

**Mastering NPOs & NGOs:
An Essential Guide to Understanding
Registration, Legal and Compliance
Requirements in Belize**



Agenda



- 1 Opening Remarks
- 2 Non-Profit Organisations & Non-Governmental Organisations in Belize
- 3 Live Question & Answer Segment
- 4 Closing Remarks

Non-Profit Organisations

Outline

Non-Profit Organisations

- 1 Defining an NPO
- 2 Legal Structures of NPOs
- 3 Registration
- 4 Compliance Obligations

1 Defining an NPO

What is an NPO?

In Belize, a Non-Profit Organisation, or NPO, is a **company** or **body of persons**, whether **incorporated** or **unincorporated**, or a trust or **other legal arrangement**:



established primarily for the promotion of **charitable, philanthropic, religious, cultural, educational, social or fraternal purposes**, or other activities or programmes



for the **benefit of the public** or a section of the public within Belize or elsewhere

What is an NPO?

In Belize, a Non-Profit Organisation, or NPO, is a **company** or **body of persons**, whether **incorporated** or **unincorporated**, or a **trust** or other **legal arrangement**:



raise or disburse funds within Belize or elsewhere for this purpose

The Non-Profit Organisation Act

The Non-Profit Organisations Act, 2023 (NPO Act):



came into effect on the **13th of May 2023**



provides a risk-based supervision of NPOs in Belize



is part of Belize's efforts to combat terrorist financing and money laundering

The Non-Profit Organisation Act

Under the NPO Act an **unregistered NPO**, or an NPO which has had its **registration suspended** cannot, **from any section of the public**, in Belize or elsewhere:



solicit contributions or have contributions solicited on its behalf



raise funds or have funds raised on its behalf

2⁷ The NPO Registrar

The NPO Registrar

The Director General of the **Financial Services Commission** is the **Registrar of NPOs**.

The **Deputy Registrar of the Belize Companies and Corporate Affairs Registry (BCCAR)** is the Deputy Registrar of NPOs.

Powers of the Registrar

The powers of the Registrar include:

1

Accepting and reviewing applications for registration

2

Setting fees for the application for registration as an NPO.

Functions of the Registrar

The NPO Act empowers the Registrar to act in administrative and monitoring and oversight capacities.



The administrative duties of Registrar are geared towards the maintenance of an up-to-date register for the benefit of the public.



In exercising its powers of monitoring the Registrar is empowered to actively ensure NPOs are complying with the NPO Act and remain free from illegal and unwanted influences.

Administrative Functions of the Registrar

Under the Act, the Registrar is empowered to:

1

Receive and review annual returns

2

Receive and review annual audited financial statements

3

Impose sanctions for breach by a NPO of its obligations

4

Establish and maintain a register of NPOs containing prescribed information

Monitoring functions of the Registrar

Under the Act, the Registrar is empowered to:

1

Conduct or authorise on-site inspections

2

Conduct or authorise inquiries into the operations of NPOs

3

Make reports to and liaise with the FIU, the DPP and law enforcement agencies where there are suspicions about money laundering

4

Cancel or suspend registration of NPOs

On-site inspection by the Registrar

The following activities are permissible during an inspection:

1

Entry of the premises

2

Inspection of the premises

3

Observation of the conduct of operations

4

Inspection of any recorded information found on the premises

On-site inspection by the Registrar

The following activities are permissible during an inspection:

5 Taking copies of, or making extracts from the information

6 Requiring any controller to provide an explanation of any recorded information or to state where it may be found

On-site inspection by the Registrar

Inspectors:

1

Perform an assessment of the financials and record-keeping measures to ensure that appropriate records of donations are being kept and that these also include records of disbursement and information on the persons or entities receiving funds from the NPO

2

Determine whether the NPO has adequate knowledge of TF abuse of NPOs and whether the organisation has received training.

On-site inspection by the Registrar

Inspectors:

3

Assess the NPO's understanding of how the organization may be open to TF abuse

FATF resources on TF abuse of NPOs

1 Best Practices on Combating the Abuse of Non-Profit Organisations

<https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Financialinclusionandnpoissues/Bpp-combating-abuse-npo.html>

2 Risk of terrorist abuse in Non-Profit Organisations

<https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Methodsandtrends/Risk-terrorist-abuse-non-profits.html>

FATF resources on TF abuse of NPOs

3 Guidance on Best Practices for Non-Profit Organisations to Mitigate the Risk of Terrorism Financing Abuse

<https://www.belizefsc.org.bz/guidance-for-licensees-fs-practitioners-and-registered-entities/>

3 Legal Structures for NPOs

Legal Structures for NPOs



You should know...

NPO is a status granted to organisations and is not a structure in and of itself.

Legal Structures for NPOs

NPOs can adopt a variety of legal structures depending on their needs, how they work and their membership. The legal structure can be:



Incorporated

or



Unincorporated

Unincorporated Structures for NPOs

The unincorporated structures available to NPOs in Belize are:



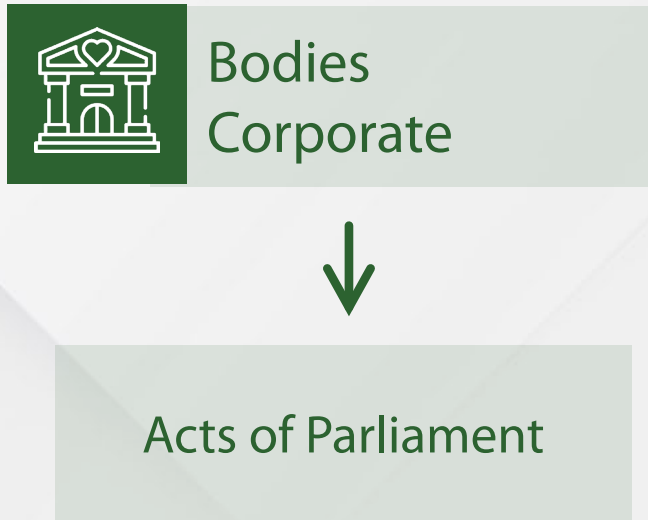
Incorporated Structures for NPOs

The incorporated structures available to NPOs in Belize are:



Incorporated Structures for NPOs

The incorporated structures available to NPOs in Belize are:



4 Registration

Which entities must be registered as NPOs?

Registration under the NPO Act is required by an organisation which

- 1 operates **primarily** for **charitable, philanthropic, religious, cultural, educational, social or fraternal purposes**
- 2 benefit **the public or a section of the public** within Belize or elsewhere
- 3 **raises or disburse funds** within Belize or elsewhere, for the prescribed object or purpose.

Which entities must be registered as NPOs?

Typically required to register:



Charity



Philanthropic Organisation



Social Service Organisation



Community Service Organisation



Sporting & Recreation Association



Arts & Culture & Education



Religious Organisation

NPOs in operation before commencement of the NPO Act

NPOs, including NGOs, which were in operation immediately before the NPO Act came into effect but not registered as reporting entities under section 85B of the Money Laundering and Terrorism (Prevention) Act, were given a period of 3 months within which to register under the NPO Act.

This initial grace period was extended by the Non-Profit Organisations (Extension of Period) Order until March 28, 2024.

NPOs in operation before commencement of the NPO Act



You should know...

No further extensions are in force. **All organisations which fall within the definition of an NPO under the Act must be registered to continue carrying out their activities.**

Reporting Entities under section 85B of the Money Laundering and Terrorism (Prevention) Act

NPOs and NGOs which were registered as reporting entities under section 85B of the Money Laundering and Terrorism (Prevention) Act **are deemed to be registered** under the NPO Act.

The NPO Registrar, however, may request the NGO or NPO to submit additional information to comply with the registration requirements of the NPO Act.

Reporting Entities under section 85B of the Money Laundering and Terrorism (Prevention) Act



You should know...

NGOs or NPOs which fail to provide the additional information may have their registration suspended or cancelled.

Benefits of registration

The benefits of registration include:



Increased public trust and confidence



Greater access to grants and donations

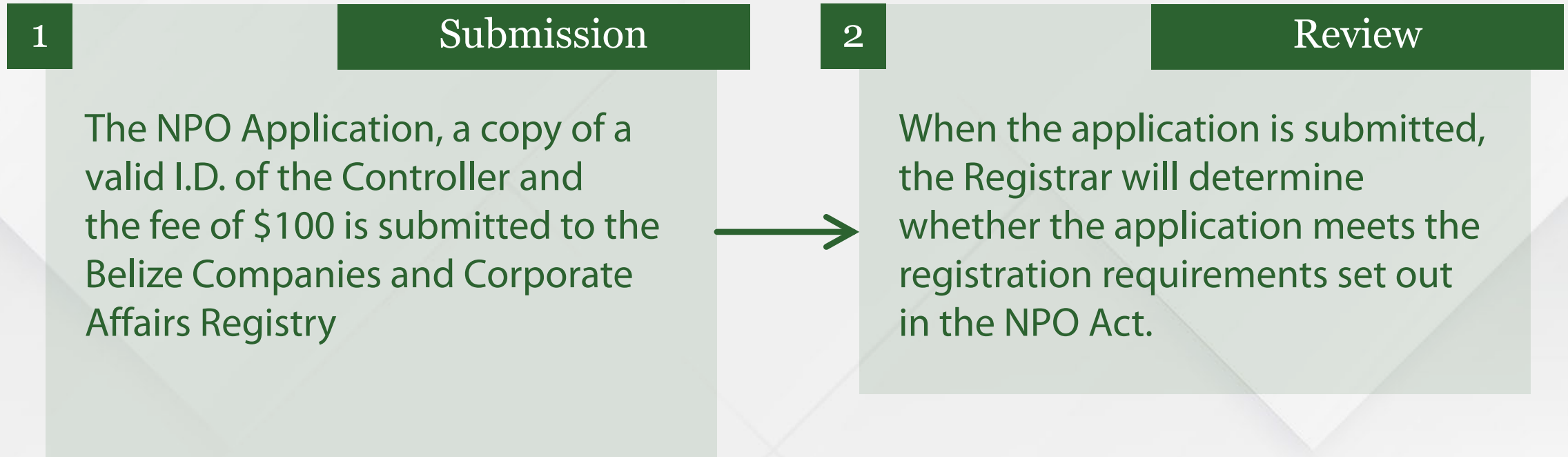


Opportunities for networking and collaboration

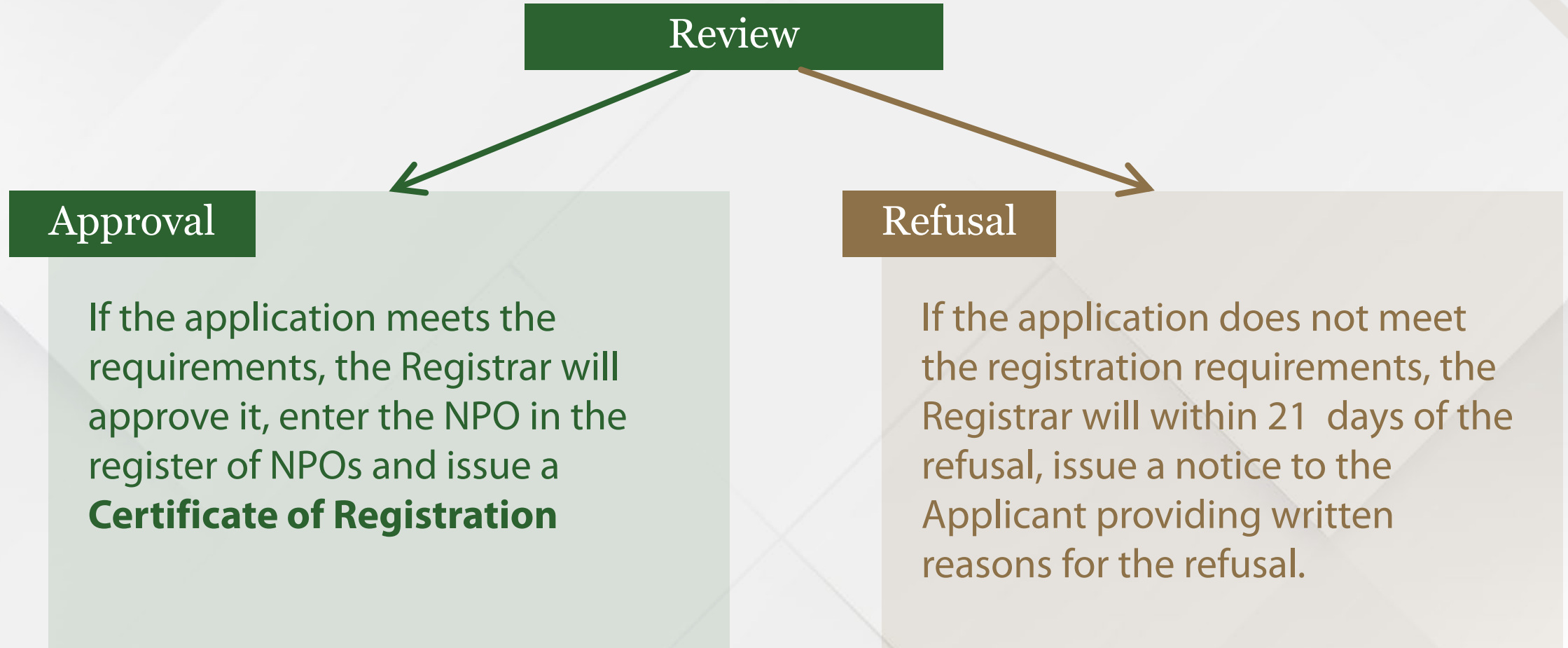


Increased visibility and outreach

Procedure for registration



Procedure for registration



Procedure for registration



Non-Profit Organisations ACT 2023

CERTIFICATE OF REGISTRATION

The Belize Companies & Corporate Affairs Registry HEREBY CERTIFIES, pursuant to NON-PROFIT ORGANISATIONS Act, 2023 all requirements in respect of registration have been complied with.



Registration Number [REDACTED]

Non-Profit Organizations on this day registered in the Register.



Dated this
02nd of May 2024

A handwritten signature in black ink, appearing to read "Santiago Sanzob".

Deputy Registrar
Belize Companies & Corporate
Affairs Registry

Who is a controller of an NPO?

A controller of an NPO is the person who owns, controls, manages or directs an NPO.

Who is a controller of an NPO?

Depending on the NPO's legal structure, a Controller may be:



A trustee of a Trust



A director of a company



A general manager of a partnership



A manager or administrator of an unincorporated association.



In other cases, a person who manages or controls the NPO

The registration application

Applicants are required to provide the following information in their application:

1 Name of the organisation

2 I.D., address, contact information of controller & members of senior management

3 Copies or particulars of trust deed and other organisational documents (as applicable)

The registration application

Applicants are required to provide the following information in their application:

4 Copies of the constitution, the memorandum of association and the articles of association of the NPO (as applicable)

5 The declared purposes of the NPO

The registration application

Applicants are required to provide the following information in their application:

6

Information with respect to the location of the funds and other property of the NPO and its banking arrangements.

7

The source or anticipated source of contributions or funds

8

How contributions or funds are to be used

The registration application

Applicants are required to provide the following information in their application:

9 Any other evidence which reflects the organisational structure and functions of the NPO.

10 The proposed geographical area of operation of the NPO

11 The financial year of the NPO

5 **Compliance Obligations**

Notification of cessation of operation & change in purpose

The controller of an NPO is under a duty to notify the Registrar:

1

Of the cessation of the operation or non-existence of the NPO Of the within **30 days** of the NPO ceasing to operate.

2

Of any change in the NPOs purposes and activities, constitutional documents or any of the particulars entered in the register within **30 days** of the change.

Annual Returns



NPOs must file an annual return each year using the NPO Annual Return Form




The annual return must be filed within **4 months** of the end of the NPO's financial year



The annual return carries a fee of \$100.

Financial Information to be filed with Annual Returns

The proposal is that the financial information to be provided together with the NPO's Annual Return should be determined on a tiered basis.



INCOME
Under \$150k

Income Statement and Balance Sheet prepared by an Accountant or Bookkeeper



INCOME
\$150k - \$499k

Internally generated financial statements (income statements, balance sheets, cash flows) certified by senior officer, e.g Financial Controller, Senior Accountant

Financial Information to be filed with Annual Returns

The proposal is that the financial information to be provided together with the NPO's Annual Return should be determined on a tiered basis



INCOME
Over \$500k

Accounts audited annually by an auditor

Annual Returns



Non-Profit Organisations ACT 2023

CERTIFICATE OF GOOD STANDING

This certifies that

[REDACTED]

Registration Number [REDACTED]

Is duly registered under and by virtue of the Non-Profit Organizations Act 2023,
of the Laws of Belize, is in Good Standing.



Dated this
Thursday 29th of May 2024
Certificate No. CERT-REG-23/05242



A handwritten signature in black ink, appearing to read "Santiago Gonzalez".

Deputy Registrar
Belize Companies & Corporate Affairs
Registry

Accounts and records



NPOs must maintain accounts and other records in relation to their business.



NPOs must preserve their accounts and other records for a period of at least **five (5)** years from the end of the financial year, or from the date the registration of the NPO was cancelled.

Accounting & Administrative Procedures



NPOs must implement internal accounting and administrative procedures to ensure transparent and proper use of their resources.

Due Diligence

NPOs should take **reasonable measures** to confirm:

1

The identity of each person to whom the NPO, through its own or its associates' services, has provided support or assistance valuing no less than \$500.

2

That persons assisted are not involved with or using the assistance to in turn support terrorists or terrorist organisations

Consequences of failure to comply with compliance obligations



You should know...

Failure to discharge a duty imposed by the Act is an offence. A person found guilty is liable on summary conviction to a fine of \$3000 or to imprisonment for a term of one year, or to both.

Consequences of failure to comply with compliance obligations



You should know...

Where the NPO Registrar discovers breach of any obligation he may issue **written warnings, issue a directive** to the NPO to comply with specific instructions or **order regular reports** from the NPO on the measures it is taking to comply.

Consequences of failure to comply with compliance obligations



You should know...

The Registrar may impose on Controllers who without reasonable cause fail to comply with specified provisions of the Act an administrative penalty of **\$3000**.

In cases where the breach continues, a further penalty not exceeding \$100 per day may also be applied.

Consequences of failure to comply with compliance obligations



You should know...

The Registrar may cancel or suspend an NPO registration where after investigation it is proven that the NPO **without reasonable cause**, failed to comply with any provision of the Act or failed to pay any prescribed registration fees.

Poll Questions

Non-Governmental Organisations

Outline

Non-Governmental Organisations

- 1 Defining an NGO
- 2 Registration
- 3 Compliance Requirements

1 Defining an NGO

Legislation governing NGOs in Belize

The Non-Governmental Organisation Act Chapter 315, (NGO Act) provides a registration and compliance regime for NGOs in Belize.

How are NGOs defined in Belize?

The NGO Act defines an NGO as an organisation with the following attributes and characteristics:

1 a company limited by guarantee

3 aims, objects and purposes are carried out on a charitable, non-profit basis

2 independent of government control in its operations and management

4 affairs managed through a Board of Directors

How are NGOs defined in Belize?

The NGO Act defines an NGO as an organisation with the following attributes and characteristics:

5 no **personal gain or profit from the property and funds of the organisation** is obtained by any member of the board, officer or employee

6 activities carried out in Belize are in agreement with the principles and provisions of the Belize Constitution

How are NGOs defined in Belize?

The NGO Act defines an NGO as an organisation with the following attributes and characteristics:

7 aims, objects and nature are in agreement with the protected principles in the preamble to the Belize Constitution

8 Aims objects and nature are in agreement with fundamental human rights such as those set out in the Universal Declaration of Human Rights and regional human rights treaties which Belize has agreed to abide by

How are NGOs defined in Belize?

The NGO Act defines an NGO as an organisation with the following attributes and characteristics:

9

aims, objects and nature
contribute to sustainable human
development

What is sustainable human development?

Sustainable Human Development consists of two components:

1

Sustainable development

and

2

Human development

What is sustainable human development?

1

Sustainable Development

Sustainable development is concerned with meeting basic human needs particularly of the poor, of the present and future generations.

2

Human Development

Human development aims at providing better opportunities for people to achieve long and healthy life, access to knowledge and acceptable living standards

What is sustainable human development?

For the purposes of the NGO Act, sustainable human development is defined to include:

1 Promotion and observation of **primary & secondary healthcare, sanitary standards and health education**

3 Development of **education system** for basic needs

2 **Human rights** (fundamental rights and freedoms) promotion, protection and education

4 Public education on the Belize Constitution and individual's rights and obligations thereunder

What is sustainable human development?

For the purposes of the NGO Act, sustainable human development is defined to include:

5 Development and implementation of **community-based projects for communities and marginalized groups**

7 Promotion of **patriotism** and **national consciousness**

6 Development and implementation of **income generating production projects for communities**

8 Provision of **microcredit schemes** for income generating projects

What is sustainable human development?

For the purposes of the NGO Act, sustainable human development is defined to include:

9 Formation of **civil society organisations** concerned with marginalised groups and disadvantaged social groups

10 Promotion of **participation of women in national development, gender awareness issues** and sensitivity

11 Dissemination and **protection of Belize culture & culture** of other ethnic groups

12 Improvement of the **well-being of the natural environment**

What is sustainable human development?

For the purposes of the NGO Act, sustainable human development is defined to include:

13

Promotion and encouragement of responsible conservation, protection and **sustainable use of Belize's natural environment, resources, antiquities and monuments**

2⁷ Registration

Benefits of registration

The benefits of registration include:



Registered NGOs are exempt from the **payment of income tax**.



Registered NGOs may apply to the Minister of Finance for **exemption from business tax** or any other tax or duty levied by the government from time to time.

Benefits of registration

The benefits of registration include:



Monies and any interest earned on monies by NGOs involved in the management and disbursement of monies on credit for projects to individuals or community-based groups, will **not be liable to the taxes, duties.**



Funds held by a registered NGO in a foreign currency account maintained in the NGO's name in Belize are exempt from any taxes or duty levied by the government.

Benefits of registration

The benefits of registration include:



Donors are also eligible for tax relief.



Registered NGOs can associate with any other NGOs, within or outside Belize to form Associations, Federations or Networks.

The Registrar of NGOs



You should know...

The Director General of the Financial Services Commission is the Registrar of NGOs. The Deputy Registrar of the Belize Companies and Corporate Affairs Registry (BCCAR) is the Deputy Registrar of NGOs and assists with execution of the functions and responsibilities of the NGO Registrar.

Which entities must be registered as NGOs?

The NGO Act provides for the **mandatory registration** of :

1

All **international NGOs** operating in Belize whose programme of activities fall within the definition of sustainable development, who have not received an exemption from the Minister.

2

All **Association, Federation or Network of registered NGOs** formed under the Act.

Which entities must be registered as NGOs?



You should know...

Registration of all other organisations which meet the NGO criteria as set out in the Act is **optional**.

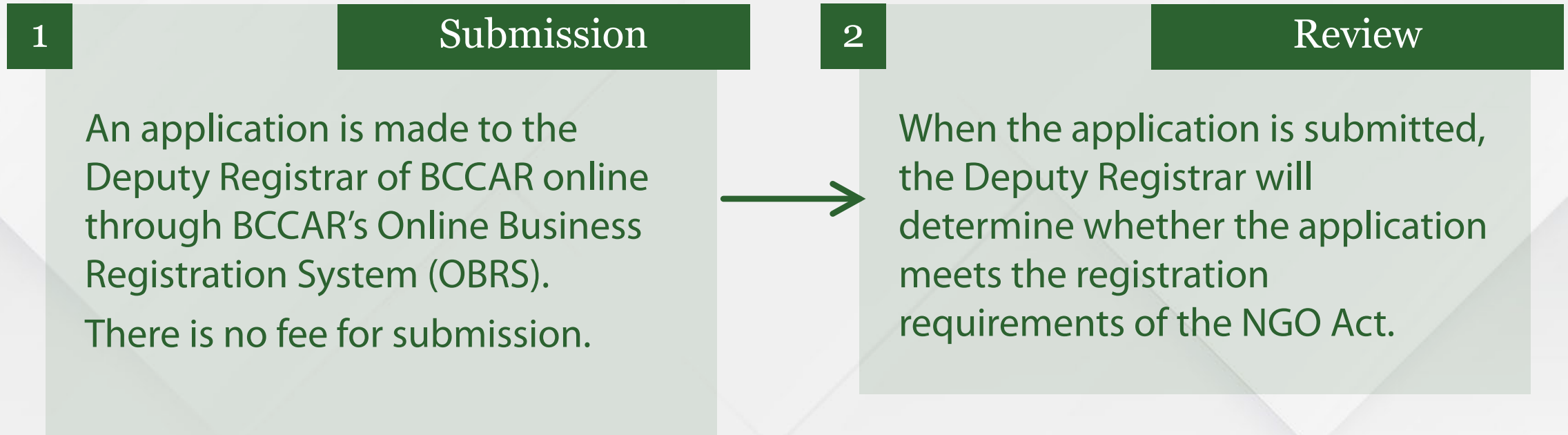
Which entities must be registered as NGOs?



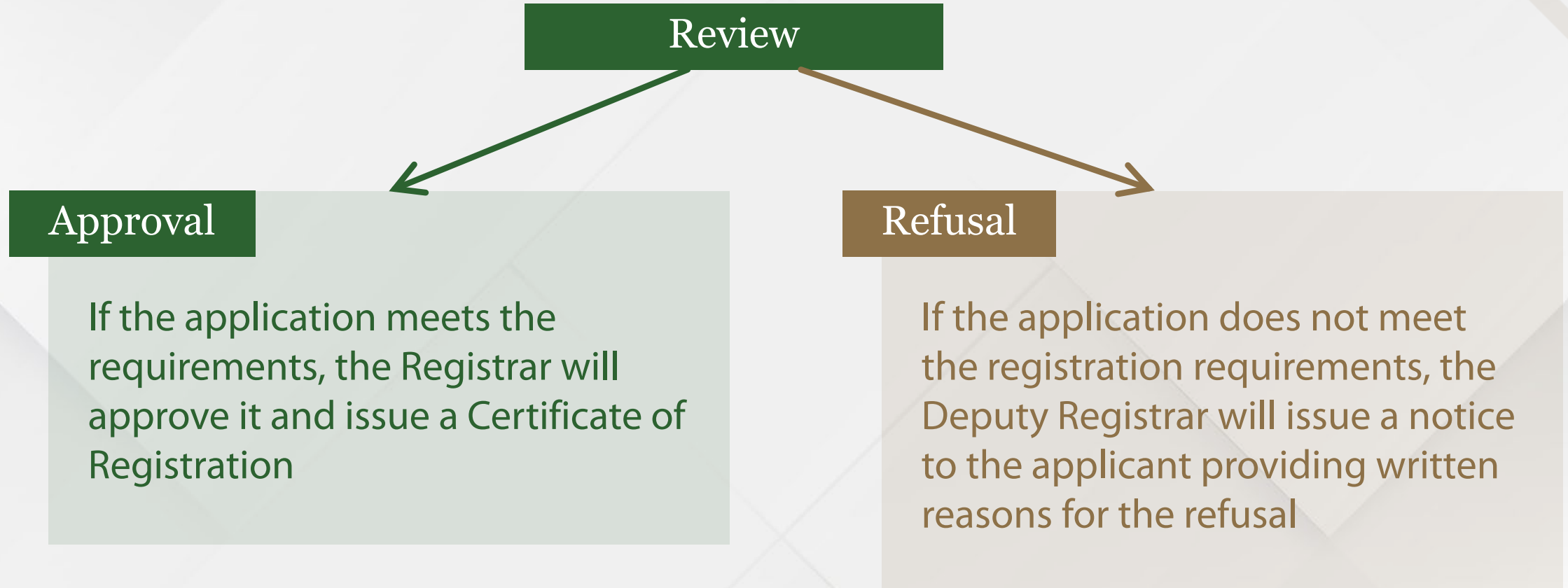
You should know...

Only **registered NGOs** may lobby for their own interests or represent the interest of other NGOs.

Procedure for registration



Procedure for registration



Procedure for registration



BELIZE COMPANIES & CORPORATE AFFAIRS REGISTRY

CERTIFICATE OF REGISTRATION FOR NGO

The Belize Companies & Corporate Affairs Registry HEREBY CERTIFIES, pursuant to the Non-Governmental Organizations Act, Chapter 315 Revised Edition 2020 of the Laws of Belize that all requirements in respect of registration have been complied with.



Registration Number [REDACTED]

Non-Governmental Organisation is this day registered under the said ACT.

Dated this
19 of January 2024
Certificate No.



A handwritten signature in black ink, appearing to read "Santiago Sanzaby".

Deputy Registrar
Belize Companies & Corporate
Affairs Registry

Procedure for registration



You should know...

Existing companies may register as NGOs. In the BCCAR's OBRS online system, existing companies need to indicate that they are performing an amendment to their articles to commence the NGO registration process.

The registration application

Each application for registration must contain:

1

The name and address of the NGO

2

Brief details of the aims, objects and purposes of the NGO

3

The organization structure of the NGO, including details of its membership and management, how its directors are elected, their duties and powers and terms of office

4

The accounting and management procedures of the NGO.

The registration application

Each application for registration must contain:

5 The names, addresses and occupation of each member of the Board of Directors of the NGO or each year, where applicable

6 The types of programmes that the NGO intends to carry out for that year

The registration application

Each application for registration must contain:

7

The maximum annual estimated revenues and grants of the NGO. An NGO with revenues of **at least \$25,000** per annum should provide its audited accounts for the previous financial year. An NGO with annual revenues **below \$25,000** per annum, may provide its statement of accounts prepared by its accountant or bookkeeper

3 **Compliance Obligations**

Annual Report



NGOs must file a yearly report containing the NGO's financial statements and details regarding the NGOs activities and policies for the financial year



The annual report must be filed within 4 months of the end of the NGOs financial year



There is no fee for filing the report.

Annual Report



BELIZE COMPANIES & CORPORATE AFFAIRS REGISTRY

CERTIFICATE OF GOOD STANDING FOR NGO

The Belize Companies & Corporate Affairs Registry HEREBY CERTIFIES, pursuant to the Non-Governmental Organizations Act, Chapter 315 Revised Edition 2020 of the Laws of Belize that

Registration Number [REDACTED]

This certifies that the above-named Non-Governmental Organisation as of the date hereof: the Non-Governmental Organisation registered under the said ACT is of Good Standing.


Dated this
14 of June 2024
Certificate No. CERT-REQ-24/51805



Deputy Registrar
Belize Companies & Corporate
Affairs Registry

Financial Information to be filed with Annual Report

The financial information to be provided together with the NPO's Annual Report is determined on a tiered basis.



REVENUE
At least \$25k

Income Statement and Balance Sheet prepared by an Accountant or Bookkeeper



REVENUE
Above \$25k

Accounts audited by an independent Auditor appointed by in each year by its Board of Directors, committee or governing body.

Accounts and records



NGOs must maintain accounts and other records in relation to their business.



NGOs must annually prepare a statement of accounts in a form which conforms to the best commercial and accounting standards

Accounts and records

NGOs must retain and maintain for a for a minimum period of **five (5)** years from the date of creation, the following records obtained during the course of their operation and administration:

1

All documents required to be submitted in support of its application for registration and all accounting and other records required to be maintained in relation to its business affairs

2

All statements and reports, required to be submitted with its annual report

Accounts and records

NGOs must retain and maintain for a for a minimum period of five (5) years from the date of creation, the following records obtained during the course of their operation and administration:

3

All records in relation to any domestic or international financial transactions

Accounting & Administrative Procedures

NGOs must:

1

Implement accounting and administrative procedures to ensure transparent and proper use of their resources

Other Obligations

Technical/Professional Qualifications of Officers/Employees

1

An NGO whose aims, objectives and purposes require the NGO to possess particular **technical** or **professional qualifications**, must submit to the Registrar within **2 months** after registration, satisfactory proof that its officers and/or employees are registered or licensed under the relevant laws of Belize

Other Obligations

Foreign Currency Accounts

2

Locally incorporated NGOs which hold foreign currency accounts with any bank or financial institution outside Belize, must within **3 months** of registration transfer such monies to Belize and open and hold a foreign currency account in its name in Belize

Other Obligations

Use of resources and training

3

Utilise its financial and other resources for the attainment of its aims, objects and purposes.

4

Train its officers and employees so that they become efficient and professional in delivering the programme of activities of the NGO.

Consequences of failure to comply with compliance obligations



You should know...

An NGO which **fails to comply with any provisions of the NGO Act** or which is found to be **carrying out activities not provided for in its Memorandum or Articles** is at risk of having its Certificate of Registration **cancelled** by the Registrar.

Consequences of cancellation



You should know...

Consequent upon the cancellation of its registration, an NGO will lose all tax exemption benefits provided under the Act.

Poll Questions

**Questions
&
Answers**



BCCAR
Belize Companies & Corporate Affairs Registry



Belize
FSC
Financial Services Commission

Connect with us:

BCCAR: www.bccar.bz & **FSC:** www.belizefsc.org.bz
Online Business Registry System (OBRS): www.obrs.bccar.bz
Inquiries can be submitted to: inquiries@bccar.bz
Customer Service hotline: +501-223-4701
WhatsApp number(messages only): +501-615-8761

