

BELIZE:

STATUTORY INSTRUMENT

No. 63 of 2018

REGULATIONS made by the International Financial Services Commission, with the approval of the Minister, in exercise of the powers conferred upon it by sections 7 and 28 of the International Financial Services Commission Act, Chapter 272 of the Substantive Laws of Belize, Revised Edition 2011, and all other powers thereunto it enabling.

(Gazetted 13th October, 2018.)

1. These Regulations may be cited as the

Citation.

**INTERNATIONAL FINANCIAL SERVICES
PRACTITIONERS (CODE OF CONDUCT)
(AMENDMENT) REGULATIONS, 2018,**

S.I. 94 of
2001. S.I. 108
of 2012.

and shall be read and construed as one with the International Financial Services Practitioners (Code of Conduct) Regulations, which, as amended, are hereinafter referred to as the principal Regulations.

2. The principal Regulations is amended in regulation 2(1) by inserting the following new definitions in their proper alphabetical order:

Amendment
of regulation
2.

“professional intermediary customer” means an intermediary or third party on whom an IFS Practitioner relies on to undertake its obligations under the Money Laundering and Terrorism (Prevention) Act or to introduce business to it;

CAP. 204

CAP. 270.

“Registers” means the register of directors, the Share register or the register of beneficial owners required by international business companies pursuant to the International Business Companies Act;”.

Insertion of new regulation 7A.

3. The principal Regulations is amended by inserting after regulation 7, the following new regulation 7A:

Registered agent to retain physical possession of Registers.

“7A. (1) A registered agent shall, at all times, retain physical possession of the Registers at the registered office, whether he deals directly with the end user customer or with a professional intermediary customer.

(2) Where the professional intermediary customer has the Registers in his possession, the professional intermediary customer shall submit those Registers to the registered agent in order for the registered agent to comply with subregulation (1).”

Amendment of Regulation 8.

4. The principal Regulations is amended in regulation 8 by inserting the following new subregulation (3):

“(3) In relation to the Registers under regulation 7A:

(a) the registered agent’s contractual relationship pursuant to subregulation (1) shall include the requirement of the professional intermediary customer to submit the Registers to the registered agent immediately upon receipt of such Registers from the company;

(b) the professional intermediary customer shall submit the Registers or changes to the Registers to the registered agent immediately upon its receipt or within

[ten days] of the date of incorporation of a company, if applicable, whichever date is the earlier date;

(c) if the professional intermediary customer refuses or fails to forward the Registers to the registered agent in accordance with this regulation, the registered agent shall –

(i) immediately notify the Director General of the professional intermediary customer's failure to supply the required Registers;

(ii) immediately provide the Director General with information contained in its record of the professional intermediary customer;

(iii) review the risk profile of the professional intermediary customer and consider ceasing the business relationship with that professional intermediary customer; or

(iv) undertake any other action required by the Director General in relation to that professional intermediary customer including resignation as registered agent for such company if it is verified that the company is not in compliance with the International Business Companies Act in relation to the keeping of Registers; and

- (d) the Director General may consider any other appropriate penalties applicable against the professional intermediary customer including the following:
 - (i) an administrative penalty of one thousand dollars for failure to submit Registers pursuant to regulation 7A(2);
 - (ii) an administrative penalty of one thousand dollars for failure to submit changes to the Registers in respect of those changes submitted to it by the company;
 - (iii) an administrative penalty of one thousand dollars for failure to submit Registers pursuant to regulation 7(1);
 - (iv) an administrative penalty of one thousand dollars for failure to submit a declaration required by the Act which it has in its possession; or
 - (v) a daily administrative penalty of fifty dollars per day or part of a day for each day the professional intermediary fails to comply with any requirement under the Act.

Amendment
of regulation
9.

5. The principal Regulations is amended in regulation 9 by renumbering the existing regulation as subregulation (1) and insert the following new subregulations (2) and (3):

“(2) Where a registered agent deals with a professional intermediary customer who subsequently has been declared as falling below acceptable international standards, the registered agent shall take all measures to cease all dealings with such professional intermediary customer.

(3) The Director General may issue warning notices against professional intermediary customers of the registered agents who are non-cooperating or declared as falling below acceptable international standards.”

6. The principal Regulations is amended in Third Schedule, paragraph 13 by inserting the following as new subparagraph (1A):

Amendment
of Third
Schedule.

“(1A) Notwithstanding subparagraph (1), the Commission may impose the following punishments for the specified professional misconduct:

(a) a fine of one thousand dollars for failure to keep Registers pursuant to regulation 7A(1);

(b) a fine of one thousand dollars for failure to notify the Director General of any non-compliance with a requirement pursuant to regulation 8(3)(c);

(c) a fine of one thousand dollars for failure to obtain a declaration of beneficial owners pursuant to the Trust and Company Service Providers (Best Practices) Regulations;

S.I. No. 37 of
2007, S.I. No.
62 of 2018

- (d) a daily administrative penalty of fifty dollars per day or part of a day for each day the registered agent fails to comply with any requirement under the Act.

Transitional.

7. (1) Upon the commencement of these Regulations, every registered agent who deals with a professional intermediary customer shall require such professional intermediary customer to forward to the registered agent any Registers retained by such professional intermediary customer within two months of the commencement of these Regulations.

(2) The registered agent shall require every company which has been in existence prior to the commencement of these Regulations, within one month of the commencement of these Regulations to submit the Registers in order for the registered agent to comply with regulation 7A.

(3) The registered agent shall submit to the Commission, within [two months] of the date of commencement of these Regulations a report on the following:

- (a) total number of shelf companies; and
- (b) any other information required by the Commission.

MADE by the International Financial Services Commission this 3rd day of October, 2018.


JOSEPH WAIGHT
Chairman

International Financial Services Commission

APPROVED by the Minister responsible for International Financial Services this 3rd day of October, 2018.



DEAN O. BARROW

Minister responsible for International Financial Services