

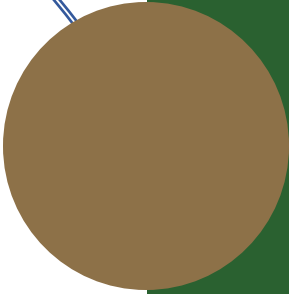


Belize
FSC
Financial Services Commission

Smart Investing: A Guide to Navigating the Securities Landscape



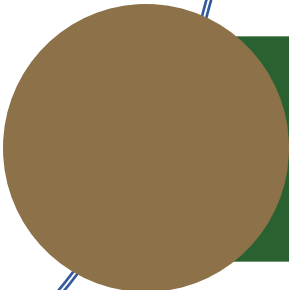
About the FSC



The Financial Services Commission (FSC) is established under Section 3 of the Financial Services Commission Act 2023, Act No. 8 of 2023 (FSC ACT). The FSC Act sets out the responsibilities and powers of the FSC. In addition to the FSC's mandate under the FSC Act, it is mandated for the administration of the SIA, which includes licensing, supervising, and regulating the securities industry in Belize. In addition, with the enactment of the Belize Companies Act, 2022, the FSC was further entrusted with the responsibility for the Belize Companies and Corporate Affairs Registry.



The FSC is the regulatory body for non-bank financial services in Belize, particularly for those services provided by entities licensed or registered under the Financial Services Commission Act, 2023 and the Securities Industry Act, 2021 (SIA).



The FSC is an independent self-financing statutory body that provides service oriented, continuous, risk-based approach regulation, that is built on integrity, accountability, adaptability and reliability.

Core Mandates & Functions

Protecting and enhancing the reputation of Belize as a financial centre

Providing appropriate supervision and regulation of financial services

Formulating policies and providing advice and assistance to the government on the regulation of such services

Collecting, storing and disseminating reliable and timely information to interested parties on changes and new trends in these services

Fostering development of fair and efficient capital markets and confidence in the capital markets in or from within Belize

Facilitating capital formation and economic growth

Protecting investors from unfair, improper, or fraudulent practices

Promoting company formation and registration

Reducing systemic risk

Relevant Legislations

Financial Services Commission Act, 2023

Financial Services Commission

BELIZE:

FINANCIAL SERVICES COMMISSION ACT, 2023

ARRANGEMENT OF SECTIONS

PART I

Preliminary

1. Short title.
2. Interpretation.

PART II

Establishment, Functions, and Duties of the Commission

3. Establishment of the Commission.
4. Body corporate.
5. Functions of the Commission.
6. Powers of the Commission.

PART III

Appointment of Staff, etc.

7. Appointment of Director General.
8. Appointment of staff.
9. Director General to refer certain matters to Commission.

<https://www.belizefsc.org.bz/financial-services-commission-act-2023/>

Securities Industry Act, 2021

Securities Industry

BELIZE:

SECURITIES INDUSTRY ACT, 2021

ARRANGEMENT OF SECTIONS

PART I

Preliminary

1. Short title.
2. Purposes.
3. Interpretation.
4. Ownership and control of securities.
5. Control of an issuer.
6. Determination of fit and proper.
7. Carrying on business in or from within Belize.

PART II

The Commission

Sub-Part I – Functions and Powers

8. Authority of Commission under other laws.
9. Functions of the Commission.
10. Powers of the Commission.
11. Responsibility of Director General.
12. Delegation by the Commission.
13. Meetings.

Sub-Part II – Financial Matters

14. Revenues.
15. General Fund.
16. Investment.

<https://www.belizefsc.org.bz/securities-industry-act-2021/>

Municipal Securities Act, 2023

Municipal Securities

BELIZE:

MUNICIPAL SECURITIES ACT, 2023

ARRANGEMENT OF SECTIONS

1. Short title.
2. Interpretation.
3. Application.
4. Authority to issue securities.
5. Establishment of Municipal Securities Fund.
6. Charge upon Municipal Securities and Sinking Funds.
7. Sinking Funds and administration.
8. Appointment of trustee.
9. Procedure for authorising securities.
10. Debt limit.
11. Register.
12. Official statement, prospectus or offering document.
13. Financial statements, records and disclosure.
14. Set off.
15. Protection of Municipal Securities Funds and Sinking Funds.
16. Exemption from Securities Industry Act.

<https://www.belizefsc.org.bz/municipal-securities-act-2023/>

Smart Investing

What is smart investing?

- **Principles of smart investing**
 - Knowledge of investments
 - Diversification
 - Rational Decision Making
 - Sustainability



Types of Securities

Types of securities regulated under the SIA include:

- Shares
- Instruments creating or acknowledging indebtedness
- Instruments giving entitlement to securities
- Certificates representing certain securities
- Rights and Interests in securities
- Futures
- Contracts for Differences
- Options
- Foreign Exchange Contracts
- Anything prescribed by the Regulations to be a security

Benefits of Smart Investing

Personal financial growth

- Wealth
- Passive income
- Risk management

Economic growth

- Capital formation (IPOs, private placements)
- Market stability



Technology and Digital Finance

Technology and digitization are reshaping the financial industry through the creation of new products, services, and business models.



**Artificial
Intelligence**



Virtual Assets



Robo Advisors



Gamification

Technology and Digital Finance Cont'd

Benefits:

- Create innovative products
- Reach wider customer base
- Faster and more efficient services

Risks:

- Increased exposure to fraud and misconduct
- Loss of privacy and data security issues
- Technology/system failure

Virtual Assets

Virtual Assets are any digital representation of value that can be digitally traded, transferred, or used for payment or investment purposes. These include but are not limited to:

- Cryptocurrencies
- Stable coins
- Non-fungible tokens
- In-game currencies

Prohibition on Virtual Assets until 31st December 2025.



Municipal Securities

Debt securities issued by local authorities such as city or town councils. These securities typically pay a fixed interest payment at specified periods and principal is repaid at maturity.

Municipal securities can be issued in any of these forms:



Municipal Papers

- Maturity period is less than 1 year



Municipal Notes

- Maturity period is greater than 1 year but less than 10 years



Municipal Bonds

- Maturity period is more than 10 years

Purpose of Municipal Securities

Some of the public/sustainable development projects that Municipalities may raise money for include, but are not limited to:

- Infrastructure development such as roads, streets and drainage.
- Construction or renovation of public buildings or facilities.
- Emergency borrowing to support local or national emergency or natural disaster.
- Any other purposes that may be authorized by the Minister of Finance.

Why Invest in Municipal Securities?

Investments in municipal securities provide municipalities with access to capital needed for public betterment and sustainable development projects.

Some benefits for investors are:

- Interest payments are tax exempted.
- Projects align with local needs.

Risks when Investing in Municipal Securities

Some risks associated with municipal securities include:



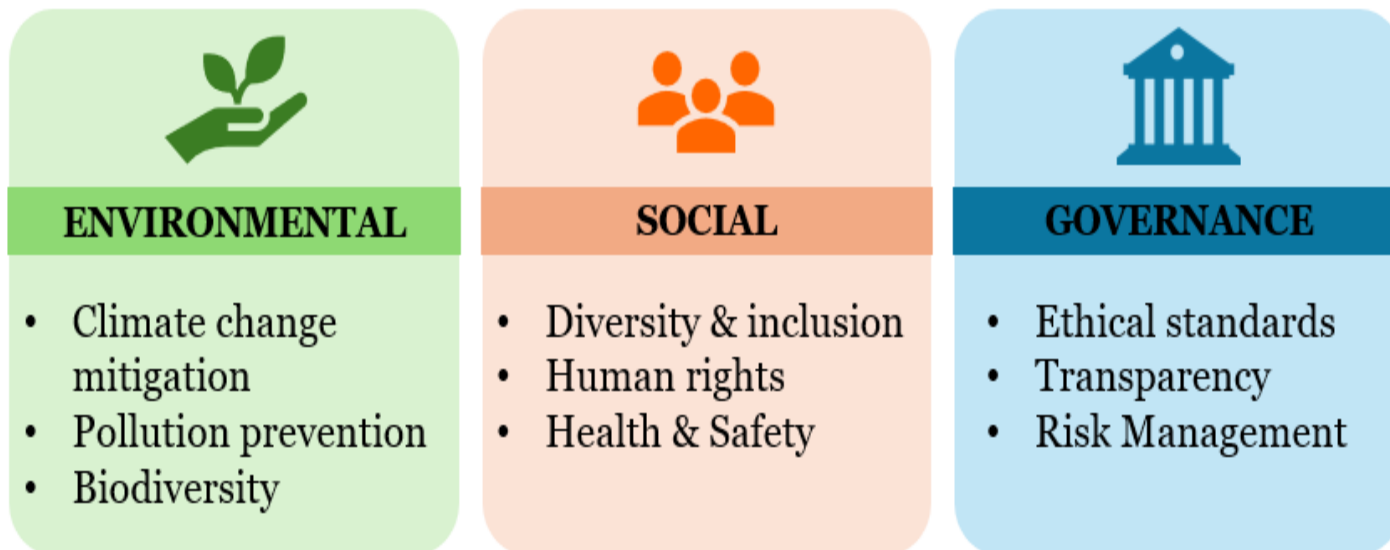
These risks must be disclosed in the offering document that is available for investors.

Domestic Municipal Securities

| Placement | Issue (\$BZ mn) | Tenor (yrs) | Rate (avg) |
|---|-----------------|-------------|------------|
| Belize City Municipal Bond (2012) | 20 | Varies | 6.45% |
| Belmopan City Council Municipal Bond (2017) | 6.5 | Varies | 5.69% |
| Belize City Council Commercial Paper (2020) | 10 | Varies | 3.65% |
| San Pedro Town Council Bond (2024) | 28 | Varies | 5.57% |
| Total | 64.5 | | |

Sustainable Financing

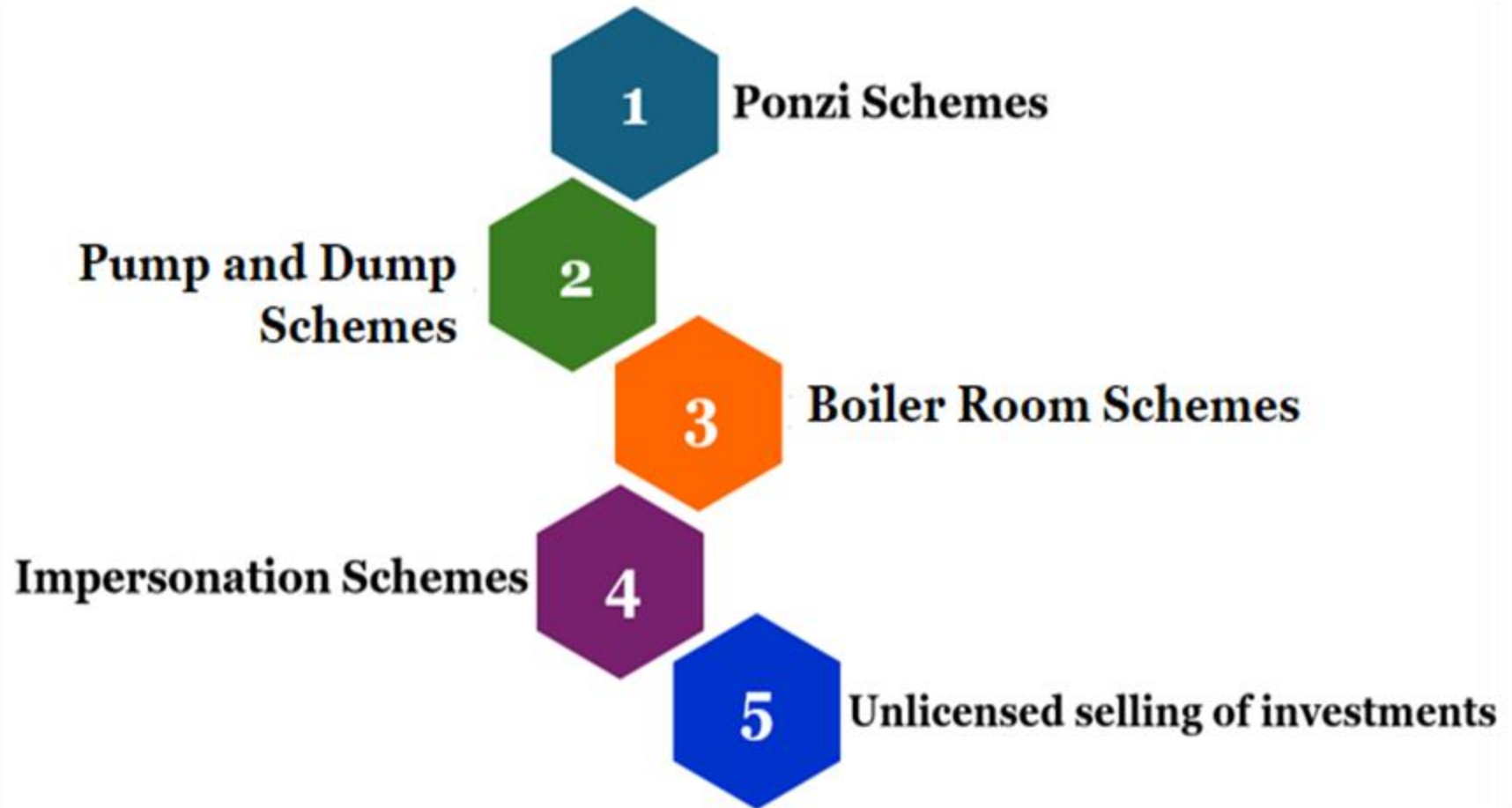
Integration of environmental, social, and governance (ESG) considerations into financial decision making.



Belize's Blue Bond (2021)

| Feature | Details |
|-------------------------|--|
| Type | Debt-for-nature swap |
| Debt Buyback Amount | \$553mn repurchased for \$364mn |
| Facilitator | The Nature Conservancy (TNC) |
| Guarantee Provider | U.S. International Development Finance Corporation (DFC) |
| Conservation Commitment | Protect 30% of Belize's oceans by 2026 |
| Use of Proceeds | Marine conservation, sustainable fisheries, climate resilience initiatives |
| Benefits | Debt relief, lower interest payments, increased marine protection |

Common Types of Scams



Fraud & Scam Prevention

- Familiarize yourself with the various investment fraud and scams and learn how to identify red flags.
- Do not provide personal or financial information such as identification, passwords, or bank information to unknown/unauthorized individuals.
- Conduct your own due diligence on the investment product/service and the Company.
- Verify on the FSC's website that the Company is registered.

 **If an investment sounds too good to be true, it probably is.**

Investor Resilience

Investor resilience refers to how well an investor can cope with and adapt to ups and downs in the market and difficult economic times.

A resilient investor:

- **Continuously learns** by staying informed about investment/market trends and investment fraud.
- **Diversifies their portfolio** by investing in various assets to reduce risk.
- **Conducts research** on potential securities and companies before investing.
- **Prepares for the unexpected** by establishing an emergency plan/fund for unplanned expenses.



Q&A

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THANK YOU!