.

27.-(1) A limited liability company subject to this Act shall at all times have a registered agent resident in Belize. A limited liability company which fails to maintain a registered agent in Belize shall be in contravention of this Act and be dissolved and struck from the Register in accordance with section 72 of this Act.

(2) Service of process on a registered agent may be made as provided by the laws of Belize for the service of process.

(3) Any registered agent of a limited liability company may resign as such upon filing a written notice thereof, executed in duplicate, with the Registrar, who shall cause a copy thereof to be sent by registered mail to the limited liability company at the address of the office of the company or, if none, at the last known address of a manager or member. No designation of a new registered agent shall be accepted for filing unless all charges owing to the former agent or to the government of Belize shall have been paid.

(4) A designation of a new registered agent under this section may be made, revoked, or changed by the limited liability company by filing an appropriate notification with the Registrar.

(5) The designation of the previous registered agent shall terminate upon the expiration of thirty days written notice of resignation directed to the limited liability company and the filing of a copy of such notice of resignation with the Registrar; or sooner if a successor agent is designated.

(6) A registered agent, when served with process, notice or demand for the limited liability company which he represents, shall transmit the same to the limited liability company by personal notification or in the following manner: Upon receipt of the process, notice or demand, the registered agent shall cause a copy of such process, notice or demand to be mailed to the limited liability company named therein at its last known address, and to a manager at his last known address; and if no manager, to a member at his last known address. Such mailing shall be by registered mail. As soon thereafter as possible, the registered agent may file with the clerk of the court issuing the process either the receipt of such registered mailing or an affidavit stating that such mailing has been made, signed by the registered agent, or if the agent is a corporation, by a properly designated officer of the same, properly notarised. Compliance with the provisions of this section shall relieve the registered agent from any further obligation to the limited liability company for service of the process, notice or demand, but the agent's failure to comply with the provisions of this section shall in no way affect the validity of the process, notice or demand.

PART III

Registrar of Limited Liability Companies

28.-(1) The Minister shall appoint a Registrar of Limited Liability Companies to carry out the duties and functions vested in the Registrar by or under this Act or any other law.

Appointment of Registrar.

(2) Until the Minister makes an appointment pursuant to subsection (1) of this section, the Director General of the Commission shall be the Registrar of Limited Liability Companies.

(3) Any functions of the Registrar under this Act may, to the extent authorised by him, be exercised by any officer on his staff.

Official seal.

29.-(1) The Registrar shall procure that an official seal be prepared for use by the Registrar in the authentication or other issue of documents required under this Act.

(2) All courts, judges and persons acting judicially shall take judicial notice of the signature and seal of the Registrar.

Powers of the Registrar.

30.-(1) The Registrar shall have the powers reasonably necessary to perform the duties required of the Registrar under the provisions of this Act or any other law.

(2) For the purpose of ascertaining whether a limited liability company is complying with the provisions of this Act, the Registrar may inspect any book, minute book, register or record required by or under this Act to be kept by the limited liability company.

(3) A limited liability company or any manager or registered agent thereof shall, on being required by the Registrar or any person authorised by the Registrar, produce any book, register or record.

(4) No limited liability company or any manager, member or registered agent thereof shall obstruct or hinder the Registrar or any person authorised by the Registrar while exercising any of the powers referred to in this section.

Lodging of documents.

31.-(1) Every document required or permitted to be lodged with the Registrar under the provisions of this Act shall be lodged with the Registrar by a registered agent.

(2) Every application to the Registrar for any certificate issued under this Act or for any extract or copy of any document filed with the Registrar shall be made by or through a registered agent.

Certificates of good standing.

32. The Registrar shall, upon a request by a registered agent, issue a certificate of good standing under his hand and

seal certifying that a limited liability company subject to this Act is of good standing if he is satisfied that,

- (a) the name of the limited liability company is on the Register;
- (b) the limited liability company has paid all fees required under this Act or any regulations made thereunder;
- (c) the limited liability company is not in contravention of any of the provisions of this Act or is in the process of being wound up and dissolved; and
- (d) there is no other good cause as to why a certificate of good standing should not be issued.

PART IV

Relationship of Limited Liability Company and Members to Third Parties

33.-(1) The limited liability company shall be solely liable for its own debts, obligations and liabilities.

Liability to third parties.

(2) Notwithstanding any other law, unless liability for limited liability company debts, obligations or liabilities has been assumed by the person against whom liability is asserted pursuant to subsection (3) of this section, no manager, officer, member, employee or agent of a limited liability company, or other person, shall be liable for,

- (a) the limited liability company's debts, obligations or liabilities, whether arising in contract, tort or otherwise, solely by reason of being a manager, officer, member,

employee or agent of the limited liability company; or

(b) the acts or omissions of any other manager, officer, member, employee or agent of the limited liability company.

(3) Any or all members or managers may assume, by written contract, liability for any or all debts and obligations of the limited liability company.

(4) All persons who act for a limited liability company under apparent authority to do so, but without actual authority to do so (including members who are not authorised to act as managers) are jointly and severally liable for all debts and liabilities arising from their actions.

(5) Notwithstanding any other law, unless liability for the debts of the members or managers of a limited liability company is or has been expressly assumed by the limited liability company, a limited liability company shall not be liable for the debts of such members or managers whether arising in contract, tort or otherwise.

(6) A claim under this section must be brought before the expiration of two years from the date of the occurrence of the action forming the basis of the claim.

(7) Nothing in this section shall be interpreted as limiting the criminal liability of any person under any criminal statute.

Limited liability company as a separate legal entity.

34.-(1) No action or proceeding shall be entertained by the Court which is based upon, seeks or purports to disregard a limited liability company as a valid, separate and distinct legal entity.

(2) Notwithstanding any other law, the fact that a limited liability company is or may be closely affiliated with other

entities shall not be grounds for disregarding the separate existence of the limited liability company.

35. Real property and personal property owned or purchased by a limited liability company shall be held, owned and conveyed only in the name of the limited liability company. A member shall have no interest in the property of a limited liability company, and the property of a limited liability company shall not be available to satisfy any claim or judgment against a member.

Limited liability company property.

36.-(1) The Court shall have exclusive jurisdiction to resolve claims,

Rights of judgment creditors of a member

- (a) by a judgment creditor or other creditor against or to a member's interest in a limited liability company; and
- (b) for a charging order against a member's interest.

(2) On application to the Court by a judgment creditor of a member of a limited liability company, the Court may charge the member's interest with payment of the unsatisfied amount of the judgment with interest. To the extent so charged, the judgment creditor has only the rights of an assignee of the member's interest.

(3) Notwithstanding any other law, the remedy provided by subsection (2) of this section shall be the sole and exclusive remedy available to a judgment creditor or other creditor of a member. A member's interest may not be involuntarily sold, conveyed, transferred, foreclosed, charged or executed upon in contravention of this section.

(4) In any action to charge the interest of a member brought under this section, service of process must be made upon the registered agent of the limited liability company in accordance with the laws of Belize.

Fraudulent conveyance.

37.-(1) Where it is proved beyond a reasonable doubt by a judgment creditor that,

- (a) the property transferred to the limited liability company by a member was so transferred by or on behalf of the member with intent to defraud that particular judgment creditor;
- (b) such member has not presented any supervening legitimate purpose for such transfer; and
- (c) such member was insolvent at the time of such transfer,

then such transfer shall not be void or voidable, but the limited liability company shall be liable to satisfy the creditor's claim to the extent of the interest that the member had in the property prior to transfer including any accumulation to the property after such transfer.

(2) No action or proceeding shall lie in connection with a transfer to a limited liability company in pursuance of subsection (1) of this section or otherwise and a transfer to a limited liability company shall not be fraudulent as against a particular creditor of a member after the earlier of,

- (a) the expiration of one year from the date of the formation of the limited liability company; or
- (b) if such a transfer takes place after two years after the earliest cause of action arose.

(3) Where a limited liability company is liable to satisfy a creditor's claim in the manner provided in subsection (1) of this section, that creditor's rights to recovery shall be limited to the property transferred to the limited liability company or to the proceeds of that property to the exclusion of any claim,

right or action against any member or any other property of the limited liability company.

(4) For the purposes of this section, the burden of proof of the member's intent to defraud the creditor lies with the creditor.

(5) The provisions of this section shall apply to all fraudulent conveyances, actions and proceedings brought in any court in Belize, however described, against any person (whether a party to the proceeding or not) and the remedy conferred by sub-section (1) of this section shall be the sole and exclusive remedy available in such an action or proceeding to the exclusion of any other relief or remedy against any party to the action or proceeding.

(6) Failure by a creditor to present all claims arising out of any controversy and join all parties with a material interest shall prevent that creditor from presenting such claims and bringing an action against such parties in a subsequent proceeding.

(7) Every creditor shall, before bringing an action or proceeding against any limited liability company property governed by this Act, shall first deposit with the Supreme Court Registry an amount equal to half of the amount claimed or fifty thousand dollars, whichever is greater, for securing the payment of all costs as may become payable by the creditor.

(8) As used in this section,

“creditor” means a person who has obtained a judgment from the Supreme Court for specified monetary damages;

“entity” means an incorporated association owned by one or more persons that have limited liability for the debts of the business, including a trust or foundation, that is formed or continued under the laws of any jurisdiction;

“insolvent” means that immediately after the transfer of the property to the limited liability company, the member’s liabilities exceeded his assets taking into consideration the fair market value of those assets and liabilities at that time;

‘intent to defraud’ means that an individual acts wilfully, and with the actual specific intent to deceive or cheat, for the purpose of causing financial loss to the particular creditor bringing the action, or to bring some financial gain to himself; the intent to defraud a creditor will not be imputed by reason only that the transfer,

- (i) was made to an insider or related party;
- (ii) was made without consideration; or
- (iii) made the member insolvent;

“person” means an individual or entity;

“transfer” means the conveyance or disposition of property from one person to another or the settlement or initial contribution to an entity, but does not include transfer in exchange for capital interest in a limited liability company.

Enforcement of judgments.

38.-(1) Only judgments delivered by a court within Belize shall be enforceable against a limited liability company governed by this Act or any manager or member thereof in relation to matters governed by this Act.

(2) For the purposes of this section, judgments emanating from Belize shall include decisions rendered in appellate courts not located in Belize but where such decisions relate to actions commenced in a court in Belize.

Parties to actions.

39.-A member of a limited liability company, solely by reason of being a member, is not a proper party to proceedings by or against a limited liability company unless the object is to

enforce a member's right against or liability to the limited liability company or except as provided in this Act.

40. The limited liability company shall be a proper plaintiff in a suit to assert a legal right of the limited liability company and a proper defendant in a suit to assert a legal right against the limited liability company; and the naming of a member, manager or employee of the limited liability company as a party to any suit in order to represent the limited liability company is subject to a motion to dismiss if such party is the sole party to sue or defend, or subject to a motion for misjoinder if such party is joined with another party who is a proper party and has been joined only to represent the limited liability company.

Limited liability company as proper party to action.

PART V

Contributions to and Distributions in Companies

41.(1) An interest in a limited liability company may be issued in exchange for a capital contribution, an enforceable promise to make a capital contribution in the future, for a promise to perform services, or any combination thereof.

Capital contributions.

(2) Unless otherwise provided in an operating agreement, the agreement or consent of all the members is necessary to fix or modify the amount and character of the capital contribution that a member shall make or shall promise to make in exchange for an interest in the limited liability company.

42.(1) A promise by a member to make a capital contribution to the limited liability company is not enforceable unless set out in writing and signed by the member.

Liability for contributions.

(2) Unless otherwise provided in an operating agreement, a member or his estate is obligated to the limited liability company to perform any enforceable promise to make a capital contribution, including a promise to perform services, even if

the member is unable to perform because of death, disability or any other reason. If a member does not make a required capital contribution when due, the member is obligated at the option of the limited liability company to contribute cash equal to the value of that portion of the promised capital contribution that has not been made or to forfeit his membership interest. This option is in addition to, and not *in lieu* of any other rights, including the right to specific performance, that the limited liability company may have against the member under the articles of organisation, an operating agreement or applicable law.

(3) Except as provided in an operating agreement, a member's obligation to make a required capital contribution may be compromised or released only with the written consent of all members. The obligation is not assignable to, nor enforceable by, a third party creditor of the limited liability company or any other party unless the member has specifically agreed or consented to such assignment enforcement in writing.

(4) On the failure of a member to make a promised capital contribution when due, the limited liability company may enforce the member's obligation by appropriate legal action for damages for breach of contract or for specific performance, and the limited liability company may exercise and enforce additional rights and remedies as may be provided under an operating agreement in the event of any such failure, including the termination of a member's interest, but subject to the applicable law regarding the enforcement of contracts.

Interim
distributions.

43.-(1) A limited liability company may make distributions of cash or other property to its members before the dissolution and winding up of the limited liability company to the extent, and at the times, or on the occurrence of the events specified in an operating agreement, or if an operating agreement does not so specify, pursuant to the provisions of this Act.

(2) Distributions of cash or other property to members from a limited liability company before the dissolution and winding up of a limited liability company shall be shared among the members and among classes of members in the manner provided in an operating agreement. If an operating agreement does not so provide, distributions shall be shared among the members in the following order,

- (a) distributions shall be shared among the members in proportion to their respective capital accounts;
- (b) other distributions shall be shared by the members in proportion to their respective membership interests.

(3) For purposes of subsection (2) of this section, a capital contribution other than a cash contribution has the value determined in the manner prescribed in an operating agreement. If an operating agreement does not specify the value of any such capital contribution and does not prescribe the manner for determining its value,

- (a) the value of a capital contribution of a promise to perform services is zero;
- (b) the value of a capital contribution of real or personal property other than cash is the fair market value of the property at the time of its transfer to the limited liability company;
- (c) the value of a capital contribution of the use of property is the fair market value of the use of the property during the period that the limited liability company enjoyed possession or use of the property;
- (d) the value of a promise to make a cash contribution at some time in the future is

deemed to be zero until the cash is actually contributed; and

- (e) the value of any other capital contribution other than cash or as enumerated in this section is deemed to be zero.

(4) For purposes of this section, the term “distribution” shall not include amounts constituting reasonable compensation for present or past services or reasonable payments made in the ordinary course of business pursuant to a *bona fide* retirement plan or other benefits program.

Distribution in kind.

44. Except as otherwise provided in an operating agreement,

- (a) a member, regardless of the nature of such member’s contribution, has no right to demand and receive a distribution from a limited liability company in any form other than cash;
- (b) a member may not be compelled to accept a distribution of any property other than cash from the limited liability company unless the member receives an undivided ownership interest in the property that is in the same percentage as he would have shared in a cash distribution equal to the value of the property at the time of distribution.

Status as a creditor.

45. At the time a member becomes entitled to receive a distribution, that member has the status of and is entitled to all remedies available to a creditor of the limited liability company with respect to the distribution.

Limitation on distributions.

46.-(1) A limited liability company shall not make a distribution to a member to the extent that at the time of the distribution, after giving effect to the distribution, all liabilities

of the limited liability company would exceed the fair value of the assets of the limited liability company,

- (a) liabilities to members and former members under sections 43 and 47 of this Act shall be excluded;
- (b) liabilities for which the recourse of creditors is limited to specified property shall be excluded, provided the fair value of such recourse property is reduced by the recourse liability; and
- (c) contingent liabilities shall be excluded.

(2) The limited liability company may base a determination that a distribution is not prohibited under subsection (1) of this section on any of the following,

- (a) financial statements prepared on the basis of generally acceptable accounting practices (GAAP) and principles that are reasonable in the circumstances;
- (b) a fair valuation or other method that is reasonable in the circumstances;
- (c) an analysis of contingencies that is reasonable in the circumstances.

(3) The effect of a distribution under subsection (1) of this section is measured either as of the date the distribution is authorised if the payment occurs within one hundred twenty days after the date of authorisation or as of the date the payment is made if it occurs more than one hundred twenty days after the date of authorisation.

(4) If a member receives a distribution with respect to his interest in a limited liability company in violation of this Act

or an operating agreement, he or it is liable to the limited liability company for a period of two years thereafter for the amount of the wrongful distribution. An action to recover a wrongful distribution under this section may be brought in any court of competent jurisdiction so long as it is commenced within the said period.

Distributions on withdrawal.

47. On any event of withdrawal of a member, except as otherwise provided in an operating agreement, neither the withdrawn member nor the withdrawn member's personal representatives, successors and assigns have the right to receive any distribution by reason of the withdrawal, but do have the rights of an assignee of the withdrawn member's interest in the limited liability company to receive distributions with respect to the member's interest during any continuation of the business of the limited liability company and during and on completion of winding up less any damages recoverable against the withdrawn member if the event of withdrawal violated this Act or an operating agreement.

Distribution on winding up.

48. On the winding up of a limited liability company, its assets shall be applied and distributed in the following order,

- (a) to the Government of Belize for any outstanding taxes, fees or charges;
- (b) to a registered agent or other company service provider in Belize for outstanding fees and disbursements;
- (c) to employees (including managers) for outstanding wages;
- (d) to creditors, including members who are creditors, to the extent permitted by law, in satisfaction of liabilities of the limited liability company other than liabilities for distributions to members and former members under sections 43 or 47 of this Act.

If the liabilities of the company exceed its assets, the manager may apply the assets of the company in whatever manner the manager deems most appropriate and the manager may prefer one or more creditors, including creditors who are members or managers, over other creditors;

- (e) except as provided in an operating agreement, to members and former members in satisfaction of liabilities for distributions under section 43 or 47 of this Act;
- (f) to the members in the manner provided in section 43(2) of this Act.

49. The items of profits, losses, deductions and credits of a limited liability company shall be allocated among the members and among classes of members in the manner provided in an operating agreement. If an operating agreement does not so provide, profits and credits shall be allocated among the members according to the manner in which they share in distributions that exceed the repayment of their capital contributions, and losses and deductions shall be allocated among the members according to the relative capital contributions that they have made or promised to make in the future.

Sharing of profits and losses.

PART VI

Admission to and Termination of Membership of Companies

50.-(1) At the time the limited liability company is formed, a person becomes a member upon compliance with the operating agreement.

Admission of members.

(2) A person may be admitted as an additional member as follows,

- (a) if a person is acquiring an interest in the limited liability company directly from the limited liability company, on the manager's written acknowledgment or acceptance of the person's admission under the applicable provisions of an operating agreement, or if an operating agreement does not so provide, on the consent of all members;
- (b) if the person is an assignee of all or part of a member's interest in a limited liability company, on the terms provided in an operating agreement or, if an operating agreement does not so provide, on the approval or consent of all members;
- (c) if the person is an assignee of an interest in the limited liability company of a member who has the power under an operating agreement to grant the assignee the right to become a member, on the exercise of the power in compliance with all conditions governing the member's exercise of the power;
- (d) if there are no members and all of the assignees consent in writing to the admission of one or more persons as a member or members, unless otherwise provided in the operating agreement.

(3) A limited liability company may, but need not, have more than one member.

Classes and series of members' interests.

51.-(1) Members' interests in a limited liability company may be,

- (a) of one or more classes or one or more series within any class thereof;

- (b) with voting powers, full or limited, or without voting powers; and
- (c) with such designations, preferences, rights, qualifications, limitations or restrictions thereon as shall be stated in the operating agreement.

(2) A limited liability company may provide in its operating agreement for one or more classes or series of members' interests which are redeemable, in whole or in part, at the option of the limited liability company at such price or prices, within such period and under such conditions as are stated in the operating agreement.

(3) Unless otherwise provided in an operating agreement, a member's interest in a limited liability company shall only be one class or series with the same rights and responsibilities for all members.

52.-(1) The members of a limited liability company may adopt an operating agreement containing such provisions as they deem appropriate. Such operating agreement shall be in writing and unless otherwise provided by the operating agreement, all or part of an operating agreement may be subsequently repealed or amended by agreement or consent of all of the members or, to the extent an operating agreement so provides, by all the managers or a specified number of the members or managers.

Operating agreement.

(2) An operating agreement governs relations among and between the members and the managers and the limited liability company and may contain any provision that is not contrary to law and that relates to the business of the limited liability company, if any, the conduct of its affairs, its rights, duties or powers and the rights, duties or powers of its members, managers, officers, employees or agents including,

- (a) whether the management of the limited liability company is vested in one or more managers and, if so, the powers to be exercised by managers;
- (b) providing for classes or groups of members with various rights, powers and duties and providing for the future creation of additional classes or groups of members with relative rights, powers and duties superior to, equal to, or inferior to existing classes and groups of members;
- (c) the exercise or division of management or voting rights among different classes or groups of members or managers on a per capita or other basis;
- (d) with respect to any matter requiring a vote, approval or consent of members or managers, provisions relating to notice of the time, place and purpose of any meeting at which the matter is to be voted on, waiver of notice, action by consent without a meeting, the establishment of a record date, quorum requirements, authorisations by proxy or any other matter concerning the exercise of any voting or approval rights;
- (e) restrictions on the transfer of and option rights to acquire or sell any member's interest in the limited liability company.

(3) The Court may enforce an operating agreement by injunction or by any other relief that the Court in its discretion determines to be fair and appropriate in the circumstances.

Action by
written consent;
Proxies.

53. Unless otherwise specified in an operating agreement, any action may be taken by the members or managers, as the

case may be, by consent in writing, stating the action so taken and signed by all the members or managers. Unless provided otherwise in the operating agreement, a member, but not a manager, may designate in writing another person or persons who may act as his proxy on any matter or business of the company. Neither a manager nor the company shall honour any proxy executed as a result of an event of duress as defined in section 2 of this section.

54.-(1) Except as otherwise provided by the operating agreement, members of a limited liability company shall not voluntarily transfer all or any part of their respective member interests at any time without the prior written consent of all the managers or of the manager, if there is one, and, if not, all the non-transferring members.

Interest in limited liability company; transferability of interest.

(2) Unless otherwise provided in the operating agreement, any transfer by a member of all or any part of such member's interest in the company shall be subject to the option provision set forth in section 56 of this Act hereof (subject to the exception set forth in subsection (3) of this section).

(3) Where a member transfers his membership interest by gift or bequest to such member's immediate family or to a trust established by such member for the benefit of such member or such member's spouse or lineal descendants or to another entity owned or controlled by the member or his family, such transfer shall not be subject to the option described in section 56 but shall be subject to all of the other provisions of this Part.

55.-(1) Unless otherwise provided in the operating agreement, in the event a member transfers all or any part of such member's interest in the company in compliance with section 54(1) of this Act or such interest is transferred because of an act or event described in section 59 of the Act, the transferee of such member's interest shall not have the right to become a substituted member of the limited liability company unless,

Substituted member.

- (a) for a transfer to be in compliance with section 54(1) of this Act, a duly executed and acknowledged written instrument of transfer must be delivered to the company setting forth the intention of the transferor that the transferee become a substituted member in his place;
- (b) such transferee pays all reasonable expenses connected with such substitution;
- (c) the non-transferring members unanimously consent, in writing, to the substitution of such transferee as a substituted member, the granting or denial of such consent being within the sole and absolute discretion of the non-transferring members; and
- (d) a written instrument is duly executed by the transferee agreeing to be bound by the terms of the limited liability company's operating agreement.

(2) Upon admission to the limited liability company as a substituted member, such transferee shall have the same member interest, the same rights in and to all distributions made by the company in liquidation or otherwise, the same duties, including without limitation, duties to make contributions to the capital of the company, and the same share of the company's capital, profits, losses and other distributive items, if any, as the transferring member had, prior to such transfer, with respect to the transferred interest in the company.

(3) Unless otherwise agreed in the operating agreement, upon the transfer and substitution of the transferring member's interest in a limited liability company during any fiscal year, net profits, net losses, and each item thereof attributable to the transferred member interest for such period shall be divided and allocated between the transferring member and the

transferee by taking into account their varying member interests during the period, using any conversion permitted by law and approved by the members. All distributions on or before the date of such transfer shall be made to the transferring member and all distributions thereafter shall be made to the transferee.

(4) Solely for purposes of making such allocations and distributions, a limited liability company shall recognize such transfer not later than the end of the calendar month during which the members consented to such transfer, provided that if the company does not receive a notice stating the date such interest was transferred and such other information as the members may require within thirty (30) days after the end of the accounting period during which the transfer occurs, then all such items shall be allocated, and all distributions shall be made, to the person who, according to the books and records of the company, on the last day of the accounting period during which the transfer occurs, was the owner of the member interest. Neither the company nor any other member shall incur any liability for making allocations and distributions in accordance with the provisions of this section, whether or not any member or the company had knowledge of any transfer of ownership of any member interest.

(5) Upon substitution of a member in compliance with this section, the substituted member shall have all the rights, duties and responsibilities that the transferor had prior to the substitution. Upon the substitution of a member, the transferor shall have none of the rights of a member, but his duty to maintain confidential information shall not abate.

(6) Unless otherwise provided in the operating agreement, in the event a member voluntarily or involuntarily transfers, all or any part of such member's interest in the limited liability company in violation of any of the provisions of this Part or an operating agreement, the transferor shall remain a member for all purposes other than in relation to distribution rights. The

transferee of such member's interest shall have the status of an assignee and nothing more.

Option to purchase company interests.

56.-(1) Unless otherwise provided in the operating agreement, in the event that any member desires to dispose of all or any portion of his member interest to a third party, (in which event such transferring member shall give written notice to each non-transferring member of such desire to dispose of his member interest and the terms and conditions upon which such interest is proposed to be disposed), such member shall sell such member interest as hereinafter set forth. This section shall not apply to transfers described in section 54(3) of this Act.

(2) The non-transferring members shall have the right, but not the obligation, to purchase all, but not less than all, of the transferring member's interest offered for sale.

(3) The option granted pursuant to this section shall only be effective if the non-transferring members elect to purchase all of the transferring member's interest offered for sale. A majority-in-interest of the non-transferring members may elect to have the company, *in lieu* of the non-transferring members, purchase all of such transferring member's interest offered for sale in which event the company shall purchase such member interest as set forth in this section and references to the purchasing members shall be deemed references to the company.

(4) Such option shall be exercised by notice to the transferring member within ninety (90) days after the receipt of the transferring member's notice.

(5) Unless otherwise provided in the operating agreement, the purchase price for the member interest of the transferring member purchased by the other members shall be that price and upon such terms and conditions as offered to a third party.

(6) In the event that the transferring member's member interest is not purchased by the non-transferring member(s) (or

the company) pursuant to this Part, the transferring member may transfer such interest to the person originally offered for sale. However, such third party shall not become a member of the company without compliance with the other provisions of the operating agreement or, in the absence of an operating agreement, this Act.

57. An assignee of the member's interest shall in no event have any right to interfere or inquire into the management or the administration of the limited liability company, its business (if any) or affairs, to amend the operating agreement or the articles of organisation or to vote in respect thereof or to act as a manager or to become a substituted member except as may otherwise be provided herein. An assignee shall only have the right to receive distributions attributable to the member's interest in the limited liability company, if and to the extent any are made, along with allocations of profits and losses attributable to the member's interest in the company in accordance with the allocation provisions set out in this Act or an operating agreement. Distributions shall be subject to the exclusive discretion of the manager, or if there is no manager, the members. Any such assignee may not maintain any action against the limited liability company, its manager or members except in the Court and for the sole purpose of determining whether such assignee has received its proper share of distributions.

Rights of assignees.

58.-(1) Unless otherwise provided in an operating agreement, a member may not withdraw without the consent of all members. If a member attempts to withdraw, the limited liability company has the right, but not the obligation, to purchase such member's interest and such member shall sell its interest to the company at a price equal to the lesser of the sum of the withdrawing member's capital contributions or the value of the withdrawing member's capital account.

Withdrawal of members.

(2) Such price shall be paid in cash to the withdrawing member within one hundred and eighty days of withdrawal and will constitute full liquidation of the member's capital account

and membership interest. Unless otherwise agreed by an operating agreement, if such withdrawing member has not received full payment for his or her interest within one hundred and eighty days, he or she shall have the right to enter into a buy-sell agreement with an outside third party for the sale of his or her member interest provided that such buy-sell agreement is approved by the unanimous consent of the remaining members.

(3) Absent exercise of the option set forth in this section, an attempt at withdrawal shall have no effect other than the member attempting to withdraw shall lose his right to vote on any matter.

Involuntary transfers.

59.-(1) A member whose interest is disturbed by any of the following events shall remain a member of the limited liability company for all purposes; however, the trustee, creditor or other person acquiring an order or writ shall be treated as an assignee and nothing more,

- (a) an assignment for the benefit of creditors;
- (b) an adjudicated bankrupt or insolvent;
- (c) the appointment of a trustee, receiver or liquidator of the member or of all or any substantial part of his property;
- (d) levy, execution, garnishment, attachment, charging order or any other similar remedy;
- (e) *mareva* injunction or order or other similar writ or order.

(2) Unless otherwise provided in an operating agreement, a member ceases to be a member,

- (a) if the member is an individual, upon his death;

- (b) if the member is acting as a member by virtue of being a trustee of a trust, the termination of the trust but not merely the substitution of a new trustee;
- (c) if a member is a general or limited partnership, the dissolution and commencement of winding up of the partnership, but an operating agreement may permit a partnership to remain a member until it ceases to exist as a legal entity;
- (d) if a member is an entity, the filing of a certificate or articles of dissolution or its equivalent for the entity or revocation of its charter, but an operating agreement may permit an entity to remain a member until it ceases to exist as a legal entity;
- (e) if a member is an estate, the distribution by the fiduciary of the estate's entire interest in the limited liability company, but an operating agreement may permit the estate to remain a member until all distributees of the member's interest have been admitted as members.

(3) Unless otherwise provided in an operating agreement, the person to whom a membership interest is transferred or devolves by operation of law after an event described in subsection (2) of this section, shall have only the rights of an assignee unless substituted as a member under section 55 of this Act.

60.-(1) A member may be expelled from membership in the limited liability company by vote of the other members if,

Expulsion of a member.

- (a) the member materially breaches an operating agreement and fails to cure the breach within

a reasonable time after receiving notice of the breach (if cure is possible);

- (b) the member is convicted of a crime for which the penalty on conviction is at least two years' imprisonment;
- (c) the member engages in fraudulent or illegal actions in relation to the business or internal affairs of the limited liability company; or
- (d) the member defaults in performance or fails to comply with any agreements, obligations or undertakings of a member as set forth in the operating agreement.

(2) Immediately upon expulsion, an expelled member ceases to be a member and shall cease to have any right, duty or liability as a member and,

- (a) in a dissolution, a member whose interest has been terminated shall be entitled to the return of his capital account in the limited liability company, only after all the other members have received a full distribution of the amount in their capital accounts;
- (b) upon termination, the member's interests in the profits and losses of the limited liability company shall (along with the affiliated voting rights and rights to distributions) be automatically reallocated to the non-defaulting members in proportion to the balance of their capital accounts on the date of termination;
- (c) the member's duty to maintain the confidentiality of Confidential Information as

defined in section 62(6) of this Act, shall not abate.

(3) A member may be expelled from membership in the limited liability company by the affirmative vote of a majority in interest of the members as provided in section 64. The requirements for a quorum and a majority of the members with respect to such a vote shall be calculated by disregarding the majority interest of the member who may be expelled.

61. The company shall have the right to require, at its sole discretion, to purchase the interest of the terminated member for its fair market value, after taking into account the effect of section 60 of this Act, and upon other reasonable purchase terms.

Right of pre-emption of the company.

PART VII

Management, etc., of Companies

62.-(1) Unless the articles of organisation of a limited liability company provide that management is vested in one or more members,

Member or manager as agent.

- (a) each manager is an agent of the limited liability company for the purpose of carrying on the ordinary course of limited liability company's business;
- (b) a member is not an agent of the limited liability company for the purpose of its business solely by reason of being a member except to the extent that authority has been delegated to the member by the manager or by the provisions of an operating agreement.

(2) If the articles of organisation of a limited liability company provide that management is vested in one or more designated members,

- (a) each designated member is an agent of the limited liability company for the purpose of carrying on the ordinary course of company business;
- (b) the act of each designated member, including the execution in the name of the limited liability company of any instrument, in the ordinary course of business of the limited liability company, binds the limited liability company unless the acting member has in fact no authority to act for the limited liability company in the particular matter and the person with whom he is dealing has actual or constructive knowledge of the fact that the member has no such authority.

(3) An act of a member or manager that is not apparently in the ordinary course of business practices or operations of the limited liability company does not bind the limited liability company unless authorised in fact by the limited liability company.

(4) An act of any member, manager, employee, officer or other agent of a limited liability company in violation of a restriction on authority does not bind the limited liability company to persons who knew or should have known of the restriction.

(5) Each member, whether acting as a member or as a manager,

- (a) shall maintain Confidential Information as defined in subsection (6) of this section in confidence;

- (b) except as required in conducting the business and internal affairs of a limited liability company, shall not disclose Confidential Information to any third party without the authorisation of the manager;
- (c) shall make copies of documents and other media containing Confidential Information only for the benefit of the limited liability company;
- (d) shall use Confidential Information only for the benefit of the limited liability company; and
- (e) upon ceasing to be a member or manager, shall return to the limited liability company all documents and other media containing Confidential Information.

(6) Confidential Information means,

- (a) the terms of an operating agreement of the limited liability company; provided that a member or manager may disclose those terms on a confidential basis to his or her spouse and professional advisers;
- (b) information that the limited liability company maintains in confidence and that has actual or potential economic value to the limited liability company because it is not generally known to others and is not readily ascertainable by them, which information shall include, without limitation,
 - (i) financial information relating to the limited liability company;

- (ii) information relating to the limited liability company's marketing and business plans and strategies;
- (iii) information concerning the design and manufacturer of Company products and concerning the method of providing limited liability company services;
- (iv) information in limited liability company personnel files and similar files concerning limited liability company members;
- (v) information entrusted to the limited liability company in confidence by third parties; and
- (vi) information reasonably designated by the manager orally or in writing as Confidential Information.

(7) Subsection (6) above shall not apply to information,

- (a) which enters the public domain through no fault of a member; or
- (b) whose disclosure is required by order of a court of competent jurisdiction or by order of the Registrar.

Management of limited liability company; definition.

63.-(1) Unless the articles of organisation provide that management of the limited liability company is vested in one or more members, management of the limited liability company is vested in one or more managers, subject to any provision in an operating agreement restricting or enlarging the management rights or responsibilities of one or more managers.

(2) If the articles of organisation provide that management of the limited liability company is vested in one or more managers, management of the limited liability company is vested in a manager or managers, subject to any provisions in an operating agreement or management agreement restricting or enlarging the management rights or responsibilities of one or more managers or classes of managers or reserving specified management rights to the members or classes of members. A manager need not be a member of the limited liability company unless otherwise required by an operating agreement.

(3) A manager shall be designated or elected and may be removed or replaced in the manner provided in an operating agreement or, in default thereof as set forth in this section. A manager also holds the office and has the responsibilities that are accorded to the manager by the members and that are provided in an operating agreement or management agreement. If an operating agreement does not provide a manner for designating or electing additional or replacement managers, on the withdrawal or resignation of a manager, management of the limited liability company continues to be vested in the remaining managers, or if there are no remaining managers, management is vested in one or more new managers appointed, designated or elected as set forth in section 65.

64.-(1) Except as provided in an operating agreement, the affirmative vote, approval or consent of all members is required to,

Voting.

- (a) adopt, amend, amend and restate or revoke an operating agreement or authorise a transaction, agreement or action on behalf of the limited liability company that violates an operating agreement;
- (b) issue an interest in the limited liability company to any person;

- (c) approve a plan of merger or consolidation of the limited liability company with or into one or more business entities;
- (d) authorise an amendment to the articles of organisation that changes the status of the limited liability company from or to one in which management is vested in a manager or managers to or from one in which management is reserved to the members;
- (e) reorganise or reform the limited liability company into a different form of entity;
- (f) change the tax status of the limited liability company in any jurisdiction.

(2) Except as provided in an operating agreement, the affirmative vote, approval or consent of a majority of the members, or if management of the limited liability company is vested in one or more managers, the affirmative vote, approval or consent of the sole manager or a majority of the managers, is required to,

- (a) resolve any difference concerning matters connected with the business of the limited liability company;
- (b) authorise the distribution of limited liability company cash or property to the members;
- (c) authorise the limited liability company to repurchase all or part of any member's interest in the limited liability company from that member;
- (d) authorise an amendment to the articles of organisation pursuant to section 25(3) of this Act.

(3) For purposes of this Act, a majority of managers consists of more than one-half of the managers voting of their own free will and without duress or compulsion. In any matter relating to the company when a vote of the managers is required, votes cast by managers acting under duress and not of their own free will shall not be considered for any purpose.

(4) For the purposes of this Act, a majority of the members consists of more than fifty percent of the members interests voting the interest in those shares of their own free will and without duress or compulsion. In any matter relating to the company when a vote of the member is required, votes cast by members acting under duress and not of their own free will shall not be considered for any purpose.

(5) The rights of the manager shall be specific to the individuals or companies named as manager and no right of any kind, including the right to act by or for the company, shall accrue to any voluntary or involuntary transferee. Except as provided in an operating agreement, the manager shall serve as manager until such manager's death, legal incapacity, including those events listed in section 65 of this Act, dissolution, termination or liquidation as the case may be. A manager may resign at any time upon giving ten (10) days written notice to the members and to the registered agent.

65.(1) Upon the happening of any event of duress or any of the events listed in subsection (2) of this section, the manager or managers who reside in or are domiciled in a given country shall be automatically and immediately removed from office with no powers, authorities or benefits held by the managers so removed.

Emergency
manager.

(2) The enumerated events referred to in subsection (1) of this section are as follows: war, invasion, or revolution; confiscation or expropriation of assets, either with or without compensation; the mandatory liquidation or dissolution of existing managers; the mandatory replacement of existing managers or the placing of limitations on the powers of

managers other than in accordance with the terms or provisions hereof or of a management agreement or operating agreement; devaluation or inconvertibility of the currency in which company assets are held; serious governmental threat to the ownership or free transfer of private property by citizens of the jurisdiction in which the manager or majority of managers reside; the threat of or the actual suspension or abrogation in whole or in part of the operating agreement of the limited liability company; compulsory conversion of the company assets into the currency of the jurisdiction in which the manager or majority of managers reside; the threat of or the actual compulsion of the managers to sell, transfer or otherwise dispose of company assets in a manner inconsistent with the terms and provisions of the operating agreement of the company or this Act.

(3) The removal of the managers pursuant to the powers given in this section shall be effective immediately upon notice of any precipitating event given to the managers so removed.

(4) If, immediately before a manager ceases to be a manager for any reason, there was more than one manager, the remaining manager or managers may carry on the business of the company without replacement or the remaining manager or managers may ask the members to elect a successor. If at any time there is no manager, the members shall promptly elect a successor.

(5) A successor manager shall be appointed by a vote of a majority of the members as soon as practicable. In the event every member is unable or unwilling to vote or is acting under an event of duress or not of his or its own free will, the registered agent shall become the manager.

(6) Notwithstanding any other provision of this Act or of a limited liability company operating agreement or management agreement, no manager, member or other person having authority, dominion or control over the limited liability company property shall honour or carry out any instruction,

order or request, including a revocation, termination, modification or amendment of the operating agreement or management agreement, where such instruction is made, or which appears to be made, by such person, under pressure, force, duress or compulsion, including any instrument, order, injunction, decree, or request made by, or pursuant to, any judgment, order or instruction of any court, tribunal, government office or agency outside the jurisdiction of Belize.

(7) A registered agent who becomes a manager by operation of this section may be paid a reasonable fee for his services as manager.

(8) A registered agent who becomes a manager by operation of this section may appoint a new successor or manager at such time and on such conditions as he may choose, after conferring with the members. If the company has a succession committee, then the registered agent shall appoint as the successor manager or managers one or more of the members of succession committee unless, to do so, would expose the company to an event of duress.

66. Unless otherwise provided in the operating agreement, managers may be natural persons, corporations, limited liability companies, partnerships, trusts or foundations, or other business entities, of any nationality and need not be a resident of Belize or a member of the limited liability company.

Qualification of managers.

67. Managers shall discharge the duties of their respective positions in good faith and with that degree of diligence, care and skill which prudent men would ordinarily exercise under similar circumstances in like position. In discharging their duties, duly authorised members or managers, or officers, as the case may be, when acting in good faith, may rely upon financial statements of the limited liability company represented to them to be correct by the manager of the limited liability company having charge of its books or accounts, or stated in a written report by an independent public or certified

Standard of care to be observed by managers.

public accountant or firm of such accountants fairly to reflect the financial condition of such limited liability company.

Appointment to succession committee.

68.-(1) Subject to the provisions of an operating agreement, a manager may, in the exercise of his sole and exclusive discretion, elect to appoint one or more members of the limited liability company to a succession committee for the purpose of preparing members who are not managers of the company to succeed the manager at some date in the future upon the occurrence of certain events.

(2) The rights and obligations imposed upon a member of the succession committee are personal to such members. Unless otherwise provided in the operating agreement of the company, the transferee or assignee of an interest held by a member acquires no rights in the member's status as a member of the succession committee. Unless otherwise provided in the operating agreement or the rules promulgated by the Committee, the obligation of a member to serve on the succession committee shall survive the voluntary or involuntary transfer of the member's interest.

(3) A member shall decline or accept to serve on a succession committee in writing.

(4) Once a member accepts, in writing, the obligation to serve on a membership committee, such member may not withdraw from the succession committee except as provided in the operating agreement.

Succession committee rules.

69. Subject to the provisions of an operating agreement, the manager shall, prior to, or contemporaneously with the creation of the succession committee, adopt written rules governing the business of the succession committee. These rules may include any matter necessary or incidental to the conduct of the business of the succession committee.

70. Neither the authority of a member to act on behalf of the company nor the liability of a member for the acts of the company shall be affected in any manner by acceptance of an appointment to the Succession Committee.

Authority and liability of members not affected.

71.-(1) A limited liability company is dissolved and its affairs shall be wound up upon the happening of the first to occur of the following,

Dissolution.

- (a) at the time or upon the occurrence of an event specified in writing in the operating agreement;
- (b) the written consent of all of the members entitled to vote thereon;
- (c) entry of a decree of judicial dissolution under section 73 of this Act;
- (d) administrative dissolution as determined by the Registrar under section 72 of this Act.

(2) Unless otherwise provided in the operating agreement, an assignment of an interest in a limited liability company does not of itself dissolve the limited liability company.

(3) Within one hundred and twenty days after any of the events specified in subsection (1)(a) to (c) of this section effecting the dissolution of the limited liability company occurs, the limited liability company shall file a written notice of dissolution and winding up with the Registrar signed on behalf of the limited liability company by a manager, if management of the limited liability company is vested in one or more managers, or by a member, if management of the limited liability company is reserved to the members. The notice of dissolution and winding up shall state all of the following,

- (a) the name of the limited liability company;

- (b) the date of filing the initial articles of organisation;
- (c) the date of dissolution;
- (d) that the notice constitutes a notice of the dissolution of the limited liability company and the commencement of winding up of its business and affairs;
- (e) the reason for dissolution; and
- (f) a statement that the records and documents of the company shall be kept for a period of six years from the date of the notice, the location at which they will be kept and the person who shall have custody or access to such location.

Administrative
dissolution.

72.-(1) On the failure of a limited liability company to pay the annual registration fee or other fees, or to maintain a registered agent for a period of 60 days, the Registrar shall remove the limited liability company from the Register.

(2) If the Registrar determines that grounds exist under this section for dissolving a limited liability company, he shall give written notice of his determination by mail addressed to the registered agent of the limited liability company or to the principal place of business of the limited liability company if the registered agent has resigned or otherwise ceases to act for the limited liability company.

(3) If the limited liability company does not correct each ground for dissolution within 90 days after the service of the notice, the Registrar shall administratively dissolve the limited liability company by issuing a certificate of dissolution that recites the grounds for dissolution and its effective date; and the Registrar shall thereafter remove the limited liability company from the Register.

(4) A limited liability company that is removed from the Register pursuant to subsection (1) of this section, may apply to the Registrar to be restored to the Register within three years of the date of removal and dissolution. The application for reinstatement shall both,

- (a) recite the name of the limited liability company and the effective date of its administrative dissolution; and
- (b) show either that the ground or grounds for dissolution did not exist or that the ground or grounds have been eliminated.

(5) If the Registrar determines that the application contains the information required by subsection (4) of this section, and that the information is correct, he may issue a certificate of reinstatement that recites this determination and the effective date of reinstatement, file the original of the certificate and mail a copy to the limited liability company addressed to its Registered Agent and restore the company to the Register.

(6) When the reinstatement is effective, it relates back to and takes effect as of the effective date of the administrative dissolution and the limited liability company resumes carrying on its business as if the administrative dissolution had never occurred.

(7) Every limited liability company shall pay a fee for reinstatement to the Register as prescribed by regulations.

(8) A limited liability company which is not restored to the Register within three years of the date of removal shall be deemed to have dissolved in accordance with this Part.

73.-(1) On application by or on behalf of a member, the Court may decree dissolution of a limited liability company,

Judicial
dissolution.

- (a) whenever it is not reasonably practicable to carry on the business of the limited liability company in conformity with the operating agreement;
- (b) unless otherwise provided in an operating agreement, the members or managers are deadlocked in the management of the limited liability company and irreparable injury to the limited liability company is threatened or being suffered or the business of the limited liability company cannot be conducted to the advantage of the members generally because of the deadlock; or
- (c) unless otherwise provided in an operating agreement, the members or managers of the limited liability company have acted or are acting in a manner that is illegal or fraudulent with respect to the business of the limited liability company or against public policy.

(2) The Court has full power to wind up and liquidate the assets and business of a limited liability company and to appoint a receiver over the limited liability company,

- (a) on application by a limited liability company after dissolution to have its liquidation continued under the Court's supervision;
- (b) in an action filed by any member after the issuance of a judgment of dissolution as provided in subsection (1) of this section.

Effect of
dissolution.

74. After its dissolution, the limited liability company shall proceed to wind up the affairs of the company.

75.-(1) All limited liability companies, whether they expire by their own limitations or are otherwise dissolved, shall nevertheless be continued for such time as the members deem reasonable for the purpose of prosecuting and defending suits by or against them, and of enabling them gradually to settle and close their business, dispose of and convey their property, discharge their liabilities, and distribute to the members any remaining assets, but not for the purpose of continuing the business for which the limited liability company was organised. With respect to any action, suit, or proceeding begun by or against the limited liability company either prior to or within three years after the date of its expiration or dissolution, and not concluded within such period, the limited liability company shall be continued beyond that period for the purpose of concluding such action, suit or proceeding and until any judgment, order, or decree therein shall be fully executed.

Winding up of affairs of limited liability company.

(2) Upon the dissolution of any limited liability company, the managers shall be trustees thereof, with full power to settle the affairs, collect the outstanding debts, sell and convey the property, real and personal, as may be required by the laws of the jurisdiction where situated, prosecute and defend all such suits as may be necessary or proper for the purposes aforesaid, distribute the money and other property among the members after paying or adequately providing for payment of its liabilities and obligations, and do all other acts which might be done by the limited liability company, before dissolution, that may be necessary for the final settlement of the unfinished business of the limited liability company.

(3) At any time within three years after the filing of the articles of dissolution, the Court, in a special proceeding instituted under this section, upon the petition of the limited liability company, or of a creditor, claimant, manager, member, or organiser or any other person with an interest, may continue the liquidation of the limited liability company under its supervision and it may make all such orders as it may deem proper in all matters in connection with the dissolution or in winding up the affairs of the limited liability company,

including the appointment or removal of a receiver, who may be a manager or member of the limited liability company.

(4) At the end of the period of dissolution as provided in this Part, articles of termination shall be filed with the Registrar as provided in section 79 of this Act.

Agency power of managers after dissolution.

76.-(1) Except as provided in this section, after dissolution of the limited liability company, each of the managers having authority to wind up the limited liability company's business and affairs can bind the limited liability company,

- (a) by any act appropriate for winding up the limited liability company's affairs or completing transactions unfinished at dissolution; and
- (b) by any transaction that would have bound the limited liability company if it had not been dissolved, but only if the other party to the transaction has notice of the dissolution.

(2) An act of a manager which is not binding on the limited liability company pursuant to subsection (1) of this section, is binding if it is otherwise authorised by the limited liability company.

(3) An act which would be binding under subsection (1) of this section or would be otherwise authorised but which is in contravention of a restriction on authority shall not bind the limited liability company to persons having knowledge of the restriction.

Settlement of claims against limited liability company.

77.-(1) At any time within 60 days prior to re-domiciliation, a limited liability company shall give notice requiring all creditors and claimants, including any with un-liquidated or contingent claims and any with whom the limited liability company has unfulfilled contracts, to present their claims in

writing and in detail at a specified place and within one year after the last publication of such notice.

(2) The notice shall also be published at least once a week for four successive weeks in a newspaper of general circulation in Belize.

(3) On or before the date of the first publication of notice, the limited liability company shall send a copy thereof by registered mail, to each person known to be a creditor of or claimant against the limited liability company at such person's last known address.

(4) Any claims not filed within one year of the date of last publication are barred.

(5) For the purposes of this section, filing a claim means,

(a) complying with the provisions of the notice published; or

(b) commencing an action in the Court.

(6) The giving of notice shall not constitute a recognition that any person is a proper creditor or claimant, and shall not revive or make valid or operate as a recognition of the validity of, or a waiver of, any defence or counter-claim in respect of any claim against the limited liability company, its assets, managers or members, which has been barred by any statute of limitation or which has become invalid by any cause, or in respect of which the limited liability company, its members or managers have any defence or counterclaim.

(7) Any claims which shall have been filed as provided in such notice and which shall be disputed by the limited liability company may be submitted for determination to the Court.

(8) Any person whose claim is, at the date of the first publication of the notice, barred by any statute of limitations is

not a creditor or claimant entitled to any notice under this section. The claim of any such person and all other claims which are not timely filed as provided in the notice other than claims which are the subject of litigation on the date of the first publication of such notice, and all claims which are so filed but are disallowed by the Court, shall be forever barred as against the limited liability company, its assets, members or managers.

(9) Notwithstanding anything in this section, claims by the Government of Belize shall not be required to be filed under this Act, and such claims shall not be barred for reason of not being so filed, and distribution of the assets of the limited liability company, or any part thereof, may be deferred until determination of any such claims.

Distribution of
assets upon
winding up.

78. Upon the winding up of a limited liability company, the assets shall be distributed in accordance with section 48 of this Act.

Articles of
termination.

79.-(1) After dissolution and completion of winding up of the limited liability company pursuant to this Part, the limited liability company shall file articles of termination with the Registrar in accordance with the provisions of section 4 of this Act.

(2) The articles of termination shall set forth,

- (a) the name of the limited liability company;
- (b) the date on which its articles of organisation, and all amendments thereto, were filed with the Registrar;
- (c) the name and address of each of its managers or such other person having authority to wind up the limited liability company's business and affairs.

80.-(1) Whenever used in this Part,

Articles of
termination.

“consolidation” means a procedure whereby any one or more limited liability companies consolidate with other limited liability companies or with other entities into a new limited liability company formed by the consolidation; such new limited liability company must be a new entity organised pursuant to this Act or other applicable law and shall not have existed prior to the consolidation; such entity shall be the consolidating entity;

“merger” means a procedure whereby any one or more limited liability companies merge with or into other limited liability companies or other business entities to form a single limited liability company, such single limited liability company must be one of the parties to the merger; and where the surviving entity is to be governed by the provisions of this Act, at least one of the parties to the merger must be a limited liability company organised and existing under this Act at the time of the merger; such entity shall be the surviving entity;

“other entity” means a corporation, association, a real estate investment trust, or any other unincorporated business, including a partnership, a limited partnership, limited liability partnership, a limited life company, and a foreign limited liability company, but excluding a limited liability company organised or registered under this Act.

(2) Pursuant to a plan of merger or plan of consolidation, a limited liability company organised or registered under this Act may be merged or consolidated with or into one or more such other limited liability companies or other business entities, as the plan shall provide, being the surviving or consolidated limited liability company.

(3) In the case where one or more parties to the merger or consolidation are other entities formed in a foreign jurisdiction, such entities may be merged or consolidated with one or more limited liability companies organised or registered under this

Act if such merger or consolidation is permitted by the laws of the jurisdiction under which each such other entity is incorporated or registered.

- (4) The plan of merger or consolidation must set forth,
- (a) the name and jurisdiction of formation of each entity that is a party to the merger;
 - (b) the name and address of the surviving or consolidated limited liability company or other business entity;
 - (c) the registered office and principal place of business of the surviving limited liability company;
 - (d) nature of the business activity that will be conducted, if any; and
 - (e) the terms and conditions of the proposed merger or consolidation, including the manner and basis of converting the interests of each party to the merger or consolidation into interests, bonds or other securities of the surviving or consolidated entity, or the cash or other consideration to be paid or delivered in exchange for such interests, or a combination thereof.

(5) In the case of a limited liability company organised or registered under this Act that is a party to the merger or consolidation, unless a greater majority is otherwise required in the operating agreement, the plan of merger or consolidation shall be consented to by a majority of the members of such limited liability company who are entitled to vote thereon. All other parties to the said merger or consolidation shall authorise the merger or consolidation pursuant to applicable law.

(6) After approval of the plan of merger or consolidation, but before it takes effect, the plan may be terminated or amended pursuant to a provision for such termination or amendment within the plan.

(7) After approval of the plan of merger or consolidation, articles of merger or consolidation shall be executed in duplicate on behalf of each party to the merger or consolidation and shall set forth,

- (a) the plan of merger or consolidation duly approved, and, in case a limited liability company organised or registered under this Act is the surviving or consolidated entity, a statement in the articles of merger or consolidation that such limited liability company organised or registered under this Act is the surviving or consolidating entity;
- (b) for each limited liability company organised or registered under this Act and which is a party to the merger or consolidation, the date on which the articles of organisation of each such limited liability company were filed with the Registrar;
- (c) the effective date of the merger or consolidation, subject to section 81(1) of this Act, if not effective upon filing; and
- (d) the manner in which the merger or consolidation was authorised with respect to each party to the merger or consolidation.

(8) The articles of merger or articles of consolidation shall be filed with the Registrar in accordance with the provisions of section 4 of this Act.

(9) If the surviving or consolidated limited liability company is to be governed by the laws of any jurisdiction other than Belize,

- (a) it shall file with the Registrar articles of merger or consolidation together with a certificate of merger or consolidation issued by the appropriate official of the foreign jurisdiction;
- (b) the effect of such merger or consolidation shall be the same as in the case of the merger or consolidation of limited liability companies incorporated or registered under this Act except in so far as the laws of such other jurisdiction provide otherwise;
- (c) the effective date of a merger or consolidation shall be determined by the filing requirements and laws of such other jurisdiction;
- (d) the effective date of the merger or consolidation shall be the date of termination of the company in Belize;
- (e) the limited liability company shall provide its registered agent with such information required for the purposes of ascertaining the identity of those persons owning a beneficial ownership interest in it as required by the IFS Practitioners (Code of Conduct) Regulations, in Statutory Instrument N. 94 of 2001.

Effect of merger or consolidation.

81.-(1) Subject to section 80(9)(d) of this Act, the merger or consolidation shall be effective upon the filing of the articles of merger or consolidation with the Registrar or on such date subsequent thereto, not to exceed thirty days, as shall be set forth in such articles.

(2) When a merger or consolidation has been effected and the surviving or consolidated entity is a limited liability company organised or registered under this Act,

- (a) such surviving or consolidated limited liability company shall thereafter, consistent with its articles of organisation as altered or established by the merger or consolidation, possess all the rights, privileges, immunities, powers and purposes of each of the parties to the merger or consolidation;
- (b) all the property, real and personal, including causes of action and every other asset of each of the parties to the merger or consolidation shall vest in such surviving or consolidated limited liability company without further act or deed;
- (c) the surviving or consolidated limited liability company shall assume and be liable for all the liabilities, obligations and penalties of each of the parties to the merger or consolidation; no liability or obligation due or to become due, claim or demand for any cause existing against any such party shall be released or impaired by such merger or consolidation; no action or proceeding, whether civil or criminal, then pending by or against any such party to the merger or consolidation shall abate or be discontinued by such merger or consolidation, but may be enforced, prosecuted, settled or compromised as if such merger or consolidation had not occurred, or such surviving or consolidated limited liability company may be substituted in such action or special proceeding in place of any party to the merger or consolidation;

- (d) in the case of a merger, the articles of organisation of the surviving limited liability company shall be automatically amended to the extent, if any, that changes in its articles of organisation are set forth in the plan of merger; and, in the case of consolidation, the statements set forth in the articles of consolidation and which are required or permitted to be set forth in the articles of organisation of a limited liability company formed under this Act, shall be its articles of organisation; and
- (e) unless otherwise provided in the articles of merger or consolidation, each party to the merger or consolidation which is not a surviving limited liability company or consolidated limited liability company incorporated or registered under this Act, ceases to exist and is dissolved.

PART VIII

Transfer of Domicile to and from Belize

Interpretation in this Part.

82. As used in this Part and in section 94 of this Act, unless the context otherwise requires, the term,

“foreign domicile” means a jurisdiction other than Belize in which a limited liability company has been registered under applicable law and maintains a registered office;

“articles of organisation” means such document filed in the foreign domicile that serves the same purposes as do articles of organisation in Belize.

When transfer of domicile is permitted.

83. Any foreign limited liability company may, subject to and upon compliance with the provisions of this Part, transfer

its domicile into Belize, and may perform the acts described in this Part, so long as the law of the foreign domicile does not expressly prohibit such transfer.

84. Any foreign limited liability company may apply for permission to transfer its domicile to Belize by filing with the Registrar an application to transfer domicile which shall be executed in accordance with section 86 and filed and recorded in accordance with section 4, together with,

Application to transfer domicile.

- (a) a certificate evidencing its existence issued by an authorised officer of the government of the foreign jurisdiction in which the foreign limited liability company was registered; and
- (b) a certified copy of the articles of organisation, with amendments, if any, and if such documents are not in English, translation thereof under oath of the translator.

85.-(1) An application to transfer domicile must contain,

Contents of application to transfer domicile.

- (a) the date on which, and the jurisdiction where, the foreign limited liability company was formed, registered, organised, created or otherwise came into legal existence;
- (b) the name of the foreign limited liability company;
- (c) the name the foreign limited liability company will be adopting upon re-domiciliation in Belize;
- (d) a declaration that the transfer of domicile has been approved by all necessary action of the company;

- (e) the name and address of the limited liability company's Registered Agent in Belize;
- (f) any other pertinent information required to be set forth in articles of organisation under section 20 of this Act; and
- (g) the amendments of its articles of organisation or their equivalent, that are to be effective upon filing the application to transfer domicile.

(2) The limited liability company shall provide its registered agent with such information required for the purposes of ascertaining the identity of persons owning a beneficial ownership interest in it as required by the IFS Practitioners (Code of Conduct) Regulations, in Statutory Instrument No. 94 of 2001.

Execution of the application to transfer domicile.

86. The application to transfer domicile shall be in English and may be signed by the Registered Agent of the limited liability company or any other person performing functions equivalent to those of a manager, however named or described, and who is authorised to sign such application to transfer domicile on behalf of the limited liability company.

Transfer of domicile to Belize; certificate of transfer of domicile.

87. Upon the filing of the application to transfer domicile and the documents referred to in sections 85 and 86 of this Act, together with the fees prescribed, if the Registrar finds that such documents are in proper form and satisfy the requirements of this Part, and if the name of the limited liability company meets the requirements of section 17 of the Act, then the Registrar shall deliver to the limited liability company a certificate of transfer of domicile and the limited liability company shall become domiciled and registered in Belize as a limited liability company of Belize and shall thereafter be subject to all the provisions of this Act, and the limited liability company shall be deemed to have commenced its existence on the date the limited liability company was first

formed, registered, organised, created or otherwise came into existence and shall be deemed to have continued its existence in Belize. The limited liability company shall promptly modify or amend its operating agreement, its registration, management and records to comply with the laws of Belize including this Act.

88.-(1) A foreign limited liability company that has been re-domiciled pursuant to this Part is for all purposes the same entity that existed before the re-domiciliation.

Prior obligations
and liabilities.

(2) When a re-domiciliation takes effect,

- (a) all property owned by the re-domiciliating foreign limited liability company is vested in the Belize limited liability company without further act or deed; if deeds or other documents evidencing ownership or title must be filed in any jurisdiction, such document shall be filed only to give notice that the name and domicile of owner of such property has been changed, and not to evidence or record a transfer or conveyance of title;
- (b) all debts, liabilities and other obligations of the re-domiciliating foreign limited liability company continue as obligations of the Belize limited liability company;
- (c) an action or proceeding pending by or against the re-domiciliating foreign limited liability company may be continued as if the re-domiciliation had not occurred, except that, if appropriate in the jurisdiction in which the proceeding is pending, the caption of the action may be changed to reflect the re-domiciliation;

- (d) except as prohibited by any other law, all the rights, privileges, immunities, powers and purposes of the re-domiciliating foreign limited liability company are vested in the Belize limited liability company; and
- (e) all of the members of the re-domiciliating foreign limited liability company continue as members of the Belize limited liability company.

(3) The transfer of domicile of any foreign limited liability company to Belize shall not be deemed to affect any obligations or liabilities of such foreign limited liability company incurred prior to such transfer.

Applicable law.

89. The filing of an application to transfer domicile shall not affect the choice of law applicable to prior obligations and rights of the limited liability company prior to its re-domiciliation, except that from the date of issuance of a certificate of transfer by the Registrar, the laws of Belize, including the provisions of this Act, shall apply to the limited liability company to the same extent as if the limited liability company had been originally organised as a limited liability company of Belize.

Departure from Belize.

90. Any limited liability company registered, formed, organised, created, or otherwise existing under or subject to this Act may become re-domiciled in any foreign jurisdiction upon compliance with this Act and the laws of the jurisdiction into which the limited liability company seeks to become re-domiciled.

Application to transfer domicile out of Belize.

91.-(1) Any limited liability company described in section 90 of this Act shall submit to the Registrar an application to transfer domicile out of Belize. The application shall set forth,

- (a) the names and addresses of the limited liability company's creditors, actual and

contingent, and the total amount of its indebtedness to such creditors, and the names and addresses of all persons or entities which have notified the limited liability company in writing of a claim in excess of five hundred dollars and the total amount of such claims;

- (b) that the intended departure from Belize and transfer of domicile to a foreign jurisdiction is unlikely to be detrimental to the rights or property interests of any creditor of, or claimant against, the limited liability company or any member;
- (c) that the limited liability company at the time of application to the foreign jurisdiction is not in breach of any duty or obligation imposed upon it by this Act or any other law of Belize;
- (d) that the transfer of domicile to the foreign jurisdiction is made in good faith and will not serve to hinder, delay or defraud existing creditors, members or other parties in interest;
- (e) a consent and agreement by the limited liability company that it may be served with process in Belize in any proceeding arising out of actions or omissions occurring prior to its departure from Belize, which agreement shall include the appointment of the Registrar as the agent of the limited liability company to accept such service of process and shall set forth an address to which a copy of such process shall be forwarded by mail; and
- (f) the effective date of the transfer of domicile out of Belize.

Effective date of departure.

92. Upon payment of all fees outstanding in Belize and upon proper compliance with this Act and applicable laws for transfer of domicile to the foreign jurisdiction, the Registrar shall issue a certificate of departure. As of the date of such certificate of departure, such limited liability company shall be deemed to have ceased to be a limited liability company domiciled in Belize

Jurisdiction of courts after departure.

93. Nothing in this Part shall affect the jurisdiction of any court in Belize to hear and determine any proceeding commenced therein by or against the limited liability company arising out of actions or omissions which occurred before the limited liability company ceased to be domiciled in Belize.

PART IX

Miscellaneous

Exemption from taxes, duties and exchange control.

94.-(1) Subject to this Act, a limited liability company shall not be subject to any income tax, business tax, withholding tax, asset tax, gift tax, profits tax, capital gains tax, distributions tax, inheritance tax, estate duty or any other like tax based upon or measured by assets or income originating outside of Belize or in connection with matters of administration that may occur in Belize.

(2) Notwithstanding any provisions of the Stamp Duties Act Cap. 64, but subject to subsection (3) of this section, an instrument relating to a transfer of property to or by a limited liability company is exempt from the payment of stamp duty.

(3) Subsection (2) of this section, does not apply to an instrument relating to a transfer of property situated in Belize, including any interest in land in Belize or in shares in a company incorporated under the Companies Act, Cap. 250.

(4) A limited liability company registered under this Act shall be regarded as not being resident in Belize for the

purpose of the Exchange Control Regulations Act, Cap. 52 and the Exchange Control Regulations, in Subsidiary Legislation, 2003 Edition, with regard to the property of the limited liability company and to all transactions carried out by such company.

95. No action shall lie against the Government or any public statutory body or authority of Belize, any Minister, Judge, Registrar or any public official in respect of anything done or omitted in exercise or purported exercise in good faith by any such person of his or her functions or duties under this Act.

No action to lie against certain persons.

96.-(1) All proceedings other than criminal proceedings, relating to limited liability companies commenced in the Court either under the provisions of this Act or for the purpose solely of determining the rights or obligations of members, managers or registered agents and any appeal from a decision therein shall be heard *in camera* and except as provided in subsection (2) of this section, no details of the proceedings shall be published by any person.

Confidentiality.

(2) Every decision of the Court in respect of proceedings concerning the application or interpretation of this Act shall be published or reported for the purpose of affording a record of those proceedings, provided that in every case,

- (a) the decision of the Court shall be edited to such extent as shall be necessary to preserve confidentiality in respect of the identity of the limited liability company and every member, manager, registered agent and registered office thereof; and
- (b) no such report shall be reported or published unless and until the Court shall have ascertained the views of the parties to the proceedings as to the adequacy of the editing undertaken and has certified to the Registrar

of the Court that the decision as edited may be released for publication or reporting.

(3) Where,

- (a) in any proceedings for dissolving a limited liability company the Court is satisfied that the company or any member or manager thereof has failed to comply with any provision of this Act; or
- (b) a limited liability company or any member or manager thereof is convicted by the Court of any offence under this Act,

the Court may, if it thinks fit, order that the records and registers of that company are to be deposited with the Registrar and that such records, books and registers and the entries in the Registrar's registers and records relating to that company are to be opened to public inspection.

(4) Any person or entity who whether in or outside Belize with respect to a limited liability company,

- (a) divulges;
- (b) attempts, offers or threatens to divulge;
- (c) incites, abets, counsels or procures any person to divulge; or
- (d) is a party to the divulging of any information or communication in respect of, in relation to or concerning,
 - (i) the membership of or beneficial ownership of any interest in a limited liability company;

- (ii) the identity of any member of a limited liability company or the interest (legal or beneficial) of any such member in such a company;
- (iii) the management of a limited liability company;
- (iv) any of the business, financial or other affairs or transactions of a limited liability company;
- (v) the assets or liabilities of a limited liability company;
- (vi) the existence of, or the contents of any documentation held by the limited liability company,

shall be guilty of an offence against this Act.

(5) Notwithstanding subsection (4) of this section, no offence shall be committed where information is divulged or made available to the extent required in the following circumstances,

- (a) by a manager or registered agent of a limited liability company to the Registrar or the Minister for the purpose of complying with or facilitating the giving effect to the provisions of this Act or for complying with a request for information made by the Registrar under subsection (7) of this section;
- (b) by any person making disclosure for the purpose of discharging any duty, performing any function or exercising any power under any Act or regulation;

- (c) by a manager or registered agent of a limited liability company to any person for the purpose of carrying on the business of the company or where it is otherwise in the best interests of members;
- (d) by any person to a member, manager or registered agent of a limited liability company in the course of the performance of the duties of that member, manager or registered agent;
- (e) by a manager or registered agent of a limited liability company to any other person where all of the members of that company consent to such disclosure; or
- (f) by a manager or registered agent of a limited liability company to a legal practitioner, accountant, auditor or other advisor for the purpose of obtaining advice for the benefits of the company, that manager or registered agent.

(6) Nothing in this section shall prevent the Court from requiring any person to produce documents or to give evidence in any criminal proceedings or in any civil proceedings of any facts relevant in such proceedings in the Court.

(7) Where the Registrar is satisfied in his own deliberate judgment that certain information regarding a limited liability company (including Confidential Information as defined in section 62 (6) of this Act, is reasonably required to facilitate a criminal investigation, prosecution or proceeding, whether in Belize or abroad, he may under his hand require the registered agent or manager of such company to disclose to him all such information; and the registered agent or the manager so requested shall supply the requisite information to the Registrar within a period of seven days.

97. Any register, records, accounts or documents required to be kept by a limited liability company pursuant to this Act may be kept in written, magnetic, electronic or any other data storage form provided that the limited liability company can readily produce legible printed evidence of its contents.

Form of company registers and records.

98.-(1) It is the policy of this Act to give the maximum effect to the principle of freedom of contract and to the enforceability of limited liability company agreements.

Construction of the Act.

(2) Unless the context otherwise requires, as used herein, the singular shall include the plural and the plural may refer to the singular. The use of any gender shall be applicable to all genders. The captions contained herein are for the purpose of convenience only and shall not control or affect the construction of this Act.

99. Every person who,

Offences and penalty.

- (a) does anything which is prohibited by this Act;
- (b) omits to do anything that is required by or directed by this Act; or
- (c) knows or ought to have known that he or she was making, or who without due inquiry at the relevant time makes, any material misrepresentation in any document required to be filed with the Registrar under this Act,

commits an offence and shall be liable on summary conviction to a fine not exceeding five thousand dollars, or to imprisonment for a term not exceeding one year, or to both such fine and term of imprisonment.

100. All complaints or other proceedings for any offence committed under this Act or any regulations made thereunder shall be made or commenced,

Authority to prosecute and limitation period.

- (a) by or with the leave of the Commission; and
- (b) within two years next after the date of the commission of the offence, or from the time when the matter of the complaint first came to the knowledge of the Commission, whichever is the later.

Crediting of fees and penalties.

101. All fees and penalties paid or imposed under this Act or any regulations made thereunder shall be credited into the General Fund of the Commission established under section 18 of the International Financial Services Commission Act, Cap. 272.

Legal professional privilege.

102. Where any proceedings are instituted under this Act, nothing in this Act shall be taken to require a person to disclose any information which the person is entitled to refuse to disclose on grounds of legal professional privilege.

Service of process, etc. on limited liability company.

103.-(1) Any summons, notice, order, document, process, information or written statement required or intended to be served on a limited liability company may be served,

- (a) by leaving it, or by sending it by registered mail addressed to the limited liability company, at its registered office; or
- (b) by leaving it with, or by sending it by registered mail to, the registered agent of the limited liability company.

(2) Service of any summons, notice, order, document, process, information or written statement to be served on a limited liability company may be proved by showing that the summons, notice, order, document, process, information or written statement,

- (a) was mailed in sufficient time as to admit to it being delivered, in the normal course of

delivery, within the period prescribed for service; and

- (b) was correctly addressed and the postage was prepaid.

104.-(1) The Minister may, after consultation with the Commission, make regulations providing for any matter contemplated by this Act or as may be necessary or convenient for carrying out or giving effect to this Act and its administration. Regulations.

(2) Without limiting the generality of subsection (1) of this section, such regulations may be made,

- (a) prescribing anything required or permitted to be prescribed by this Act;
- (b) prescribing annual returns to be made;
- (c) prescribing forms to be used;
- (d) prescribing the format for any filings to be made under this Act;
- (e) prescribing or amending the fees payable under this Act;
- (f) prescribing or amending the penalties for offences committed under this Act;
- (g) prescribing standards of governance of limited liability companies;
- (h) providing that an offence under this Act or any regulations made thereunder shall be punishable on summary conviction by a fine not exceeding five thousand dollars or by a term of imprisonment not exceeding one

year, or by both such fine and term of imprisonment.

(3) All regulations made under this section shall be subject to negative resolution.

Commencement. **105.** This Act comes into force on 31st day of December, 2011.