



## GUIDANCE NOTE

FSC/2/GN/010

### **Policy on Shelf International Business Companies (IBCs) and their compliance with Economic Substance Requirements**

For the attention of all Licensees and IBCs:

It has come to the attention of the Financial Services Commission (the "Commission") that there is some uncertainty about the applicability of the economic substance requirements, as set out in the Economic Substance Act (the "Act") to shelf IBCs. This note clarifies the Commission's position as to the applicability of the economic substance requirements in respect of these entities.

The Act does not exempt shelf companies from complying with the economic substance requirements or to file an annual economic substance form.

It follows, therefore, that shelf IBCs must comply with the economic substance requirements of the Act. The Commission's stance in this respect are as follows:

- i. Shelf IBCs that have not been sold will not be required to comply with economic substance requirements.
- ii. Where a shelf IBC is sold, it shall submit an application for a Tax Identification Number (TIN) and comply with the economic substance requirements and file the requisite economic substance form pursuant to the [timing for filings](#). The entity is also required to immediately file [Form E – Non-Included Entities](#) through its respective Registered Agent within five (5) business days upon becoming sold should it determine it is not taxable in Belize.
- iii. On the incorporation of any shelf IBC, a Registered Agent will be required to appoint a first director. The Registered Agent must also keep in its possession a copy of the Register of Directors. The Commission will grant a 60-day grace period upon the publication of this policy for Registered Agents to appoint a first director for shelf IBCs that existed before the implementation of this Policy, **which is effective from 1<sup>st</sup> April 2022**.
- iv. Shelf IBCs that have not been sold, are permitted to be inactive for a maximum period of ten years, starting from the date of incorporation. Where the entity is not sold in this time frame, it must be dissolved. This accommodation will remain in place from the effective date of this Policy, unless rescinded earlier by the Commission.

Furthermore, Registered Agents will be required to provide the below information within its Annual Report for Trust and Company Services Providers, by the tenth day of January of each calendar year or at such other times as may be specified by the Commission from time to time in respect of facts and information of the preceding calendar year:

- a. Name of all shelf IBCs held, sold and dissolved
- b. Incorporation date
- c. Registration number

Responsibility for complying with this Policy rests solely with the Registered Agents and failure to do so may lead to enforcement action against the Registered Agent.

## **FINANCIAL SERVICES COMMISSION**

21<sup>st</sup> March 2022