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Important Update - Belize

In the previous week we have been informed that Belize has improved the legislation applicable to domestic and international entities to ensure that Belize can remain on the "OECD white list".

These changes bring Belize inline with other prestigious international financial services centres like the UK, BVI and Seychelles.

These improvements to the legislation include

- 1) requirement to keep accounts
 - i) previous guidance from our regulator was that LLC's did not need to keep accounts, this has been changed.
- 2) Requirement for location (address) of accounts being kept.
- 3) Accounts should be kept for 5 years.
- 4) Local companies (not IBC, but tax resident companies,) have been targeted for the removal of possibility of bearer shares. International Companies still have the custodian requirement since April 2013. (please contact for further details if needed.
- 5) Local companies can now have a minimum of 1 shareholder (previously it was 2)
- 6) All licensed agents will have inspections. This will help keep the quality of agents high and on par with other jurisdictions like Seychelles and BVI and UK.

Yours Sincerely,

Raymond Kearney

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No. 18 of 2013

I assent,

(SIR COLVILLE N. YOUNG)
Governor-General

9th October, 2013.

AN ACT to make provisions for the maintenance and retention of accounting and financial records of companies and other entities; and to provide for matters connected therewith or incidental thereto.

(Gazetted 12th October, 2013).

BE IT ENACTED, by and with the advice and consent of the House of Representatives and the Senate of Belize and by the authority of the same, as follows:

1. This Act may be cited as the

Short title.

ACCOUNTING RECORDS (MAINTENANCE)
ACT 2013.

Interpretation.

2. In this Act, unless the context otherwise requires-

“accounting records” include financial statements; general and subsidiary ledgers; sales slips; contracts and invoices; and records and documentation relating to -

- (a) an entity’s assets and liabilities,
- (b) all sums of money received and expended and the matters in respect of which the receipt and expenditure take place,
- (c) all sales and purchases, and
- (d) all financial transactions;

Schedule.

“entity” means an entity listed in the Schedule to this Act;

“Minister” means the Minister of Finance.

Duty to maintain accounting records.

3. (1) Notwithstanding anything to the contrary contained in any other enactment, every entity shall, in addition to any records required to be kept or maintained under any other enactment, keep its accounting records within Belize at its registered office or, as the case may be, at the office of its registered agent in Belize, or at such other place within or outside Belize as may be determined by its directors or other competent persons:

Provided that where the accounting records of an entity are kept outside Belize, such entity shall provide its registered agent in Belize, with a written record of the physical address of the place(s) where the accounting records are kept and notify the registered agent of any change thereto within fourteen (14) days.

(2) It shall be the duty of the registered agent to obtain accounting records from wherever they are kept

and provide the same to the competent authority in Belize upon request within the time specified in such request.

(3) Where a registered agent fails to comply with subsection (2) above, the sanctions contained in section 7 of this Act shall apply.

(4) Without prejudice to subsection (3) above, where the failure to comply with subsection (2) above is committed by an 'IFS Practitioner' as defined in section 2 of the International Financial Services Commission Act, or a 'service provider' as defined in Regulation 2 of the Trust and Company Service Providers (Best Practices) Regulations, such failure shall constitute professional misconduct within the meaning of Regulation 33 of the IFS Practitioners (Code of Conduct) Regulations and may be dealt with under those Regulations.

CAP. 272.

S.I. No. 37 of 2007.

S.I. 94 of 2001.

S.I. 108/2012.

(5) In all cases where a default is made in complying with subsection (2) above, the entity concerned shall be struck off the relevant Register, provided that if the default is rectified within a reasonable time, the entity may be restored to the Register.

(6) For the purpose of this section, the term 'registered agent' includes a trust agent or secretary of the entity concerned, as the case may be.

(7) In this section, the term 'competent authority' means the Minister of Finance or the Financial Secretary.

4. The accounting records required to be kept under this Act shall be accurate and reliable and shall correctly explain and document all financial transactions so as to enable each financial transaction of the entity to be properly constructed and understood, to enable the financial position of the entity to be determined with reasonable accuracy at any time and also to enable the preparation of financial statements for such entity.

Records to be accurate.

Records to be easily accessible.

5. All accounting records required to be kept under this Act shall be prepared, stored and maintained in a retrievable manner so that they are easily accessible within a reasonable time frame and readily available to comply with any court orders; requests for exchange of information; to facilitate directives regarding disclosure of information or confiscation of assets; to facilitate or in furtherance of a criminal investigation; and to ensure compliance with relevant laws and regulations.

Retention of records.

6. (1) Subject to subsection (2) below, all accounting records shall be maintained and retained for a period of not less than five years following the closure of an account, or the end of a transaction, or the termination of a business relationship, whether such relationship is a one-off, regular, or habitual relationship.

(2) Where there has been a report of a suspicious transaction or an entity is aware of a continuing investigation into money laundering or other criminal activity relating to a client or a transaction, the records relating to such client or transaction shall be retained until the conclusion of such investigation or the period of five years, whichever is the later.

Offence and penalty.

7. Any person who fails to comply with or contravenes any of the provisions of this Act commits an offence and shall be liable on summary conviction to a fine not exceeding ten thousand dollars and in addition, the certificate of registration or incorporation or the licence of such entity may be revoked by the relevant authority.

Amendment of Schedule.

8. The Minister may, from time to time, by Order published in the *Gazette*, amend the Schedule to this Act.

Act to prevail over other laws.

9. In the event of a conflict between the provisions of this Act and those of any other law, the provisions of this Act shall prevail.

SCHEDULE

(s. 2)

ENTITIES TO WHICH THIS ACT APPLIES

1. Companies incorporated or registered under the following Acts:

CAP 250	Companies Act (including overseas companies registered under this Act),
CAP 270	International Business Companies Act,
CAP 271	Protected Cell Companies Act.
13 of 2011	International Limited Liability Companies Act.
2. 2 of 2010 Foundations established under the International Foundations Act.
3. CAP 268 Mutual funds registered under the Mutual Funds Act and any other persons licensed under this Act.
4. CAP 269 International insurers registered under the International Insurance Act and any other persons licensed under this Act.
5. CAP 202 Domestic trusts and international trusts registered under the Trusts Act and the trustees of such trusts.
6. CAP 259 Partnerships formed under the Partnerships Act.
7. CAP 258 Limited liability partnerships registered under the Limited Liability Partnerships Act.
8. CAP 315 Non governmental organisations registered under the Non Governmental Organisations Act.