



THE CENTRAL BANK OF BELIZE

MISSION

To promote the stability of monetary and financial systems for the wellbeing of Belize.

AML STRATEGY

It is the policy of the Central Bank of Belize (Central Bank) to contribute to the national AML strategy to prevent money laundering, terrorism financing, and financing the proliferation of weapons of mass destruction.

This strategy is a collaborative effort between the Central Bank, other domestic and foreign supervisory authorities, and supervised institutions to actively identify, understand, and assess ML/TF/PF risks in Belize's financial system. Together, risk-based mitigating measures are implemented to align with international standards and best practices. In addition, on-going outreach is undertaken to sensitize stakeholders on AML matters.



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CENTRAL BANK
of BELIZE

ANTI-MONEY LAUNDERING HIGHLIGHTS

Notice No. 3 | September 2025



PRODUCT RISK ASSESSMENT

Section 18 (8) of the Money Laundering and Terrorism (Prevention) Act (MLTPA) requires financial institutions (FIs) to perform and document a risk assessment prior to the launch of a new product, service, practice or technology.

Consequently, FIs are required to implement appropriate measures to guard against potential money laundering, terrorist financing and proliferation financing (ML/TF/PF) risks associated with the use of technological developments.

WHAT IT IS AND WHY IT IS IMPORTANT

A product risk assessment is a systematic process to evaluate a product's vulnerability to being misused for ML, TF or PF.

Conducting a product risk assessment ensures FIs:

- ❑ Understand ML/TF/PF risks which form the basis for a risk-based approach.
- ❑ Allocate appropriate resources and measures such as customer due diligence and transaction monitoring to reduce the risk exposure; and
- ❑ Protect itself against regulatory, reputational and legal risks that may arise in part from non-compliance with legal requirements.



RISK

LEGAL REQUIREMENTS

Section 18 of the MLTPA outlines the legal requirements relating to the product risk assessment and requires FIs to apply:

- ❑ **Section 18 (1) (b) (x):** Guard against the use of technological developments for the purposes of ML/TF/PF.
- ❑ **Section 18 (1) (e):** Identify, assess and understand its ML/TF/PF risks depending on products, services, delivery channels.
- ❑ **Section 18 (5):** Establish and maintain appropriate risk-based policies and procedures, approved by its governing body, relating to the risk assessment of any new product, service, practice or technology.
- ❑ **Section 18 (8):** Perform and document a risk assessment prior to the launch of a new product, service, practice or technology.

Guideline 166 of the Central Bank's AML/CFT/CPF Guidelines require FIs to obtain the Central Bank's approval before new products, practices and technologies are launched.

FI'S ROLE AND RESPONSIBILITIES

FIs must establish clear governance and accountability for product risk assessments. This includes the following high-level responsibilities.

Board Oversight: The FI's Board of Directors plays a critical role in ensuring compliance with all relevant laws and regulations and providing strategic direction for risk management.

Risk Appetite and Tolerance: FIs must define and document its risk appetite and tolerance levels for new products, services, practices, or technologies to guide decision-making.

Audit Function: The audit function is responsible for assessing the reliability, integrity, and completeness of the institution's risk assessment.

See the Central Bank's AML Highlights Notice No. 4 / December 2025 [Conducting the Product Risk Assessment](#) for guidance on how to conduct the product risk assessment.

KEY TAKEAWAYS

FIs are required to:

- ❑ Be familiar with the legal requirements relating to new offerings, practices and technology.
- ❑ Conduct the product risk assessment to understand the level of ML/TF/PF risk exposure and take appropriate measures to mitigate and manage those risks.
- ❑ Seek the Central Bank's approval prior to launch, where applicable.