



Guidelines to Apply for a First-Time Licence under the Financial Services Commission Act (the 'Act')

FSC/1/EG/001-1

Dated the 6th day of October 2023

TABLE OF CONTENTS

1.	INTRODUCTION	3
2.	PURPOSE	3
3.	APPLICABILITY	3
4.	DEFINITIONS.....	3
5.	APPLICATION FOR A FIRST-TIME LICENCE.....	4
6.	GENERAL LICENSING CRITERIA	4
7.	APPLICATION PACKAGE	6
8.	ESTABLISHMENT AND MAINTENANCE OF INTERNAL CONTROLS.....	8
9.	STAGES FOR THE PROCESSING OF THE APPLICATION	10
	APPENDIX 1 – FINANCIAL SERVICES	13

1. INTRODUCTION

- 1.1. The Financial Services Commission (the ‘Commission’) is responsible, amongst other things, for the licensing, regulation and supervision of persons engaged in the conduct of non-bank financial services in and from within Belize pursuant to the Financial Services Commission Act, Act No. 8 of 2023 (the ‘Act’).

The Commission has the duty, in collaboration with licensees, to promote and maintain high standards of conduct and management in the provision of financial services.

All licensees are expected to adhere to the Commission’s licensing and other requirements and ongoing supervisory programmes, including periodic on-site inspections, and required regulatory reporting. Licensees are also expected to conduct their affairs in conformity with all other legal requirements in Belize.

2. PURPOSE

- 2.1. These Guidelines aim to assist applicants in the preparation of the application for a first-time licence and to provide transparency in the licensing procedure of the Commission.

3. APPLICABILITY

- 3.1. These Guidelines apply to prospective market participants who wish to apply for a first-time licence to provide any of the financial services¹ offered by the Commission pursuant to the Act.

4. DEFINITIONS

“Applicant” means a person applying for a first-time licence.

¹ Reference Appendix 1 of these Guidelines which sets out the financial services.

“Connected Person” has its meaning assigned in the Act.

“Person” has its meaning assigned in the Act.

“Sole Practitioner” means a natural person applying for a registered agent licence who will not act in association with any other person to conduct the business.

5. APPLICATION FOR A FIRST-TIME LICENCE

5.1 The Commission will not grant a licence to an applicant unless the applicant is able to satisfy the Commission that it complies with:

- (a) all applicable statutory criteria;
- (b) the Commission’s general licensing criteria; and
- (c) any additional licensing criteria as the Commission deems necessary.

6. GENERAL LICENSING CRITERIA

6.1 Subparagraph 6.2 to 6.11 describes the Commission’s general licensing criteria. The criteria serve as a guide to applicants when preparing the application package.

Legal Status

6.2 The following persons shall be eligible to apply for a first-time licence-

- a. Sole practitioners - only an applicant for a registered agent licence can apply as a sole practitioner, provided the applicant is resident in Belize.
- b. a company registered under the Belize Companies Act that is a bank as defined by the Domestic Banks and Financial Institutions Act, provided that such bank has sought and received a no-objection from the Central Bank of Belize to its application for a licence; or

- c. any other company or corporate entity registered under the Belize Companies Act that has management with the requisite knowledge and expertise of the business to be carried on and has a physical presence in Belize consistent with the type of activity for which a licence is being sought as specified by the Economic Substance Act and Regulations made thereunder.

Suitability of Directors, Senior Management, Partners, Shareholders, Ultimate Beneficial Owners and Certain Functionaries

- 6.3 An applicant sole practitioner or applicant's directors, managers, partners, shareholders and ultimate beneficial owners (the 'Officers') must satisfy the Commission's fit and proper criteria.
- 6.4 The onus is on the applicant to provide the Commission with all relevant information, documentation, evidence to prove to the Commission that the applicant and any of its Officers (as listed in subparagraph 6.3) is/are qualified, experienced, and capable of providing the services under the licence for which they are applying.

Ownership Structure

- 6.5 The applicant must explain and provide proof of its ownership structure to the Commission and satisfy the Commission that the structure will not hinder effective supervision of the applicant if it is granted a licence. If the applicant is part of a group, the Commission will consider the ownership structure of the group and its members in addition to the ownership structure of the applicant.
- 6.6 No licence will be granted to an applicant that is authorized to issue bearer shares.

Financial Resources

- 6.7 An applicant will have to satisfy the Commission that it has sufficient financial resources to support the licensed business that it will carry on considering the nature, scale, complexity, and diversity of the business and the risks to which the applicant is likely to be exposed. In assessing the applicant's financial resources, the Commission will consider the amount of financial resources and the availability to the applicant.

The Commission will assess the financial resources and initial financial projections set out in the business plan when determining satisfaction with this criterion.

- 6.8 The applicant must satisfy the applicable capital requirement.

Management, Operational Structure, and Internal Controls

- 6.9 An applicant will need to satisfy the Commission that its management, operational structure, and internal control is adequate for the licensed business that it proposes to carry on. The Commission will need to be satisfied that the applicant has appropriate risk management policies, systems, and controls in place.

Economic Substance Requirements

- 6.10 If the applicant's principal address is **not** in Belize, the applicant must demonstrate how it will satisfy the substance requirements set out in the Economic Substance Act. The applicant is to submit a plan demonstrating how they will satisfy economic substance requirements. The Commission will review this plan to determine satisfaction of this criterion.

Compliance with Regulatory and AML/CFT Obligations

- 6.11 The Commission must be satisfied that the applicant will be able to comply with its regulatory and AML/CFT obligations. If the applicant is under the supervision of a financial services regulator in another jurisdiction, the Commission will require a certificate of good standing from the regulator. In the event a certificate of good standing is impossible to procure, the Commission may accept a declaration from the directors to declare that the applicant is in compliance with its regulatory and other relevant obligations in that jurisdiction.

7. APPLICATION PACKAGE

- 7.1 An application shall consist of the following:

- (a) A complete [application form](#) and its supporting documentation;

- (b) A business plan;
- (c) Internal controls;
- (d) Request for approval to fulfil the capitalisation requirement, together with relevant supporting documentation; and
- (e) Complete [Payment Information Form](#) (PIF).

Guidance on Drafting Business Plan

7.2 The business plan submitted by an applicant shall cover the first 3-year period.

7.3 A business plan shall, as far as relevant to the applicant and the proposed business:

- (a) Include a general description of the business proposed to be carried on, stating the types of services for which the licence is required, the methodology to be employed in providing the services, the targeted clientele, the applicant's short-, medium- and long-term objectives, and how the applicant's objectives will be achieved;
- (b) Describe, in general terms, how the licensed business will be marketed and the expected sources of business;
- (c) Specify the human resources, including employees and outsourced expertise, and other non-financial resources, including premises and systems, that the applicant considers that it will require to carry on its licensed business and indicate how it is anticipated that these will be obtained;
- (d) Specify any outsourcing arrangements that it proposes to put in place, and in respect of such outsourcing arrangement, the oversight arrangements that will be put in place;
- (e) Contain financial projections for the 3-year period to be covered by the business plan, including projected set-up cost. The financial projections should clearly

specify the capital and other financial resources that the applicant expects will be required over the period covered by the business plan and how these will be provided; and

(f) Contain information on any contracts, or proposed contracts, with connected persons.

7.4 The Commission is cognizant that an applicant's business plan will be dependent on the nature, size and complexity of the applicant's business, or proposed business.

8. ESTABLISHMENT AND MAINTENANCE OF INTERNAL CONTROLS

8.1 An applicant shall establish and maintain an adequate and effective system of internal controls appropriate for the nature, size, complexity, structure and diversity of its business. Internal control is a process undertaken by the board, senior management, and all levels of staff. The board and senior management are responsible for establishing the appropriate culture to facilitate an effective internal control process and for monitoring its effectiveness on an on-going basis. A sound internal control framework is critical to an applicant's ability to meet its objectives and to maintain its financial viability.

8.2 The applicant must submit its internal controls along with its application for a licence.

8.3 The main objectives of the internal control framework are:

(a) Performance objectives- to ensure that the applicant is using its assets and other resources efficiently and effectively and that the applicant is being adequately protected from loss;

(b) Information objectives- to ensure that timely, reliable, complete and relevant financial and management information needed for decision making is being prepared;

(c) Compliance objectives- to ensure that the applicant complies with all its regulatory

and AML/CFT obligations.

8.4 The internal controls established shall, as appropriate, operate at all levels of the applicant and shall ensure that:

- (a) The business of the applicant is planned and conducted properly, adequately and in an orderly manner and in accordance with the strategies and policies established by the board, policies established by senior management, and the relevant laws;
- (b) Transactions and commitments are entered into in accordance with documented general or specific policies and any appropriate limits and that compliance with such policies and limits is reviewed;
- (c) The assets of the applicant are appropriately safeguarded, and the liabilities controlled through measures designed to minimise the risk of loss from irregularities, error, fraud and physical damage, and to identify such occurrences promptly should they occur;
- (d) There are appropriate arrangements in place for the delegation of authority and responsibility and for the segregation of duties;
- (e) The accounting and other records are complete, accurate and timely and can be used to compile financial statements as required by the regulatory enactments, management information and returns to the Commission in line with the regulatory and AML/CFT obligations;
- (f) The board and senior management are able to identify and regularly assess all relevant risks in the conduct of the applicant's business, so that:
 - i. Identified risks can be measured, monitored and controlled appropriately;
 - ii. Any losses can be monitored and controlled on a regular and timely basis;
and

- iii. Appropriate provisions can be made for bad and doubtful debts and for any other exposure.

- (g) The board and senior management are able to properly guard against involvement in financial crime and ensure compliance with all regulatory and AML/CFT obligations;

- (h) Relevant staff of the applicant are able to perform sufficient due diligence on the customers and prospective customers to adequately assess all relevant risks, including the risks of money laundering and terrorist financing;

- (i) Adequate business resumption, disaster recovery and other contingency arrangements are in place and tested at appropriate intervals; and

- (j) Adequate controls are in place, including controls:
 - i. Relating to changes to systems and records to ensure that only valid changes are made to them;

 - ii. Relating to access to protect the confidentiality and integrity of electronic assets; and

 - iii. To ensure that appropriate cross checking and reconciliations, including of accounts is undertaken.

9. STAGES FOR THE PROCESSING OF THE APPLICATION

- 9.1. If applying for a registered agent licence, the applicant can send its own application to the Commission.

- 9.2 With the exception of an application for a registered agent licence, every application for a licence must be routed through a licensed registered agent, who must conduct proper due diligence of the applicant and its Officers (See subparagraph 6.3) before forwarding the application to the Commission.

STAGE 1: Acknowledgment of the Application

The Commission shall acknowledge receipt of the application within three (3) working days from the date of receipt of the application.

The Commission will issue an invoice for the appropriate non-refundable application fee on receipt of the correctly filled-out PIF. The application fee must be paid in order for the application to be processed.

The applicant must provide a copy of the payment confirmation to accounts@belizefsc.org.bz with a copy to applications@belizefsc.org.bz within 24 hours from the time the transaction was made.

STAGE 2: Verification of Completeness of Application

The Commission shall take no longer than five (5) working days from receipt of the application to notify if the application is complete or incomplete.

If the application is incomplete, it will be returned to the applicant with relevant instructions.

Only complete applications will be processed.

STAGE 3: Assessment Phase of Application

I. Examination of all information and documents

The application and the supporting documents will be assessed to determine whether the applicant satisfies the Commission's licensing criteria.

The Commission may request for further information, documentation, or clarification during the assessment if deemed necessary.

The applicant's registered agent or the applicant, in the case of an application for a registered agent licence, shall promptly respond to any queries made by

the Commission to avoid delay in completing the assessment of the application.

II. Decision on the Application

A. Approval to Grant Licence

Where the applicant satisfactorily meets the licensing criteria, the Commission will notify the client that the application is successful and attach an invoice for the licence fee.

The Commission will issue the licence(s) for the approved period within five (5) to ten (10) working days from receipt of payment. The Commission may attach special conditions to the licence if it deems it necessary.

B. Notice of intention to refuse an application (Notice of Intention)

Where the Commission is inclined to refuse an application for a licence, a notice to this effect will be given to the applicant. This notice allows the applicant an opportunity to be heard and to make written representation within thirty days of the date of receipt of the Commission's notice. The Commission will take the written representation into consideration when making its decision.

C. Notice of Refusal

Where the Commission has received and assessed the written representation, and makes the decision to refuse, then the Commission will notify the applicant. No further application to be made to the Commission within the period of one-year beginning with the date when the applicant is notified of the refusal of application.

APPENDIX 1 – Financial Services

Below is a list of the regulated financial services by the Commission:

1. Accounting services
2. Bill paying services
3. Financial advisory or consultancy services
4. Financial leasing
5. Financial intermediation services
6. International asset protection and management
7. Money broking
8. Money exchange
9. Mortgage lending
10. Payment processing services
11. Registered Agent
12. Safe custody services
13. Trading in Commodity-based and Other Financial Instruments