

**BELIZE:**

**NATIONAL PAYMENT SYSTEM REGULATIONS, 2024**

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**BELIZE:**

**STATUTORY INSTRUMENT**

**No. 29 of 2024**

*REGULATIONS made by the Central Bank of Belize in exercise of the powers conferred upon it by section 56 of the National Payment System Act, Chapter 266:01 of the Substantive Laws of Belize and all other powers thereunto it enabling.*

*(Gazetted 10th February, 2024).*

**PART 1**

*Preliminary*

1. These Regulations may be cited as the

Citation.

**NATIONAL PAYMENT SYSTEM  
REGULATIONS, 2024.**

2. In these Regulations—

Interpretation.

“Act” means the National Payment System Act;

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“agent network manager” means an entity to which a payment service provider has outsourced part or all of the operational responsibilities associated with managing its payment service agents, including recruitment, training, compliance monitoring, liquidity management, and general support, but not including the direct contractual relationship with the payment service agents, which remains with the payment service provider;

“consumer” means a person initiating an electronic funds transfer;

“designated recipient” means any person located in Belize or in a foreign country and identified by the sender as the authorized recipient of a remittance service;

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“director” has the meaning assigned to it in section 2 of the Domestic Banks and Financial Institutions Act;

“electronic funds transfer system” means a wire transfer network, automated clearing house (ACH), or other system or arrangement for the processing, clearing and/or settlement of electronic funds transfers;

“electronic terminal” means an electronic device operated by a consumer, through which a consumer may initiate an electronic transfer; and includes, but is not limited to, points-of-sale terminals, automated teller machines, and cash dispensing machines;

“foreign currency” means currency other than the Belize currency and includes coins, currency notes, bank notes, postal orders, money orders, cheques, drafts, travellers’ cheques, letters of credit, bills of exchange and promissory notes;

“framework contract” means a contract which governs the future execution of individual and successive electronic funds transfers and which may contain the obligation and conditions for setting up an account to execute such transfers;

“international remittance service provider” means any provider of remittance service that is resident in a country other than Belize, legally permitted by the laws of the home country to provide such remittance services and who is providing remittance services in Belize through an agency agreement;

“payee” means the person who is the intended final beneficiary of funds in an electronic funds transfer;



“payee’s payment service provider” means the payment service provider identified in a payment order for the making of a payment to a payee—

- (a) by crediting the account of the payee; or
- (b) in any other manner, where the payment order does not provide for crediting an account;

“payer” means a person who holds a payment account and allows an electronic funds transfer from that payment account, or, where there is no payment account, a person who originates a transfer of funds, to the benefit of a payee;

“payment order” means a payment instruction initiated by a payer (credit transfer) or a payee (debit transfer) to their respective payment service provider, transmitted orally, electronically, or in writing, to transfer, or to cause another payment service provider to transfer a fixed or determinable amount of funds to a payee if—

- (a) the instruction does not state a condition of payment to the payee other than time of payment; and
- (b) the instruction is transmitted by the payer directly to the payer’s payment service provider or to an agent, electronic funds transfers system or communication system for transmittal to the payer’s payment service provider;

“person” has the meaning assigned to it in section 2 of the Domestic Banks and Financial Institutions Act;

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“preauthorized transfer” or “preauthorized electronic funds transfer” means an electronic funds transfer that is authorized in advance to recur at substantially regular intervals;

“remittance service provider” means a payment service provider that is licensed to provide a remittance service;

“sender” means a consumer who requests that a remittance service provider sends a remittance transfer to a designated recipient;

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“substantial shareholder” has the meaning assigned to it in section 4 of the Domestic Banks and Financial Institutions Act;

“third party” means an entity–

- (a) with whom a payment service provider, an operator or an affiliate controlled by a payment service provider or an operator, conducts business; or
- (b) who assists a payment service provider, an operator or an affiliate controlled by a payment service provider or an operator, in the conduct of their business;

“unauthorized electronic funds transfer” means an electronic funds transfer from a consumer’s account initiated by a person other than the consumer without actual authority to initiate such transfer and from which the consumer receives no benefit, but does not include any electronic funds transfer–

- (a) initiated by a person other than the consumer who was furnished with the card, code, or means of access to such consumer’s account by such consumer, unless the consumer has notified the provider involved that transfers by such other person are no longer authorized; or
- (b) initiated with fraudulent intent by the consumer or any person acting in concert with the consumer.

## PART II

*Licensing and Authorization*

3. For the purpose of sections 8(1) and 9 of the Act, a person may apply for, and the Central Bank may issue a licence to provide one or more of the following classes of payment service—

Classification of payment service licences.

- (a) a remittance service;
- (b) electronic money;
- (c) an electronic funds transfer, including any one or more of the following—
  - (i) point-of-sale transfers;
  - (ii) automated teller machine transactions;
  - (iii) transfers initiated by telephonic instruments, including mobiles;
  - (iv) transactions through television, internet, and other communication channels; and
  - (v) credit and debit cards transfers;
- (d) any other classifications the Central Bank considers appropriate.

4.-(1) A credit union meets the criteria to be a direct participant of a system operated by the Central Bank, if that credit union—

Access criteria for a credit union.

- (a) meets the capital, liquidity, and other prudential requirements under the Credit Unions Act;
- (b) maintains an account with the Central Bank in which the credit union maintains, for the

CAP. 314.

purpose of settlement, a minimum balance of \$750,000.00 or the sum equivalent to six times its average aggregate holding of deposits, whichever is greater;

- (c) demonstrates business practices, internal risk management controls or any other factor or condition that would safeguard against or do not create undue risk to the system;
- (d) satisfies the minimum operating and technical capabilities necessary for direct participation, including the ability to submit, amend and rescind instructions;
- (e) has adequate contingency plans in the event of its inability to satisfy the liquidity or other financial requirements for settlement in the system; and
- (f) has adequate contingency plans for maintaining its operational capabilities if a natural disaster, operational or technical failure, or other extraordinary event occurs.

(2) A credit union that is an operator shall meet the access criteria in sub-regulation (1) as well as the requirements for a licence to operate a system in section 10 of the Act.

(3) For the purpose of this regulation, “average aggregate holding of deposits” means the average of the aggregate amount of deposit held at the close of business for each day of the previous month or such other period as the Central Bank may prescribe from time to time.

**Application for  
licence.**

**5.-(1)** An application for a licence to provide a payment service shall be in such form as the Central Bank may require and shall include–

- (a) in respect of each director, officer, and substantial shareholder of an applicant—
  - (i) a personal declaration in such form as the Central Bank may require; and
  - (ii) photo identification; and
- (b) the documents or information listed in such form as the Central Bank may require.

(2) An application for a licence to operate a system shall be in such form as the Central Bank may require and includes—

- (a) in respect of each director, officer, and substantial shareholder of an applicant—
  - (i) a personal declaration in the form set out in such form as the Central Bank may require; and
  - (ii) photo identification; and
- (b) the documents or information listed such form as the Central Bank may require.

(3) If an applicant intends to provide remittance services as the agent or on behalf of an international remittance service provider, the applicant shall include, in its application for a licence to provide a payment service, information concerning—

- (a) the legal and regulatory status of the international remittance service provider in its home country,
- (b) the actual or proposed settlement arrangements between the applicant and the international remittance service provider; and

- (c) whether the applicant has entered into a suitable written agreement to provide the services on behalf of the international remittance service provider.

Licensing  
process.  
Schedule I.

6.–(1) A person who applies for a licence to provide a payment service or operate a system shall pay the non-refundable application fee set out in Schedule I, when submitting the application.

(2) The Central Bank, upon receipt of an application under sub-regulation (1), shall review the application to determine whether it complies with section 8(1) or (2) of the Act.

(3) If upon review, the Central Bank determines that an application does not comply with section 8(1) or (2) of the Act, the Central Bank–

- (a) shall not accept the application; and
- (b) shall inform the applicant of the non-acceptance and reasons for non-acceptance in writing.

(4) Subject to sub-regulations (5) and (6), if the Central Bank determines that an application complies with section 8(1) or (2) of the Act, the Central Bank shall–

- (a) accept and consider the application;
- (b) respond to the applicant in writing within 120 days from receipt of the application to indicate whether the applicant satisfies the requirements under the Act for the grant of the licence; and
- (c) provide reasons in writing, if it determines that the applicant does not satisfy the requirements for the grant of the licence.

(5) The Central Bank may, in respect of an application that is accepted under sub-regulation (4), in writing–

- (a) request any clarification, supplementary information or further information it requires pursuant to section 8(1)(j) or 8(2)(j) of the Act;
- (b) indicate such reasonable period, not exceeding 90 days, for the applicant to provide the clarification or information requested.

(6) The period for the Central Bank to respond to the applicant under sub-regulation (4)(b) shall be extended by the period indicated in sub-regulation (5)(b).

(7) The application of an applicant who fails to submit the information requested under sub-regulation (5) within the period indicated under sub-regulation (5)(b) shall be rejected.

(8) A person granted a licence to operate a system or provide a payment service shall pay the applicable initial licence fee for the licence as set out in Schedule I.

Schedule I.

7. Subject to the revocation of a licence in accordance with section 16 of the Act and to the payment of the applicable annual fee set out in Schedule I, a licence issued by the Central Bank to–

Duration of  
licence.

- (a) provide a remittance service or an electronic funds transfer or to issue electronic money shall be valid from the date it is granted until and unless revoked; and
- (b) operate a system shall be valid from the date it is granted until and unless revoked.

8.–(1) Every payment service provider shall pay the Central Bank, no later than the second day of January of each

Annual licence  
fee.  
Schedule I.

succeeding year, the annual licence fee set out in Schedule I.

(2) Every operator shall pay the Central Bank, no later than the second day of January of each succeeding year, the annual licence fee set out in Schedule I.

Schedule I.

Suspension and revocation of licence.

**9.**—(1) If the Central Bank considers that a reason under section 16 of the Act or a reason referred to in sub-regulation (2), exists for the revocation or suspension of a licence granted to a payment service provider or operator of a system, the Central Bank shall notify the licensee and provide the licensee an opportunity to make representations within 10 days of the notice.

(2) The Central Bank may revoke or suspend a licence referred to in sections 9 or 10 of the Act, where the licensee fails to commence operations within 6 months after the grant of the licence, without the prior approval of the Central Bank.

(3) The Central Bank shall consider any representation made within the prescribed period in determining whether to suspend or revoke the licence.

(4) Notwithstanding sub-regulation (1), (2) and (3), if the Central Bank considers that immediate suspension is reasonably justifiable in the interest of the public or for monetary and financial stability in a financial sector or the economy the Central Bank shall—

- (a) suspend a licence before giving the licensee an opportunity to make representations;
- (b) provide the licensee an opportunity to make representations within 10 days of the suspension of the licence.

(5) The Central Bank may, in lieu of a revocation or suspension of a licence, take an administrative measure or



impose an administrative penalty which it may take or impose under section 35 of the Act.

(6) The Central Bank shall, upon deciding to revoke or suspend a licence–

- (a) notify the service provider or operator in writing of its decision; and
- (b) publish a notice of the suspension or revocation in such form and manner as it considers appropriate.

**10.–(1)** For the purpose of section 24 of the Act, the application of a payment service provider for the registration of a payment service agent shall be in such form as the Central Bank may require and include–

Application for registration of payment service agent.

- (a) in respect of each owner, director, officer, substantial shareholder, and other person involved in the management of the proposed agent–
  - (i) a personal declaration set out in such form as the Central Bank may require; and
  - (ii) photo identification; and
- (b) a copy of the proposed written agreement between the payment service provider and the proposed payment service agent which indicates the responsibility and liability of the parties.

(2) The proposed written agreement between the payment service provider and the proposed payment service agent shall include, among other things, information relating to–

- (a) security, risk management and internal control mechanisms;

- (b) infrastructure, technology and training;
- (c) oversight of the proposed agent's payment service activities;
- (d) maintenance of records and the provision of information.

Request for  
authorization  
to outsource.

**11.**–(1) For the purpose of section 23 of the Act, a payment service provider or operator shall apply to the Central Bank at least 30 days prior to the date it proposes to outsource an aspect of its operation or payment service, including a payment service provider outsourcing to an agent network manager.

(2) An application under sub-regulation (1) shall be in such form as the Central Bank may require and shall include–

- (a) in respect of each owner, director, officer, substantial shareholder, and other person involved in the management of an aspect of its operation or payment service is proposed to be outsourced–
  - (i) a personal declaration in such form as the Central Bank may require; and
  - (ii) photo identification; and
- (b) a copy of the proposed outsourcing agreement between the payment service provider or operator and the person to whom an aspect of its operation or payment service is proposed to be outsourced.

(3) The proposed outsourcing agreement referred to in sub-regulation (1) shall be in writing and include, among other things, information which indicates–

- (a) the nature and extent of the operation or payment service to be outsourced;
- (b) the respective responsibility and liability of the payment service provider or operator and the person to whom an aspect of its operation or payment service is proposed to be outsourced; and
- (c) the arrangements or requirements–
  - (i) for internal control and monitoring the quality of the operation or payment service outsourced; and
  - (ii) to facilitate the Central Bank to monitor the aspect of its operation or payment service outsourced and ensure compliance with the Act.

**12.** In determining whether to grant authorization to an agent network manager pursuant to regulation 11, the Central Bank shall consider whether the agent network manager–

**Outsourcing to agent network managers.**

- (a) has–
  - (i) adequate capital or liquidity to meet its liabilities;
  - (ii) internal control mechanisms, including administrative, risk management and accounting procedures, which demonstrate that these management arrangements and internal control mechanisms and procedures are appropriate, sound and adequate;
  - (iii) internal control mechanisms which the agent network manager has established

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in order to comply with its obligations pursuant to the Money Laundering and Terrorism (Prevention) Act;

(iv) other adequate safety and security measures;

(v) documented operational standards; and

(vi) mechanisms to ensure the volume and value of payments likely to be processed in the system;

(b) officers who are fit and proper person;

(c) satisfies any other condition the Central Bank considers necessary.

### PART III

#### *Conditions of Licence*

Conditions  
for payment  
service  
provider.

**13.**—(1) Pursuant to section 15 of the Act, the Central Bank may impose conditions on a licence to provide a payment service, upon or after the grant of the licence, by giving the payment service provider notice in writing.

(2) Without prejudice to the generality of section 15 of the Act, the Central Bank may impose conditions on the licence of a payment service provider in respect of one or more of the following—

(a) protection of funds received;

(b) use of payment service agents;

(c) outsourcing of activities, including outsourcing to agent network managers;

- (d) the issuance and management of specific payment instruments;
- (e) measures for compliance with any exchange control policy or enactment;
- (f) the maintenance of settlement accounts for its payment service that shall not be co-mingled with funds from any other business in which the payment service provider may be engaged; and
- (g) other matters as the Central Bank considers necessary, expedient or in the interest of members of the public.

**14.**—(1) Pursuant to section 15 of the Act, the Central Bank may impose conditions on a licence to operate a system, upon or after the grant of the licence, by giving the operator notice in writing.

**Conditions for operator of a system.**

(2) Without prejudice to the generality of section 15 of the Act, the Central Bank may impose conditions on the licence of an operator in respect of one or more of the following—

- (a) the conditions a person has to meet in order to have access or to become a participant of the system;
- (b) the operation of the system, including the clearing and settlement arrangements to be followed;
- (c) the interaction of the system with other systems;
- (d) the relationship of the system with its participants;

- (e) the appropriate access to be taken by the participant or class of participants, or the operator in relation to its business;
- (f) the appointment of persons approved by the Central Bank to advise the participants or class of participants, or the operator on the proper conduct of business;
- (g) netting arrangements;
- (h) risk sharing and risk control mechanisms;
- (i) certainty of settlement and finality of payment;
- (j) the nature of financial arrangements among participants;
- (k) the operational systems and financial soundness of the clearing house and such other matters relating to the risk to the financial system;
- (l) the conditions that will apply if any function of the operator is outsourced; and
- (m) such other matters as the Central Bank considers necessary, expedient or in the interest of members of the public.

Procedure  
for amending  
conditions.

**15.**—(1) Where the Central Bank, of its own initiative, intends to amend a condition of a licence, it shall give notice to the licensee of its intention and reasons for the proposed amendment, and provide the licensee with 14 days to comment on the proposed amendment.

(2) The Central Bank shall, upon receipt of a comment from a licensee pursuant to sub-regulation (1), consider the comment before deciding to confirm or modify the proposed amendment.

(3) A licensee may apply to the Central Bank in writing to request an amendment to a condition of its licence and shall indicate in that application the proposed amendment and the reasons the amendment is being sought.

## PART IV

### *On-Going Oversight*

**16.**—(1) The paid-up capital requirement to be satisfied by an applicant for a licence to provide a payment service or to operate a system is the amount set out in Schedule II.

Capital requirements.  
Schedule II.

(2) A payment service provider and an operator of a system shall at all times hold the paid-up capital set out in Schedule II.

Schedule II.

(3) Notwithstanding sub-regulations (1) and (2), if an applicant, payment service provider or operator is required under the Domestic Banks and Financial Institutions Act or any other law to hold more capital than is required under these Regulations, the capital requirement of the other law shall apply.

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**17.**—(1) The Central Bank may issue a directive to an operator, participant, payment service provider or other person on any matter affecting the security, integrity and stability of the National Payment System including a directive to—

Issuing directions to a licensee.

- (a) cease or refrain from engaging in any act or course of conduct;
- (b) perform such act as the Central Bank considers necessary or in the public interest; or
- (c) make, amend, or repeal a rule of a payment system.

(2) The Central Bank, before issuing a directive pursuant to section 56 of the Act to a payment service provider or operator, shall consult with the person to whom the directive is intended to be directed and may consult with any interested person.

- (3) A directive issued by the Central Bank shall be—
- (a) in writing;
  - (b) communicated to the person to whom it is directed;
  - (c) come into operation from the date it is issued; and
  - (d) be binding on the person to whom it is directed.

(4) A person to whom a directive is directed, shall notify the Central Bank as soon as practicable after the directive has been implemented.

Reporting requirements for payment service provider and operator.

**18.**—(1) A payment service provider shall—

- (a) utilize systems that are able to provide an accurate and fully accessible audit trail of all transactions from the origin of the electronic transfer to its finality;
- (b) keep records of every electronic payment service processed by it for a period of at least seven years;
- (c) submit to the Central Bank, in the manner and at the times as the Central Bank requires, information in respect of—
  - (i) the volumes, values and geographic distribution of each electronic payment instrument offered by it;



- (ii) incidents of fraud, theft or robbery;
- (iii) service interruptions and security breaches;
- (iv) complaints reported, including remedial measures taken, those resolved and those outstanding; and
- (v) any other information required by the Central Bank with respect to its payment service; and

(d) implement due diligence policies and procedures for its payment service agents and agent network managers and provide confirmation, in writing, of the policies and procedures implemented, within 30 days after implementation.

(2) The Central Bank may require a payment service provider to obtain and submit for any specified period–

- (a) audited financial statements covering its activities in Belize together with a copy of the auditor's report;
- (b) separate audited financial statements for the payment service provider and its agent's accounts; and
- (c) a system security audit report by a reputable independent auditor on its payment service.

(3) The requirements under sub-regulations (1)(a), (b) and (c) and (2) apply, *mutatis mutandis*, to an operator.

**19.–(1)** A payment service provider or operator shall give written notice to the Central Bank of any change in–

Notice and approval of changes and events.

- (a) circumstances; or
- (b) change of the information provided in its application for a licence.

(2) A payment service provider or operator shall seek the prior authorization of the Central Bank before making any change to–

- (a) the organizational structure, including the use of branches and outsourcing arrangements;
- (b) the holders of direct and indirect interest or beneficial ownership in the operator or payment service provider; and
- (c) the substantial shareholders and officers of the payment service provider or operator.

(3) An operator shall notify the Central Bank, in writing, as soon as practicable after the occurrence of any of the following events–

- (a) the institution of any legal proceeding against the operator;
- (b) disciplinary action taken against a participant; and
- (c) any failure of the operation of the system, including–
  - (i) a disruption in the availability of the system to the consumers or participants;
  - (ii) any fraudulent use of the system; and
  - (iii) failure of settlement; and

- (d) a change to–
  - (i) the mechanism for internal control, safeguarding of funds and risk management;
  - (ii) the technical operations and functionality of the system; or
  - (iii) its business location and the location of agents.

(4) A payment service provider shall notify the Central Bank in writing as soon as practicable after the occurrence of any of the following events–

- (a) the institution of any legal proceeding against the payment service provider concerning the provision of the payment service;
- (b) any disruption or restriction in the provision of the service to consumers;
- (c) any attempted or actual fraud committed through the payment service or on the payment service provider or its consumers; and
- (d) a change to–
  - (i) its organizational structure, including the use of payment service agents, agent network manager,
  - (ii) the mechanism for internal control, safeguarding of funds and risk management;
  - (iii) the technical operations and functionality and information of the payment service and agent network manager; or

(iv) its business location and the location of payment service agents and agent network manager.

(5) A notice under sub-regulations (3) and (4) shall include a report on the–

- (a) circumstances relating to the event;
- (b) remedial action taken at or after the event; and
- (c) intended preventative or remedial action to be taken by the operator or payment service provider.

Examination fees.

**20.** In accordance with section 31 of the Act, the fee for the conduct of an examination of a payment service provider, operator, or participant under section 22 of the Act is twenty-five per cent of the cost to perform the examination.

## PART V

### *Payment Service Agents*

Register of payment service agents.

**21.** A Register maintained pursuant to section 24(5) of the Act shall contain the following information–

- (a) the name and address of each payment service agent; and
- (b) any other information that the Central Bank may require.

Non-exclusivity of agreement.

**22.** An agreement between a payment service provider and a payment service agent shall not be exclusive.

Termination of agreement.

**23.** Where a party to an agreement referred to in regulation 11 or 12 terminates the agreement, the payment service

provider shall inform the Central Bank in writing, of the date of the termination of the agreement, within 30 days after the date of the termination of the agreement.

**24.** A payment service provider may implement policies, procedures, and measures to control operational risks, including the scheduling of visits to payment service agents, in accordance with section 25(2) of the Act.

Supervision.

## PART VI

### *Central Securities Depository*

#### *Sub-Part 1*

#### *Authorized Central Securities Depository*

**25.** This sub-part applies where an entity other than the Central Bank is authorized to act as a central securities depository for direct participants.

Application of Sub-part.

**26.**—(1) An entity that desires to act as a central securities depository shall apply to the Central Bank for authorization in such form as the Central Bank may require.

Authorization to act as central securities depository.

(2) The Central Bank may authorize an entity to act as a central securities depository if satisfied that the entity—

- (a) is a corporate body;
- (b) has adequate capital and liquidity as determined by the Central Bank;
- (c) has suitable and sufficient technical and organizational skills to provide its service including the proper mechanisms to achieve internal control and risk management as related to the provision of services;

- (d) has a detailed strategy and business plan supported by realistic estimations in the budget forecast for five years;
- (e) has officers who are fit and proper;
- (f) has satisfactory means of protection from technical breakdowns within the system;
- (g) has sufficiently indicated that the grant of authorization is consistent with the objectives of protecting financial stability and is in the interest of the public; and
- (h) satisfies any other condition the Central Bank considers necessary.

(3) An entity that acts as a authorized securities depository who contravenes this regulation is liable to administrative penalties in accordance with section 33 of the Act.

Authorized central securities depository to implement rules.  
Schedule III.

**27.** An authorized central securities depository shall implement rules that are consistent with and meet the requirements set out in section 17 of the Act and Part B of Schedule III .

Activities of authorized central securities depository.

**28.** The Central Bank shall state the activities that an authorized central securities depository may engage.

Central Bank may impose conditions.  
Schedule III.

**29.** The Central Bank may impose conditions on an authorized central securities depository and the authorized central securities depository shall comply with the conditions imposed, including the duty to include the requirements set out in Part A of Schedule III in a contract for the provision of central securities depository services entered into between the authorized central securities depository and a participant.

**30.**—(1) An authorized central securities depository shall apply to the Central Bank at least 30 days prior to the date it proposes to outsource any of its core services, in such form as the Central Bank may require and shall include—

Outsourcing  
of central  
securities  
depository  
services.

- (a) in respect of each owner, director, officer, substantial shareholder, and other person involved in the management of the person to whom an aspect of its operation or payment service is proposed to be outsourced—
  - (i) a personal declaration in such form as the Central Bank may require; and
  - (ii) photo identification; and
- (b) a copy of the proposed outsourcing agreement between the authorized central securities depository and the person to whom an aspect of its service is proposed to be outsourced.

(2) The proposed outsourcing agreement in sub-regulation (1) shall be in writing and include, among other things, information which indicates—

- (a) the nature and extent of the service to be outsourced;
- (b) the respective responsibility and liability of the authorized central securities depository and the person to whom an aspect of its service is proposed to be outsourced; and
- (c) the arrangements or requirements—
  - (i) for internal control and monitoring the quality of the service outsourced; and

- (ii) to facilitate Central Bank to monitor the aspect of its service outsourced and ensure compliance with the Act.

**Requirement to inform about change.**

**31.** An authorized central securities depository shall give notice to the Central Bank of any change in circumstances or change of the information provided in its application to act as a central securities depository.

**Duty to remedy breach.**

**32.** Where an authorized central securities depository breaches any requirement under these regulations, it shall take action to remedy the breach within 30 days after—

(a) the occurrence of the breach; or

(b) the authorized central securities depository becomes aware of the breach.

**Withdrawal of authorization to act as central securities depository.**

**33.** The Central Bank may withdraw the authorization of an authorized central securities depository where the authorized central securities depository fails to comply with a requirement set out in these regulations.

**Supervision. Schedule III.**

**34.**—(1) An authorized central securities depository shall comply with the requirements set out in Part B of Schedule III

(2) The Central Bank shall conduct an evaluation of each authorized central securities depository, annually, to ensure compliance with the Act.

**Offence of contravening Sub-part.**

**35.** An authorized central securities depository who contravenes this Sub-part is liable to administrative penalties in accordance with section 33 of the Act.

**Definition of “authorized central securities depository.”**

**36.** For the purposes of this Sub-Part, “authorized central securities depository” means an entity authorized by the Central Bank to act as a central securities depository.



*Sub-Part 2**Central Bank*

**37.** This Part applies where the Central Bank is the central securities depository for the purposes of section 4(2)(f) of the Act.

Application of Sub-part.

**38.** Where the Central Bank is the central securities depository, the rules of an inter-bank money market and central securities depository system set out in Schedule IV shall apply.

Rules of central securities depository system to apply. Schedule IV.

## PART VII

*Rules of a System*

**39.** The rules for the governance, management and operation of a system established by an operator shall be consistent with the following principles—

Principles for rules of a system.

- (a) the system shall have a well-founded legal basis to the extent that—
  - (i) activities within the system are regulated by law and legally binding arrangements;
  - (ii) the rules regulating the system are well documented, readily available, and accessible by participants; and
  - (iii) the legal framework ensures that transactions that are already settled are not reversed in the event that a participant becomes insolvent;
- (b) the financial risk a participant incurs or may potentially incur by participating in the system shall be identified clearly and in detail including

- methods, procedures and incentives to manage these risk;
- (c) the respective rights and obligations of the operator and a participant shall be clearly defined in respect of–
- (i) the management of credit and liquidity risk; and
  - (ii) the system security and operational reliability;
- (d) the system shall provide for prompt settlement on the day of value and should provide mechanisms for the operator and participants to adhere to the operating schedule of the system;
- (e) if a system includes multilateral netting, the system shall be capable of ensuring the timely completion of daily settlement in the event of an inability to settle by the participant with the largest single settlement obligation by providing for measures including–
- (i) specific actions that would ensure the systems liquidity;
  - (ii) the liquidity positions to be available to system participants before final settlement; and
  - (iii) contingency arrangements that are reasonably relative to the activity of the system;
- (f) assets used for settlement shall be a claim on the Central Bank or an asset with little or no credit risk and liquidity risk;

- (g) the system shall ensure a high degree of security and operational reliability and shall have contingency for timely completion of daily processing;
- (h) the system operator has written a plan for business continuity of operations which includes the existence of an alternating site to ensure restoration of the working regime in a minimal time interval as well as clear arrangements for returning to normal operations;
- (i) the system shall provide a means of making payment which is practical for its users and efficient for the economy by ensuring that–
  - (i) the system revenues should cover its cost;
  - (ii) the methodology used for the determination of the system service fees are clear; and
  - (iii) the system services meet the needs of its participants;
- (j) the system shall have objective and publicly disclosed criteria for participation which–
  - (i) permit fair and open access;
  - (ii) do not limit competition between the participants; and
  - (iii) clearly specifies the conditions and procedure for the termination of a participant from the system;
- (k) the system's governance arrangements shall be effective, accountable, and transparent to the extent that–

- (i) information on the system and its operations should be detailed, easily accessible and regularly reviewed; and
  - (ii) any decisions to improve the system should only be adopted after consultations and discussions with the system's participants and other interested parties;
- (l) the organizational structure of the system shall not conflict with operational and supervision functions of the systems for which the Central Bank is the operator.

## PART VIII

### *Electronic Funds Transfer*

#### *Sub-Part 1*

#### *Documentation of Electronic Funds Transfer*

Receipt to  
consumer.

**40.**—(1) Where an electronic funds transfer is initiated by a consumer, the payment service provider holding that consumer's account shall, directly or indirectly, at the time the transfer is initiated, make available to the consumer a written or electronic receipt of such transfer which shall include, to the extent applicable—

- (a) the amount involved in the transfer;
- (b) the date and time when the transfer is initiated;
- (c) the type of transfer;
- (d) the identity of the consumer's account with the provider from which or to which funds are transferred;

- (e) the identity of any third party to whom or from whom funds are transferred;
- (f) the balance remaining in the account, which is debited or credited, unless it is likely to compromise the privacy or security of the consumer; and
- (g) the location or identification of the electronic terminal involved.

(2) If a payment order is given by voice communications, including an automated voice response system by telephone, the payment service provider may provide the information required in sub-regulation (1)(a) to (g), by voice communication at the time of the order.

(3) A payment service provider may choose to provide a consumer with the option to specify, at the time the transfer is initiated, that the receipt as specified in sub-regulation (1) is not required.

(4) A charge may not be imposed on a consumer for the issuing of a receipt under sub-regulation (1) and (2).

(5) In this regulation, “location” includes a physical location such as a bank branch or shop and a virtual location such as a website or telephone;

**41.**–(1) A payment service provider shall provide a consumer electronic access to a statement of transactions for each account which the consumer may access for an electronic funds transfer.

Statement.

(2) A statement required under sub-regulation (1) may include information regarding transactions other than electronic funds transfers and shall indicate–

- (a) with regard to each electronic funds transfer during the period, the information described in regulation 40, which may be provided on an accompanying document;
- (b) the amount of any fee or charge assessed by the payment service provider during the period for electronic funds transfers or for account maintenance;
- (c) the balances in the consumer's account at the beginning of the period and at the close of the period; and
- (d) the address and telephone number to be used by the payment service provider for the purpose of receiving any statement inquiry or notice of account error from the consumer.

Notice of credit to consumer.

**42.** If a consumer's account is scheduled to be credited by a preauthorized electronic funds transfer from the same sender at least once in each successive sixty-day period, the payment service provider may elect to provide—

- (a) positive notice to the consumer when the credit is made as scheduled; or
- (b) negative notice to the consumer when the credit is not made as scheduled.

Receipt as evidence.

**43.** In any action involving a consumer, any documentation required by this Part to be given to the consumer, which indicates that an electronic funds transfer was made to another person, shall be admissible as evidence of such transfer and shall constitute prima facie proof that such transfer was made.

Preauthorized transfer.

**44.**—(1) An electronic funds transfer from a consumer's account may be preauthorized by the consumer only in writing or the consumer can create a preauthorized transfer

via electronic means where they must authenticate themselves in a secure manner and a copy of the transfer-authorization shall be provided to the consumer when made.

(2) A consumer may stop payment of a preauthorized electronic funds transfer by notifying the payment service provider orally or in writing at any time up to three business days preceding the scheduled date of such transfer.

(3) The instruction of a consumer to stop payment of a preauthorized electronic funds transfer as mentioned under sub-regulation (2) shall operate immediately unless agreed otherwise by the consumer and the payment service provider, whereby a date or time is predetermined.

(4) In accordance with sub-regulation (3), if the payer and the payee mutually terminate a preauthorized periodical direct debit arrangement, or such arrangement expires, the payer has automatic and immediate right to dishonour payments.

(5) In the case of preauthorized electronic funds transfers from a consumer's account to the same person, which may vary in amount, the payment service provider or payee shall, prior to each transfer, provide reasonable advance notice to the consumer, of the amount to be transferred and the scheduled date of the transfer.

### *Sub-Part 2*

#### *Execution of Electronic Funds Transfer*

**45.**-(1) A payment service provider shall execute all electronic funds transfer orders originated by the payer immediately upon receipt, unless otherwise instructed by the payer, and after having checked for the availability of funds in the payer's account.

General provisions.

(2) The immediacy of execution shall be established by rules of the electronic funds transfer systems through which

the order is processed, and fund transfers originated by the payer shall in any case be subject to a maximum of three business days' execution time.

(3) Notwithstanding sub-regulation (1), a payment service provider shall not be obligated to execute the payment order if there are insufficient funds in the payer's account, except if there is a prior agreement with the payment service provider for an overdraft.

(4) The payee's payment service provider shall ensure that the amount of the payment transaction is at the payee's disposal immediately after that amount is credited to the payee's payment service provider's account.

(5) In case of a payment order initiated by or through the payee, including direct debits and card payments, the payee's provider shall execute the payment order within the time limits agreed between the payee and his payment service provider.

Receipt of  
payment  
orders.

**46.**-(1) The time of receipt is the time when the payment order, transmitted directly by the payer or indirectly by or through a payee, is received by the payer's payment service provider.

(2) The payer's payment service provider may set a cut-off time or times on a business day for the receipt and processing of payment orders.

(3) The cut-off referred to in sub-regulation (2) may-

(a) be different for payment orders, or to different categories of payment orders; and

(b) apply to payers generally or different cut-off times may apply to different payers or categories of payment orders.



(4) If a payment order is received after the close of a business day or after the appropriate cut-off time, the payment service provider may treat the payment order as received at the opening of the next business day.

**47.**—(1) A payer may not revoke a payment order once it has been received by the payer's provider, unless otherwise provided by agreement.

**Irrevocability.**

(2) Where the payment order is initiated by or through the payee, the payer may not revoke the payment order after transmitting the payment order or giving his consent to execute the payment transaction to the payee.

(3) Notwithstanding sub-regulations (1) and (2), and without prejudice to right of the payer to a refund, the payer may revoke a payment order no later than—

- (a) the day before the date the funds were scheduled to be debited from his account, if the transfer was scheduled less than three business days in advance of the transfer date;
- (b) three days before the date the funds were scheduled to be debited from his account if the transfer was scheduled three or more business days in advance of the transfer date.

(4) Rules applicable to payment orders shall equally apply to communications cancelling or amending a payment order.

### *Sub-Part 3*

#### *Unauthorized or Erroneous Electronic Funds Transfer*

**48.** An error in execution of electronic funds transfer may include, but is not limited to, the following—

**Error defined.**

- (a) an unauthorized electronic funds transfer;
- (b) an incorrect amount received by the designated recipient of the electronic funds transfer;
- (c) the omission from a periodic statement of an electronic funds transfer affecting the consumer's account which should have been included;
- (d) a computational or bookkeeping error made by the payment service provider in respect of an electronic funds transfer;
- (e) the consumer's receipt of an incorrect amount of money from an electronic terminal;
- (f) the failure to make funds available in a timely manner when properly instructed to do so by the consumer;
- (g) a failure to stop a preauthorized transfer from a payer's account when properly instructed to do so; or
- (h) any other error specified by the Central Bank.

**Duty of  
consumer to  
notify error.**

**49.**-(1) A consumer shall notify the payment service provider of any error.

(2) A notification shall be made orally or in writing after having received the receipt or periodic statement pursuant to regulation 40 and 41.

(3) A notification shall-

- (a) indicate or otherwise enable the payment service provider to identify the name and account number of the consumer, if any;

- (b) indicate the consumer's belief that the documentation contains an error and the amount of such error; and
- (c) indicate the reasons for the consumer's belief, where applicable, that an error has occurred.

(4) Upon receipt of the notification the payment service provider shall—

- (a) investigate the alleged error;
- (b) determine whether an error has occurred; and
- (c) report to the payer the results of such investigation and determination to the consumer within 15 business days.

(5) In case of oral notification of error, the payment service provider may require written confirmation to be provided to it.

**50.**—(1) If a payment service provider determines, after its investigation pursuant to regulation 48, that an error occurred, the provider shall—

**Remedies.**

- (a) refund the payer the total amount of funds provided by the payer in connection with the electronic funds transfer, which was not properly transmitted, including any fees and, to the extent permitted by law, taxes imposed in respect of the transfer; or
- (b) make available to the payee, without additional cost to the payer or to the payee, the amount appropriate to resolve the error.

(2) The remedy in sub-regulation (1) may be provided in addition to any other remedy agreed to by the payment

service provider and the payer or determined at dispute resolution proceedings.

(3) If the payment service provider determines, after its investigation pursuant to regulation 48, that an error did not occur, the payment service provider shall deliver to the consumer written notice that there was no error, with an explanation responding to the specific complaint of the payer.

(4) If the payment service provider determines, after its investigation pursuant to regulation 48, that an error occurred in a manner or amount different from that described by the payer, the payment service provider shall give the consumer written notice of this occurrence and provide an appropriate remedy in accordance with sub-regulation (1).

(5) If an authorized electronic funds transfer, which was initiated by or through a payee, has already been executed, the payer's payment service provider shall refund the payer if the following conditions are satisfied—

- (a) the authorization did not specify the exact amount of the payment transaction when the authorization was made; and
- (b) the amount of the payment exceeded the amount the consumer could reasonably have expected taking into account—
  - (i) his previous spending pattern;
  - (ii) the conditions in his framework contract; and
  - (iii) relevant circumstances of the case.

(6) A consumer and a payment service provider may agree in their framework contract that the consumer is entitled

to a refund even though the conditions for refund in sub-regulation (5) are not satisfied.

**51.** A consumer shall be entitled to damages if the court finds that the payment service provider–

**Damages.**

- (a) did not investigate an alleged error in good faith;
- (b) did not have a reasonable basis for believing that the consumer's account was not in error; or
- (c) knowingly and willfully concluded that the consumer was not in error when such conclusion could not reasonably have been drawn from the evidence available to the payment service provider at the time of its investigation.

**52.–(1)** A payment service provider shall establish appropriate procedures, in accordance with these regulations, for–

**Complaint procedure.**

- (a) the making of any complaint by a consumer; and
- (b) the investigation and resolution of any complaint by a consumer.

(2) The complaint procedure shall contain information relating to the right of a consumer to–

- (a) appeal against the outcome of his complaint to the senior management of the payment service provider; and
- (b) refer the complaint to the Central Bank, or any other body authorized by the Central Bank, if he is not satisfied with the outcome of his complaint.

Record of  
complaints.

**53.**-(1) A payment service provider shall keep a record of complaints and their resolutions, including the aggregate data on the type, frequency, and resolution of these complaints.

(2) A payment service provider shall make the records and aggregate data referred to in sub-regulation (1) available to the Central Bank or any other body authorized by it, as and when required.

#### *Sub-Part 4*

#### *Electronic Funds Transfer- Consumer's Liability*

Unauthorized  
electronic  
funds transfer.

**54.**-(1) A consumer shall be liable for any unauthorized electronic fund transfer involving the account of such consumer only if-

- (a) the card or other means of access utilized for such transfer was an accepted card or other means of access; and
- (b) the issuer of such card, code, or other means of access has provided a security procedure to identify the consumer.

(2) Notwithstanding sub-regulation (1), a consumer shall not be liable for losses, resulting from an unauthorized electronic funds transfer which occurs after the consumer has notified the payment service provider-

- (a) that his card has been lost, misused, or stolen;  
or
- (b) that the security access code or other electronic device to permit electronic consent has been breached.

(3) In this regulation-

“accepted card or other means of access” means a card, code, or other means of access to a consumer’s account for the purpose of initiating electronic funds transfers when the person to whom such card or other means of access was issued has–

- (a) requested and received;
- (b) signed; or
- (c) used, or authorized another to use,

such card or other means of access for the purpose of transferring money between accounts;

“electronic consent” means any sound, symbol, or process which is–

- (a) related to technology–
  - (i) having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities, including, but not limited to, mobile telephone, facsimile, and internet; and
  - (ii) which may only be accessed through a security access code; and
- (b) logically associated with a legally binding agreement or authorization and executed or adopted by a person with the intent to be bound by such agreement or authorization; and

“security access code” means a personal identification number, password, code or any other device providing a means of certified access to a consumer’s account for the purposes of, among other things, initiating an electronic funds transfer.

Exclusion  
or limit of  
liability.

55.–(1) A consumer shall not be liable for losses–

- (a) not attributable to or not contributed by the consumer;
- (b) caused by the fraudulent or negligent conduct of officers or payment service agents appointed by–
  - (i) the payment service provider;
  - (ii) companies and other payment service provider involved in networking arrangements; or
  - (iii) merchants who are linked to the card or other communication system;
- (c) relating to a card that is forged, faulty, expired; or
- (d) occurring before the consumer has received his card or security access code.

(2) For the purpose of sub-regulation (1)(a), a consumer contributes to losses by delaying notification of lost, misused or theft of the card and shall be liable for losses resulting from an unauthorized electronic funds transfer, except for–

- (a) that portion of the loss incurred on any one day which exceeds the daily transaction limit applicable to the card, other device or account; or
- (b) that portion of the total loss incurred which exceeds the amount of funds standing in the consumer's account.



**56.** In an action which involves a consumer's liability for an unauthorized electronic funds transfer, the burden of proof is upon the payment service provider—

**Burden of proof.**

- (a) to show that the electronic funds transfer was authorized; or
- (b) if the electronic funds transfer was unauthorized, to establish that the consumer is liable under this Part.

**57.** Except as provided in this Part, a consumer does not incur liability for an unauthorized electronic funds transfer.

**Scope of liability.**

#### *Sub-Part 5*

#### *Electronic Funds Transfer-Payment Service Provider's Duty and Liability*

**58.**—(1) The payer's payment service provider is responsible for correct payment execution, including, payment of the full amount of the fund transfer and execution time, and assumes responsibility for any failure up to when the next payment service provider in the payment chain, acknowledges receipt of the payment.

**Liability for failure to act.**

(2) A payer's payment service provider shall be liable to a consumer for the damages where the payer's payment service fails to—

- (a) make an electronic funds transfer, in accordance with the terms and conditions of an account, in the correct amount or in a timely manner when properly instructed to do so by the consumer;
- (b) make an electronic funds transfer due to insufficient funds when the provider failed to credit, in accordance with the terms and

conditions of an account, a deposit of funds to the consumer's account which would have provided sufficient funds to make the transfer; and

- (c) stop payment of a preauthorized transfer from a consumer's account when instructed to do so in accordance with the terms and conditions of the account.

Exclusion or limit of liability for failure to act.

**59.** The payer's payment service provider shall not be liable under regulation 58, if the payment service provider shows that—

- (a) its action or failure to act was as a result of—
  - (i) *force majeure* or other circumstance beyond its control, provided that it exercised reasonable care and diligence to prevent such an occurrence;
  - (ii) a technical malfunction which was known to the consumer at the time he attempted to initiate an electronic funds transfer or, in the case of preauthorized transfer, at the time such transfer should have occurred;
  - (iii) insufficient funds in the consumer's account and the absence of a prior overdraft agreement with the payment service provider to meet the insufficiency; or
- (b) executing the transfer would cause the consumer to exceed an established credit or transaction limit.

Duty to inform consumer.

**60.**—(1) A payment service provider shall immediately inform a consumer, if the payment service provider is aware that the

system or equipment to carry out an electronic funds transfer is not available for use and of any technical malfunction through—

- (a) a notice at automated teller machine, point of sale or other electronic terminals;
- (b) a notice at its branches; and
- (c) a notice placed on its website or other online platforms.

(2) A payment service provider shall immediately inform the consumer of any failure that occurred in the execution of an electronic funds transfer for any previously undetected malfunctioning of the system.

**61.** If a payment service provider gives the notice required under regulation 60, the payment service provider's responsibility and liability is limited to the correction of any error in the consumer's account, and the refund of any charges or fees imposed on the consumer for that transaction.

**Limit of liability for malfunction.**

**62.**—(1) A payment service provider shall be responsible for the security of a deposit received at an electronic terminal, from the time the transaction is completed.

**Security of deposit at electronic terminal.**

(2) If there is a discrepancy between the amount recorded as having been deposited at an electronic terminal and the amount recorded as having been received, the payment service provider shall notify the consumer of the difference on the next day and shall advise the actual amount which has been credited to the consumer's account.

## PART IX

*Remittance Services*

Remittance funds and accounts.

**63.** A remittance service provider shall—

- (a) maintain an exclusive account for settlement purposes in its licensed name for its remittance service at a bank in Belize;
- (b) provide proof to the Central Bank that the account is being maintained in accordance with paragraph (a) no later than ten working days after being licensed;
- (c) transact all remittance services through the account maintained in accordance with paragraph (a); and
- (d) pay into the account all funds received from consumers for remittance purposes by the next bank business day after the funds are received.

Settlement with remittance service provider.

**64.**—(1) The payment of a net settlement due to the remittance service provider from an international remittance service provider shall be done directly, without any intermediaries, into a remittance settlement account.

(2) For the purpose of sub-regulation (1), a “remittance settlement account” means a local currency account held with a bank to receive the value of the net position from inflows and outflows between an international remittance service provider and a remittance service provider in accordance with the agreement between both parties.

Remittance report.

**65.** Without prejudice to regulation 18, a remittance service provider shall submit to the Central Bank, in the form and at the time specified by the Central Bank, information or reports

on all remittance transfers and net settlements, including financial and other statements of condition, books, income, accounts, reports, schedules and other information in relation to its remittance service.

**66.**-(1) An outbound remittance transfer from Belize that is unpaid to the recipient at the transfer destination twelve months after the originating date of the transfers transaction shall be deemed to be unclaimed.

Unclaimed  
remittance.

(2) A remittance service provider who has unclaimed remittance transfers shall report such unclaimed remittance transfers to the Central Bank on an annual basis in such manner as Central Bank may specify, and thereafter pay or deliver to Central Bank all unclaimed remittance transfers in such manner and in such time as Central Bank may specify.

(3) A remittance service provider shall, thirty days before the filing of the report to Central Bank required in sub-regulation (2), publish in the Gazette and in a newspaper of general circulation in Belize the following information in relation to each unclaimed remittance transfer-

- (a) the name of the person who originated the remittance transfer;
- (b) the remittance transfer control number; and
- (c) the date of the transaction.

(4) A remittance service provider who wilfully fails to file any report or to pay or deliver any unclaimed remittance transfer into the custody of the Central Bank contravenes this regulation is liable to administrative penalties in accordance with section 33 of the Act.

(5) Central Bank may give directions for the implementation of this regulation, including directions on

the treatment of unclaimed remittance transfers in the net settlement process between an international remittance service provider and its remittance service provider in Belize.

Remittance  
disclosure.

**67.** At the time in which the sender requests a remittance transfer to be initiated, and before the sender making any payments in connection with the remittance transfer, the remittance service provider shall provide in writing to the sender a disclosure describing—

- (a) the amount that will be transferred to the recipient in the currency for the remittance transfer;
- (b) any fees and taxes imposed on the sender by the remittance service provider in the currency in which the sender pays for the remittance transfer;
- (c) the total amount of the transaction, which reflects the amount transferred under (a) and the amount of the fees and taxes under (b), in the currency in which the sender pays for the remittance transfer;
- (d) the exchange rate applied to the remittance transfer;
- (e) a reasonable estimate of any fees and taxes that may be imposed on the transfer by a third party in the currency in which the funds will be received; and
- (f) a reasonable estimate of the total amount to be received by the designated recipient in the currency in which the funds will be received, after all fees and taxes are deducted.

**68.** At the time at which the sender makes payments in connection with the remittance transfer, the remittance service provider shall provide in writing to the sender–

Post-transaction receipt requirements.

- (a) a receipt showing–
  - (i) the information described in regulation 67;
  - (ii) the date by which the funds will be available to the designated recipient, and
  - (iii) the designated recipient’s contact information, and
- (b) a statement containing information regarding the payer’s error resolution and cancellation rights.

**69.–(1)** Every transaction between a remittance service provider and its agents shall be conducted in Belize dollars for the receiving of money to transfer outward or for the payment of inbound transactions unless the Central Bank exempts the application of this regulation.

Exchange rate and foreign exchange requirements.

(2) A remittance service provider is expected to manage its outbound remittance transfers so that–

- (a) the total value of outgoing transfers is less than or equal to the total value of incoming transfers during the reporting period as directed by the Central Bank; and
- (b) remittance transfers do not burden the domestic system with a net outflow of scarce foreign exchange for net settlement payments in favour of an international remittances provider.

(3) A remittance service provider shall not, on any day, transfer foreign exchange or its equivalent to a sender in excess of the daily permissible foreign exchange limit, as declared by the Central Bank, without the prior approval of the Central Bank.

(4) A remittance service provider who contravenes this regulation is liable to administrative penalties in accordance with section 33 of the Act, including the revocation of the licence to provide the remittance service.

## PART X

### *Miscellaneous Matters*

- Annual report.** **70.** A licensee shall inform the Central Bank of any change to any information referred to in section 9 of the Act, in relation to this service, in such form as the Central Bank may require, annually.
- Display of terms and conditions.** **71.** A licensee shall disclose the terms and conditions of the service that he provides by displaying such terms and conditions or causing such terms and conditions to be displayed, prominently and conspicuously at the location or facility where a consumer may initiate or request the service.
- Interest on unpaid administrative penalties.** **72.** If a person fails to pay a fine or other administrative penalty imposed by the Central Bank on the due date, interest shall accrue to the amount payable and outstanding at a rate of 12% per annum.
- Publication of payment service providers.** **73.** The Central Bank shall maintain and publish, on its website, a current list of all payment service providers, payment service agents, the class of payment service the payment service provider is licensed to provide and the location of both payment service agents and payment service provider.



**SCHEDULE I**  
*[regulations 6(1)(8) and 8(1)(2)]*

**Fees**

<b>Payment Service Provider Fees</b>	
Non-Refundable Application Fee	\$ 500
Initial Licence Fee	\$ 5,000
Annual Licence Fee	\$ 10,000
<b>Operator Fees</b>	
Non-Refundable Application Fee	\$ 2,500
Initial Licence Fee	\$ 10,000
Annual Licence Fee	\$ 20,000

**SCHEDULE II**  
*[regulation 16(1) and (2)]*

**Paid Up Capital Requirements**

<b>Service Provider/ Operator</b>	<b>Paid up Capital</b>
Payment Service Provider	\$100,000
Operator	\$1,000,000

**SCHEDULE III***[regulations 27, 29 and 34(1)]***Part A****Elements of a Central Securities Depository Contract**

The elements to be included in a contract made between a central securities depository and a participant include –

1. the duration of the contract;
2. the procedures and time limits for withdrawal from the contract;
3. the procedures for the central securities depository to send communications to direct participant;
4. the rules for amending the general conditions of the contract;
5. the liability of the central securities depository;
6. the fees for participation in the central securities depository; and
7. the rules for resolving litigation between the central securities depository and the direct participant.

**Part B****Requirements to be satisfied by a Central Securities Depository**

The contents of this Part set out the requirements that shall be satisfied by an entity authorized to act as a central securities depository, other than the Central Bank.

**A. Organizational Requirements**

1. A central securities depository shall have robust governance arrangements, which shall include a clear organizational structure with well-defined, transparent, and consistent lines of responsibility; effective processes to identify, manage, monitor and report the risks to which it is or might be exposed; and adequate remuneration policies and internal control mechanisms, including sound administrative and accounting procedures.
2. A central securities depository shall maintain and operate effective written organizational and administrative arrangements to identify and manage any potential conflicts of interest between itself; its managers, employees, board members and any person directly or indirectly linked to those persons; and participants or their clients. The central securities depository shall maintain and implement adequate resolution procedures whenever possible conflicts of interest occur.
3. A central securities depository shall make its governance arrangements and the rules governing its activity available to the public.

## **B. Prudential Requirements**

1. A central securities depository shall adopt a sound risk-management framework to comprehensively manage legal, business, operational and other risks.
2. A central securities depository shall have appropriate rules and procedures for the securities settlement system it operates, including robust accounting practices and controls, to help ensure the integrity of securities issues, reduce, and manage the risks associated with the safekeeping and settlement of transactions in securities.
3. A central securities depository shall be subject to frequent and independent audits and the results of such audits shall be communicated to the board and made available to the Central Bank.

## **C. Legal Risks**

For the purpose of authorising, supervising and informing participants who use its service, a central securities depository shall implement rules, procedures and contracts that are clear and understandable, and necessary for the securities settlement system it operates.

## **D. Operational Risks**

1. A central securities depository shall identify all potential sources of operational risk, both internal and external, and minimize their impact through the deployment of appropriate information technology tools, controls, and procedures, including those related to the securities settlement system it operates.
2. A central securities depository shall maintain appropriate information technology tools which ensure a high degree of security and operational reliability and have adequate capacity. Information technology tools shall adequately address the complexity, variety and type of services provided and activities performed by the central securities depository, so as to ensure high standards of security, integrity and confidentiality of the information maintained.
3. In the performance of its notary and administration of securities functions, and for the securities settlement system it operates, a central securities depository shall establish, implement, and maintain an adequate business continuity policy and disaster recovery plan, to ensure the preservation of its services, the timely recovery of operations and the fulfilment of its obligations, in the event of the occurrence of situations which pose a significant risk of disrupting its operations.

4. The plan referred to in paragraph 3 shall, at a minimum, provide for the recovery of all transactions at the time of disruption, to allow the participants of the central securities depository to continue to operate with certainty and to complete settlement on the scheduled date. The plan shall include the setting up of a second processing site with the requisite level of key resources, capabilities, and functionalities, including appropriately skilled and experienced staff.
5. A central securities depository shall identify, monitor, and manage the risks that participants, service and utility providers, and other market infrastructures, might pose to its operations.

#### **E. Record keeping**

A central securities depository shall maintain all the records on the services it provided and the activities it performed, for a period of five years, to allow the Central Bank to monitor the central securities depository's compliance with the requirements under these Rules, and such records shall be made available to the Central Bank upon request for same.

#### **F. Miscellaneous**

A central securities depository shall adopt policies and procedures which are sufficiently effective to ensure compliance with these Rules.

**SCHEDULE IV**  
*[regulation 38]*

**RULES OF AN INTER-BANK MONEY MARKET AND CENTRAL  
SECURITIES DEPOSITORY SYSTEM**

These Rules apply where—

- (a) the Central Bank is acting as a central securities depository; or
- (b) an entity is authorized by the Central Bank to act as a central securities depository,

for participants of the APSSS system.

**DEFINITIONS**

In these Rules—

“APSSS system” means the Automated Payment and Securities Settlement System launched by the Central Bank in 2016;

“delivery versus payments” means a securities settlement mechanism which links a transfer of securities with a transfer of funds in a way that delivery occurs if, and only if, payment occurs;

“operator” means the Central Bank in its capacity of operator of the APSSS system and when acting as a central securities depository;

“participant” means a party who is recognized in these rules as eligible to exchange, clear and settle through the APSSS system, directly with other participants, for purposes related to inter-bank many operations and securities settlement;

“repurchase agreement” is a short-term sale of securities by a borrower, in return for cash, with a commitment to repurchase the assets at a specified price and at an agreed future maturity date. It is therefore a collateralized loan where the ownership of securities is immediately transferred to the lender on the settlement or acceptance date, and where, at maturity, the borrower repays the loan, and the ownership of the securities is returned to the borrow by the lender;

“reserved value” means the value of securities reserved for the settlement of transactions which have been initiated but not yet settled;

“Rules” mean these Rules and each related Annex and attachment thereto, as amended from time to time.

## REQUIREMENTS FOR PARTICIPATION

### A. Eligibility to Participate

1. The following entities are eligible to make use of the inter-bank money market and central securities depository functions in APSSS—
  - (a) a domestic bank; and
  - (b) any other direct participant of the APSSS.
2. An entity referred to in paragraph 1 shall register with the central securities depository, to use the inter-bank money market and central securities depository functions in APSSS.
3. The central securities depository may charge fees for use of the inter-bank money market and central securities depository functions in APSSS and for related services.

### B. Adherence to Rules

4. A participant must adhere to these Rules.
5. By using the inter-bank money market and central securities depository functions in APSSS, the user agrees to all matters expressed in the Rules and undertakes to adhere to these Rules.
6. Authorization to participate in the inter-bank money market and central securities depository functions in APSSS is subject to a participant's adherence to these Rules.

### C. System Compatibility

7. To use the inter-bank money market and central securities depository functions in APSSS, a participant shall ensure that its communication and other information technology tools, procedures and systems are compatible with the inter-bank money market and central securities depository components of APSSS.
8. Where there is any change in compatibility with the APSSS system, a participant shall notify the operator and other participants, in the manner and within the time limits specified by the operator.
9. The operator may suspend a participant from using the inter-bank money market and central securities depository components in the APSSS, giving reasons for the suspension, in the event of—
  - (a) system incompatibility; or

- (b) an information technology issue which threatens to or affects the proper functioning of the APSSS system or causes malfunctioning or delays in carrying out the operations of the system.

## REGISTRATION

### D. Participant Registration and Securities Settlement Account

- 10. Before using the inter-bank money market operations in APSSS, a participant shall register with the central securities depository by opening a securities settlement account and depositing a minimum value of BZ\$1,000,000 of eligible securities to be immobilized or dematerialized in the securities settlement account.

### E. Eligible Securities

- 11. The following securities may be deposited in the central securities depository–
  - (a) securities issued by the Government of Belize such as Treasury Bill, Notes and Bonds; and
  - (b) any other public debt security approved by the operator.

### F. Effect of Securities Deposit

- 12. The deposit of a security into a securities settlement account held with a central securities depository does not affect any legal or statutory obligation arising from ownership of the rights attaching to the deposited security.
- 13. Upon the deposit of a security in the central securities depository, the central securities depository shall be the legal record of ownership of the security instrument which has been immobilized or dematerialized.

### G. Ownership of Deposited Securities

- 14. A participant agrees that from the day a security is deposited into a securities settlement account held with a central securities depository–
  - (a) any movement of the security, including a pledge, sale, purchase, repurchase or any other transaction, agreement or arrangement which gives rise to automatic access to title in the event of default, shall take place on the books or records of the central securities depository; and
  - (b) the central securities depository shall be the sole legal record of ownership of the security.

## ADMINISTRATION OF SECURITIES IN THE CENTRAL SECURITIES DEPOSITORY

### H. Communication

- 15. Any communication between the central securities depository and a participant about securities deposited or to be deposited in the central securities depository and related activities and services, shall be made exclusively within the APSSS network, in the manner and within the time limits specified by the operator in operating instructions or otherwise.



**I. Authorized Persons**

16. A participant shall identify and provide details on at least two individuals who are authorized to communicate—
- (a) through the electronic networks within APSSS; and
  - (b) with the operator on behalf of the participant.

**J. Cancellation of Communication**

17. A communication sent through the APSSS system for a transaction which has been settled is final and shall not be cancelled.
18. Where a transaction has been settled in error, an equal and opposite transaction shall be matched and settled by the participants to reverse the error.
19. A participant may cancel communication for transactions which requires matching, before the transactions have been matched.
20. A participant shall may not cancel communication for transactions which require matching, and which have been matched.

**K. Maintenance of Adequate Account Balances**

21. A participant shall maintain a minimum balance of BZ\$1,000,000 in their securities settlement account, for the settlement of transactions and such amount shall exclude any reserved value.

**OPERATION OF THE INTER-BANK MONEY MARKET****L. Operational Days and Hours**

22. The Inter-Bank Market shall conduct business on Monday to Friday, excluding public and bank holidays, between 9:30 a.m. and 3:30 p.m.

**M. Request to Borrow or Lend**

23. To generate a transaction to borrow or to lend, a participant shall utilize the Workstation Menu Tab in the central securities depository.
24. Each transaction type is itemized by a specific message type. An MT543 is inputted to borrow while an MT541 is used to lend and both message types are Delivery Versus Payment transactions.
25. The CSD Workstations shall be checked by 2 p.m. daily, to ascertain whether there is a borrower or lender request.
26. A participant shall match a request to borrow with a request to lend, to finalise a loan transaction.

27. A participant will be able to use the central securities depository to monitor whether their offer was matched.
28. Where an offer is unmatched at the close of the business day, the offer shall automatically be cancelled.

**N. Terms of the Loan**

29. A loan offered or borrowed on the inter-bank money market shall not extend beyond 30 days.
30. The minimum loan amount to be accepted or offered is BZ\$1,000,000.

**O. Rates of Interest**

31. The rate of interest on a loan shall be determined by agreement of the lending and borrowing participants.

**P. Securities, Collateral and Valuation**

32. To secure a loan by way of a repurchase agreement, a borrower must offer eligible securities registered or deposited in the central securities depository.
33. The only securities eligible to be used as collateral are securities with a maturity date beyond the loan maturity date.
34. Any security offered as collateral shall be in an amount which is adequate to cover the loan.
35. Where an interest payment is due on a security which is offered as collateral in a repurchase agreement, the current holder of the security (the lender) shall be paid the interest.
36. Upon the repayment of the principal amount, any interest paid on the collateral during the term of the loan shall be transferred back to the borrower.

**Q. Default**

37. In the case of default on the repayment of a loan –
  - (a) a security offered as collateral shall be held by the lending participant;
  - (b) the legal remedy for the repayment of the outstanding debt under the laws of Belize shall be arranged by the participant or otherwise be determined outside the APSSS system; and
  - (c) the lending and borrowing participants shall still be subject to all of the conditions of the operational procedures, pending resolution of repayment.

**R. Maturity of Loans and Return of Securities**

38. The interest and principal due on loans shall be settled in the Real-Time Gross Settlement (RTGS) on the respective due date.

39. Where a payment is due on a weekend or a public or bank holiday, the payment shall be payable on the following business day, which date shall be taken to be the maturity date.
40. Upon the repayment of the principal, securities held as collateral shall be returned via the central securities depository.

#### **S. Finality**

41. Settlement shall be final, irrevocable, and unconditional at the moment that the securities settlement accounts of the relevant participants have been credited and debited with either funds or securities.
42. As far as reasonably practicable, there shall be no perceptible delay between the acceptance for settlement and the final settlement in the APSSS system.
43. The commencement of insolvency proceedings against a participant shall not prevent funds available or securities deposited on the securities settlement account of a participant from being used to fulfil that participant's obligations which existed or were recorded in the APSSS system before or on the date the insolvency proceedings commenced.

### **SUSPENSION OR REVOCATION OF ACCESS**

#### **T. Suspension or Access**

44. The operator may suspend a participant's access to the inter-bank money market and central securities depository operations in the APSSS system for a specified or indefinite period in the following circumstances—
  - (a) where the participant no longer complies with a requirement for participation set out in these Rules;
  - (b) upon the occurrence of an event which affects or may affect the ability of the participant to accurately send or receive instructions, requests, or payments; or
  - (c) where the participant breaches its obligations under these Rules and fails to rectify the breach or to provide a satisfactory justification.
45. The operator shall, at its discretion, decide on—
  - (a) the effective date of a participant's suspension of access to the inter-bank money market and central securities depository operations in the APSSS system; and
  - (b) any term or grace period to be offered to a participant, after consideration of the specific situation of the relevant participant.

#### **U. Effect of Suspension or Access**

46. A payment instruction, loan request or offer, from a participant whose access is suspended, shall not be accepted or valid until the date on which access is reinstated.
47. A participant whose access to the APSSS system is suspended –
- (a) retains the right to access its historical data outside the APSSS system via a request to the operator; and
  - (b) is still required to discharge its obligations under these Rules.
48. The suspension of a participant's access to the inter-bank money market and central securities depository operations in the APSSS system shall not affect –
- (a) any act, matter or thing which occurred before the suspension took effect; or
  - (b) any fee, cost, charge, or expense which may be levied on, or which is to be reimbursed by participants in accordance with these Rules, in respect of a transaction or matter which commenced or occurred before the suspension.

**MADE** by the Central Bank of Belize this 5th day of February, 2024.



**(MR. KAREEM MICHAEL)**

Governor of the Central Bank of Belize