

BELIZE:

STATUTORY INSTRUMENT

No. 182 of 2001

REGULATIONS made by the Minister responsible for exchange control, in exercise of the powers conferred upon him by section 3 of the Exchange Control Regulations Act, Chapter 52 of the Substantive Laws of Belize, Revised Edition 2000, and all other powers thereunto him enabling.

(Gazetted 29th December, 2001.)

1. These Regulations may be cited as the

Short title.

**EXCHANGE CONTROL (AMENDMENT)
REGULATIONS 2001,**

and shall be read and construed as one with the Exchange Control Regulations which are hereinafter referred to as the principal Regulations.

Sub Leg.
Vol. I,
1991 Edn
Cap. 43

2. The principal Regulations are hereby amended by the substitution of the words "Central Bank" for the word "Controller" wherever occurring therein.

Substitution
of 'Central
Bank' for
'Controller'

3. Part II of the Fourth Schedule to the principal regulations is hereby amended in paragraph 2 (1) thereof by substituting the words "Central Bank" for the words "Clerk of the Court" occurring therein.

Amendment
of Fourth
Schedule.

Addition of
new
Parts IX and
X.

4. The principal Regulations are hereby amended by the addition of the following new Parts IX and X immediately after Part VIII: -

“

PART IX

LICENSING OF CAMBIOS

Application.

45. Notwithstanding anything to the contrary in these Regulations, the provisions of this Part shall have effect with regard to the establishment and licensing of cambios.

Interpretation

46. In these Regulations —

“cambio” or “casa de cambio” means an enterprise in the course of which a person buys from, or sells to, other persons any foreign currency;

“deal” means purchase from or sell to a person foreign currency and “dealing” shall be construed accordingly;

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

“hard currency” means the United States dollar, Canadian dollar, Pound Sterling, Euro and Japanese Yen;

“Licensee” means a person to whom a licence to operate a cambio is granted under this Part;

“official exchange rate” means in the case of the United States dollar, the fixed rate of BZ\$2.00 to US\$1.00, and in the case of any other currency, the rate as determined by the Central Bank from day to day;

“operator” means a person who operates a cambio;

Licensing of
Cambios.

47. (1) Subject to these Regulations, the Central Bank may, with the approval of the Minister, grant a licence to a fit and proper person to operate a cambio subject to such conditions and on payment of such fee as may be prescribed.

Fifth
Schedule.

(2) The fit and proper criteria set out in the Fifth Schedule shall be applied for the purpose of determining eligibility for a licence under this Part.

CAP. 52.

Application
for a licence.

(3) No person shall operate a cambio unless authorised by a licence under this Part and every person who contravenes this provision shall be guilty of an offence and shall be liable to the penalties prescribed in section 6 of the Exchange Control Regulations Act.

Sixth
Schedule.

48. (1) An application for a licence to operate a cambio shall be made to the Central Bank and shall be in the form set out in the Sixth Schedule to these Regulations.

Seventh
Schedule.

(2) There shall be submitted with the application all relevant information and particulars and a non-refundable application fee as specified in the Seventh Schedule.

(3) The Central Bank may, if it deems necessary, require the applicant to furnish any additional information and documents.

(4) Any person who wilfully furnishes any information which is in any material respect false or misleading in connection with an application under this Part shall be guilty of an offence and shall be liable on summary conviction to a fine not exceeding four thousand dollars or to imprisonment for a term not exceeding twelve months or to both.

Grant of licence.

49. (1) The Central Bank may, if satisfied that the applicant is a fit and proper person for the grant of a licence, having due regard to the criteria set out in the Fifth Schedule, recommend to the Minister that a licence may be granted to the applicant.

Fifth Schedule.

(2) On approval by the Minister, the Central Bank shall grant a licence to the applicant in the form set out in the Eighth Schedule upon payment of the licence fee as set out in the Seventh Schedule.

Eighth Schedule.

Seventh Schedule.

Conditions for a licence.

50. Every licence granted under this Part shall be subject to the conditions set out in the Ninth Schedule and such other conditions as the Central Bank may deem fit to impose.

Ninth Schedule.

Duration of licences.

51. Subject to Regulation 52 below, every licence issued under this Part shall be valid for a period of one year from the date specified therein but may be renewed on payment of the prescribed fee and on continued compliance with the fit and proper criteria.

Revocation, suspension or limitation of licences.

52. (1) The Central Bank may, with the approval of the Minister, at any time revoke or suspend a licence granted under this Part or impose limitations on the terms and conditions subject to which such licence may remain in force:

(a) for any failure to pay the fee prescribed for the issuance or continuation of such licence within the specified time;

(b) for any wilful contravention of any provision of these Regulations or any other law to which the licensee is subject;

(c) for any wilful failure to comply with any order or directive issued by the Central Bank;

(d) if the licensee fails to comply with any condition of its licence;

(e) if the licensee fails to commence operations within six months following the issue of the licence, or such longer period as the Central Bank may approve in writing;

(f) if the licensee has ceased to carry on business as a cambio operator;

(g) if the licensee has become insolvent as determined by the Central Bank or goes into liquidation or is wound up or otherwise dissolved;

(h) if in the opinion of the Central Bank, the licensee's assets are inadequate or

insufficient to meet its liabilities as they mature or become due; or

(i) if the licence was obtained by providing false or misleading information in a material particular.

(2) Before revoking or suspending a licence under subregulation (1) above, or imposing limitations, the Central Bank shall give the licensee twenty-one days prior notice in writing (or such longer time as the Central Bank may specify in writing) of its intention to do so, specifying therein the grounds on which it proposes to revoke, suspend or impose limitations on the licence, and shall afford the licensee an opportunity of making representations against the intended revocation, suspension or imposition of limitations.

(3) Where the Central Bank revokes, suspends or limits a licence under this regulation, notice of such revocation, suspension or limitation shall be published in the Gazette and a newspaper of general circulation in Belize.

53. Every licence granted under this Part shall be displayed and kept displayed in a conspicuous place or public part of the premises in Belize in which the licensee carries on his or its business.

Display of
licences.

PART X

OUT-OF-COURT SETTLEMENTS

Out-of-court
settlements.

54. (1) Where it appears to the Central Bank that having regard to the nature of the evidence and all other circumstances, it would be expedient to make an out-of-court settlement with a person who is alleged to have violated any of these Regulations, the Central Bank may make such settlement in lieu of commencing or continuing court proceedings.

(2) Every such settlement shall be in writing and shall be signed both by the Central Bank and the person concerned.

(3) If a person has complied with the terms of the out-of-court settlement, no court proceedings shall be brought or continued against him in respect of the alleged violations which were the subject of such settlement."

5. These Regulations shall come into force on the 1st day of January, 2001.

Commencement.

MADE by the Minister responsible for exchange control this 21st day of December, 2001.

(SAID W. MUSA)
*Minister of Finance,
Minister responsible for Exchange Control*

Printed in Belize by the Government Printer

EXCHANGE CONTROL REGULATIONS**FIFTH SCHEDULE**

(Regulation 47)

FIT AND PROPER CRITERIA

1. The application of the "fit and proper" criteria shall be both an initial test and an ongoing process and shall be in effect throughout the term of an operator's licence.
2. For the purpose of this Schedule —
 - (a) an operator shall include the individual to whom a licence is issued under this Part, and any person managing the operation on his behalf;
 - (b) a manager shall include any person who has the authority to direct the operations of the cambio, whether the person managing is formally employed in that capacity or not;
 - (c) in the case of a limited liability company applying or holding a licence under this Part, the term "operator" shall include the directors, managers and shareholders.
3. To meet the fit and proper criteria, an applicant or operator must be a person who —
 - (a) has not been convicted of any offence involving dishonesty whether in Belize or elsewhere;
 - (b) is certified by the Belize Police Department as having a satisfactory record;
 - (c) in the opinion of the Central Bank is a person of sound probity and is able to exercise the required level of competence, diligence and sound judgment in fulfilling his responsibilities as a cambio operator, and who does not

constitute a threat to good order in the foreign exchange market; and for the purpose of this paragraph the Central Bank may have regard to any evidence that the applicant or operator has —

- (i) engaged in previous business or financial practices which appear to the Central Bank to be deceitful or oppressive or otherwise improper or indicative of poor financial management skills;
 - (ii) contravened any provision of any law designed for the protection of the public against financial loss due to dishonesty, incompetence or malpractice by persons concerned in the provision of banking, insurance, investment or other financial services, or in the management of companies;
- (d) is not a person barred from holding position as shareholder, director or manager of banks, financial institutions or any other entity pursuant to the provisions of the Banks and Financial Institutions Act or any other enactment; and
- (e) is financially sound and has capitalised a minimum of US\$250,000.00 in a bank or financial institution in Belize.
- CAP. 263.
4. A determination by the Central Bank that an applicant or operator does not meet the fit and proper criteria herein contained shall be final and conclusive.
 5. A determination by the Central Bank at any time that an operator or manager has ceased to meet the fit and proper criteria herein contained shall constitute grounds for suspension or revocation of the licence.
 6. An operator or manager who has notice of any fact or circumstance which will reasonably affect his standing as fit and proper under this Schedule shall be obliged to immediately advise the Central Bank

of such fact or circumstance. Failure to so advise the Central Bank shall constitute grounds for suspension or revocation of the licence.

7. The Central Bank shall have the right to require such further information from any applicant or operator as it deems fit, for the purpose of making its determination of the fitness and propriety of such applicant or operator.

**EXCHANGE CONTROL REGULATIONS
SIXTH SCHEDULE (Regulation 48)**

Application for a LICENCE to operate a Cambio.

NOTES:

1. For incorporated companies, please submit audited financial statements for the preceding two (2) years along with the completed application form.
2. For individuals, please submit a statement of personal assets and liabilities along with the completed form.
3. Applicants whose statements do not reflect adequate liquidity, may be required to submit bankers' confirmation of access to funding.
4. All applicants must complete the biographical affidavit along with this application. Applicants are asked to note the terms and conditions of the licence and also the fit and proper criteria.

A Name of applicant

B Registered office or address of applicant

C Telephone _____ Telefax _____

E-mail _____

D Principal business address, if different

E If applicant is a company, state and attach certificate of incorporation and produce evidence of place of incorporation and registered office and address of the principal office _____

F Authorised share capital and paid up share capital (Please show separately) _____

G If applicant is a partnership firm, state and produce evidence of where established and address of principal office.

H Names and addresses and nationalities of general partners

I If applicant is an individual, state and produce evidence of

Nationality _____ Date of birth _____
Place of birth _____
Address _____

J State qualifications, experience, etc. for provision of the service for which the licence is being applied.

K During the last ten years, have you ever been refused a professional, occupational, or vocational licence by any public or governmental licensing agency or regulatory authority, or has any such licence held by you ever been suspended or revoked? If yes, please give full details.

State below any other material information which you consider relevant to the assessment of your application

I undertake to inform the Central Bank without delay of any material changes to the information supplied on this form.

Name (block capitals) _____

Signed _____ Date _____

Biographical Affidavit

NOTES:

- A. This form should be completed by individual applicants and also by each director, shareholder and officer of an applicant company.
- B. Complete all sections as fully as possible and attach supplementary sheets where appropriate.
- C. If answer is "no" or "none", so state.

Full name and address of the applicant company (do not use group names)

In connection with the above-named applicant, I hereby make representations and supply information about myself as hereinafter set forth.

1. Affiant's full name (initials not acceptable)
2. a) Have you ever had your name changed? () Yes () No
If "Yes", give reason for the change

- b) Other names used at any time
3. Affiant's Social Security No./Passport No./National Insurance No. or other similar Identification No. applied to Government Record Systems. (Indicate which identification is given)
4. a) Date of birth _____
b) Place of birth _____

5. Affiant's business address _____

Business telephone No. _____
6. List your residences for the last ten (10) years starting with your current address, giving:-
DATES ADDRESS CITY AND STATE

7. Education: Dates, Name, Locations and Degrees
College _____

Degree awarded _____
Graduate studies _____
Degree awarded _____
Others _____
8. List memberships in professional societies and associations

9. Present or proposed position with the applicant company

10. List complete employment record (up to and including present jobs, positions, directorships or officerships) for the past twenty (20) years giving:
DATE EMPLOYER AND ADDRESS TITLE

11. *a)* May present employer be contacted. () Yes () No
b) May former employers be contacted. () Yes () No
c) List names, addresses, phone/fax numbers of two independent referees.

12. *a)* Have you ever been in a position which required a fidelity bond?
 () Yes () No

If any claims were made on the bond, give details _____

- b)* Have you ever been denied an individual or position schedule, fidelity bond, had a bond cancelled or revoked? () Yes () No

If "Yes", give details _____

13. List any professional, occupational, and vocational licences issued by any public or governmental licensing agency or regulatory authority which you currently hold or have held in the past. (State date licence issued, issuer of licence, date terminated, reasons for terminated, reasons for termination)

14. During the last ten (10) years, have you ever been refused a professional, occupational, or vocational licence by any public or government licensing agency or regulatory authority, or has any such licence held by you ever been suspended or revoked?
 () Yes () No

If "Yes", give details _____

15. List any companies in which you control directly or indirectly or own legally or beneficially 10% or more of the outstanding stock (in voting power).

 If any of the stock is pledged or mortgaged in any way, give details.

16. Will you or members of your immediate family subscribe to or own, beneficially or of record, shares or stock of the applicant company or its affiliates?

() Yes () No

If any of the shares or shock are pledged or mortgaged in any way, give details.

17. Have you ever been adjudged a bankrupt? () Yes () No
 If "Yes", please supply particulars.

18. *a)* Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a misdemeanor involving embezzlement, theft, larceny, or mail fraud, or charging a violation or any corporate securities statute or any international financial services statutes, or have you been the subject of any disciplinary proceedings of any governmental or state regulatory agency?

() Yes () No

If "Yes" give details. _____

b) Has any company been so charged allegedly as result of any action or conduct on your part? () Yes () No

If "Yes" give details. _____

19. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any international financial services entity/entities which, while you occupied any such position or capacity with respect to it, become insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? () Yes () No

If "Yes", give details including names and dates _____

20. Has the certificate of authority or licence to do business of any of the international financial services entity/entities of which you were an officer or director or key management person ever been suspended or revoked while you occupied such position? () Yes () No

If "Yes", give details. _____

Dated and signed this _____ day of _____ 20__

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

(Signature of Declarant)

Date of _____

Country of _____

Personally appeared before me the above-named _____ personally known to me, being duly sworn, disposes and says that he executed the above instrument and that the statements and answers contained herein are true and correct to the best of his knowledge and belief.

Subscribed and sworn to before me this _____ day of _____

(Notary Public for documents executed overseas)
(Notary Public or Justice of the Peace for document executed in Belize)

Seal)

My Commission expires _____

EXCHANGE CONTROL REGULATIONSSEVENTH SCHEDULE

(Regulation 48)

FEEES

CAMBIO

- (a) Application fee
(Non-refundable) - US\$ 500.00
- (b) Annual Licence fee - US\$ 5,000.00

Note

The application fee as prescribed above must accompany every application for a licence to operate a Cambio and shall be non-refundable. The annual licence fee will become payable when the Central Bank approves the grant of the licence, or when the licence is to be renewed.

EXCHANGE CONTROL REGULATIONSEIGHTH SCHEDULE

(Regulation 49)

FORM OF LICENCECENTRAL BANK OF BELIZE

(Name of Applicant)

of _____
(Address)

is hereby granted a LICENCE by the Central Bank of Belize to operate a CAMBIO

at _____
(Premises)

subject to the conditions set out in the Ninth Schedule to these Regulations and the additional conditions attached hereto.

This licence is valid from _____ to _____.

DATED _____.

GOVERNOR
CENTRAL BANK OF BELIZE

N.B. This licence is not transferable.

EXCHANGE CONTROL REGULATIONS**NINTH SCHEDULE (Regulation 50)****TERMS AND CONDITIONS OF A LICENCE****TO OPERATE A CAMBIO**

Every licence to operate a cambio shall be subject to the following conditions and to any other conditions which the Central Bank may impose:

Purchase and Sale of Foreign Currency

1. The Licensee is entitled to purchase foreign currency from any person save and except that the Licensee shall not purchase foreign currency which represents receipts from Belize's major exports, namely, sugar citrus, bananas and shrimp.
2. The Licensee may sell currency notes and coins to any person but shall not sell travellers' cheques, postal orders, money orders or any other financial instruments.
3. The Licensee may purchase foreign currency not exceeding the following amounts in any one transaction, or group of related transactions, in any one day: -
 - (a) in the case of currency notes or coins — up to US\$5,000.00 or its equivalent in other currencies;
 - (b) in the case of drafts, money orders and other foreign effects — up to US\$10,000.00 or its equivalent in other currencies;
 - (c) in the case of travellers' cheques — up to US\$10,000.00 or its equivalent in other currencies;

4. The Licensee may sell foreign currency notes or coins up to a limit of US\$10,000.00 or its equivalent in other currencies in any one transaction, or group of related transactions, in any one day.
5. Where a Cambio is located in a hotel, it will be allowed foreign currency transactions only with the guests of the hotel. The sale of foreign currency will be confined to the reconversion of the unused residue of Belize dollars for those guests from whom foreign currency was acquired.
6. The Licensee shall buy or sell foreign currency at the official exchange rate. In the case of sale of foreign currency, the Licensee may add a service charge at a rate prescribed by the Central Bank from time to time. These rates and charges shall be conspicuously displayed at the cambio premises at all times when the business is being conducted there.
7. The Licensee may issue a permit to any of his customers for the purchase of foreign currency up to a maximum of US\$500.00 or its equivalent in other currencies in any one transaction.
8. The Licensee shall charge the prescribed rate of stamp duty (i.e., 1.25%) on every sale of foreign currency exceeding BZ\$100.00 in value to any person and shall pay over the amount so collected to the Central Bank at the end of every week together with a statement of account in such form as may be prescribed by the Central Bank.
9. The Licensee shall not take deposits or conduct any other form of banking business or financial business unless he or it is the holder of a licence under the Banks and Financial Institutions Act.
10. A minimum of five percent (5%) of the gross amount of hard currency purchased by the Licensee shall be sold to the Central Bank at least once a week at the official exchange rate.
11. Foreign currency sold to the Central Bank representing the proceeds of foreign currency instruments purchased must be clean, i.e., already cleared by the financial institution on which such instruments are

drawn. The Licensee shall maintain banking relations with a local bank.

12. Foreign currency sold to the Central Bank in accordance with paragraph (11) must be remitted in accordance with any Guidelines issued by the Central Bank and notified to the Licensee from time to time.
13. At the end of every business day, the Licensee must be holding no more than three (3) banking days' gross purchase of foreign currency.
14. Receipts in the form prescribed by the Central Bank for this purpose shall be issued to persons from whom foreign currency is purchased. Receipts in the form prescribed by the Central Bank shall be taken from persons to whom foreign currency is sold.
15. Where approval to operate a cambio is granted to an authorised dealer or to any other person who is otherwise permitted by the Central Bank to engage in any foreign currency dealings, the cambio business must be kept separate and apart from the other foreign currency related business dealings of such authorised dealer or other person. Separate accounts and other records shall be maintained for the two foreign currency related businesses and foreign currency received in respect of transactions undertaken at the cambio shall be kept separate and apart from foreign currency resulting from transactions undertaken in the course of the other business dealings. Where approval is given to an individual or entity who/which maintains a private foreign currency account, the foreign currency holdings of the cambio shall not be commingled with the funds in the private account.
16. (1) The Licensee shall faithfully observe the "Know Your Customer" requirements and shall pay special attention to all complex, unusual or large business transactions, or unusual patterns of transactions whether completed or not, and to insignificant but periodic transactions, which have no apparent economic or lawful purpose.

(2) Upon reasonable suspicion that the transactions described in sub-regulation (1) above could constitute or be related to money laundering, the Licensee shall promptly report the suspicious transactions to the

SAP
14 Supervisory Authority under the Money Laundering (Prevention) Act.

(3) The Licensee shall not notify any person, other than a court, competent authority or other person authorised by law, that information has been requested by or furnished to a court or the Supervisory Authority.

Location of Cambio

17. (1) The purchase and sale of foreign currency pursuant to the licence shall be carried on only at the premises specified in the licence and at no other premises. The Licensee shall not, either by himself or through an agent, conduct or hold himself out as conducting a money exchange transaction at any other place whatever.

(2) Where the cambio is located at an airport, seaport or land border, it shall be kept open for business with adequate staff in attendance at such times and on all such occasions as will satisfy the particular requirements of arriving and departing passengers. The cambio shall be positioned at such location at the airport or seaport or land border as will make it readily visible and easily accessible to arriving and departing passengers.

(3) If the licensee wishes to remove the cambio operation to other premises, he or it shall first apply to the Central Bank in writing for permission to do so, giving details of the proposed new location and the reason for wanting to relocate. The cambio operations may be removed to the new location only if permission is granted in writing by the Central Bank.

18. The Licensee shall display conspicuously at the cambio location at all times when business is being conducted there, the original of the "Licence for the Operation of a Cambio" granted by the Central Bank.

Accounts

19. The Licensee shall maintain proper accounts in which shall be recorded:

- (a) the amount of each foreign currency purchased each day and the price paid therefor, together with each individual seller's name and passport number or other identification document;
- (b) the amount of each foreign currency sold each day and the price received therefor, together with the name of each individual buyer's name and passport number or other identification document; and
- (c) the opening and closing balances each day in respect of each foreign currency held by the Licensee.

Returns

20. The Licensee shall make and furnish to the Central Bank not later than five (5) working days after the last business day of the preceding week, returns showing:
- (a) the opening and closing rates for each business day of the week;
 - (b) the amount of each foreign currency held at the start of business at the beginning of the week;
 - (c) the amount of each foreign currency purchased during the week;
 - (d) the amount of each foreign currency sold during the week; and
 - (e) the amount of each foreign currency held at the close of business on the last business day in the week.
 - (f) the amount of stamp duty collected during the week.

The abovementioned returns shall be made in such form and manner as may be prescribed from time to time by the Central Bank.

Examination of Accounts, etc

21. On being requested so to do by an authorised officer or agent of the Central Bank, the Licensee shall —
- (a) produce to such officer or agent, for examination, all accounts, books, records and documents relating to the cambio's operations and any foreign currency including travellers' cheques and effects and local currency effects connected with the cambio's operations which may be in the Licensee's possession;
 - (b) permit such officer or agent to take copies of any such accounts, books, records and documents; and
 - (c) answer any question asked by such officer or agent which, in his opinion, is pertinent to the cambio's operations.

The Licensee shall grant such authorised officer or agent free and unimpeded access to the cambio premises at all reasonable times to facilitate the performance of his/her duties.