

BELIZE

The Government of Belize is operated on the principles of Parliamentary Democracy based on the Westminster System. The country is a sovereign, democratic state.

There are six administrative districts: Belize City, Cayo, Corozal, Orange Walk, Stann Creek and Toledo. With the abolition of the posts of District Officers, the district administration is now jointly run by a number of Government functionaries, namely Finance Officers, the Officer commanding the District Police and the Heads of various Government departments based in the districts.

The Capital city of Belmopan is administered by the Belmopan City Council. A Village council Act (SI No. 100 of 2003) was enacted to formally establish Village Councils.

Since 1976 Belizean banks have bought U.S. dollars at the rate of 2.0175 and sold them at 1.9825, making for an effective fixed rate of Belize \$2=U.S. \$1.

The Central Bank of Belize was established pursuant to the Central Bank Act 1982. Besides the Central Bank of Belize, in 2003 there were five commercial banks; eight offshore banks; seventeen domestic and one offshore insurance company, fifteen credit unions, three building societies, one government-owned development bank, one government-owned savings bank, one government-owned small farmers and business bank.

BELIZE CORPORATIONS

1. GENERAL ASPECTS

1.1 Company Law:

International Business Companies Act, Chapter 270, Revised Edition 2000

1.2 Types of Companies:

- Private Companies
- Limited Liability Partnership
- Limited Life Companies
- Joint Ventures
- Partnership
- Sole Proprietor
- Public Investment Companies
- International Business Companies
- Trust Funds

1.3 Advantages of the International Business Company of Belize (IBC):

- Prompt and efficient incorporation due to a well-managed and organized IBC Registry Office, with clear and simple procedures.
- Foreign language names are permitted.
- Only one subscriber and thereafter one shareholder (who could be a corporate person) is required.
- No restrictions concerning nationality and domicile of the directors, officers, and shareholders.
- Directors can be corporate and need not be Belize residents.
- Directors and Officers need not be Shareholders.
- Nominative shares. No limitations on capital, which need not be paid at the time of incorporation.
- Optional registration of the names of Directors, Officers, Shareholders and Attorneys in Fact at the IBC Registry.
- Meeting of the Board of Directors or Shareholders may be held in any country.
- Directors and Shareholders can attend meetings personally, by proxy, telephone or any other electronic means.
- Resolutions of the Board of Directors and Shareholders ratified by a majority are valid, without the necessity of a meeting.
- Competitive registration fees and annual license fees.
- No restrictions on establishing branch offices abroad.
- IBC's 'can be incorporated for a specific purpose and once that object is fulfilled or the life span of the company is completed the company is struck off automatically from the IBC Registry. These are the Limited Duration Companies (LDC).
- It is recommended that prior professional advice be obtained in relation to what is intended to be accomplished by using a Belize IBC.

1.4 Incorporation and Administration:

Any person (natural or legal) may singly or jointly with others incorporate an IBC by subscribing to a **Memorandum and Articles of Association**. The usual procedure is for a nominee to act as incorporator. Our company, QUIJANO & ASSOCIATES (BELIZE) LIMITED, offers the service to act as sole incorporator. When the company is registered, control of the company is passed over to the interested party by appointing as first directors (individual or corporate) those indicated by the client. The directors, in turn, arrange the issuance of shares and take the other decisions to commence business. The length of time required for the corporation to be formed will be approximately one (1) working day from the date in which final instructions are received by us. You will receive the original papers in the next eight (8) to ten (10) days.

In accordance with regulatory and legal provisions, our firm maintains internal policies related to the processes of "Due Diligence" and "Know your Client", as routine to avoid the occurrence of illicit activities, protecting our clients and our business.

*Under no circumstance a BELIZE company acquired through our offices can be marketed as an “aged company”. For purposes of this prohibition, a company which has not been sold will become an “aged company” after a period of one (1) year after its incorporation date.

No Company can hold or own any Intellectual Property Assets.

In accordance with the Economic Substance Act certain commercial entities which are engaged relevant activities must fulfill substantial economic presence such as included entities that are registered and conduct business in Belize.

The following are considered as Relevant Activities:

1. Banking business.
2. Insurance business.
3. Fund management business.
4. Finance or leasing business
5. Headquarters business
6. Shipping business
7. Holding activity.
8. Intellectual property business
9. Distribution and service center business

The substance requirements of the Act do not apply to a commercial entity that is controlled and managed outside of Belize and is tax resident in a jurisdiction other than Belize; however, such an entity must provide the Authority with sufficient proof that it is tax resident in the jurisdiction that it asserts.

An included entity which engages in business as a pure equity holding company is subject to reduced substance requirements, as follows –

- (a) It shall comply with all applicable laws and regulations of Belize; and
- (b) It shall have adequate human resources and premises in Belize for holding equity participation in other entities and where it manages those equity participations in other entities, have adequate human resources and premises in Belize for carrying out the management.

Where a holding company engages in any relevant activity, that entity shall be required to satisfy substantial economic presence requirements.

We may provide you with all the assistance required to comply with Economic Substance requirements, hence feel free to contact us for more details and costs.

2. INCORPORATION PROCEDURE

2.1 Company Name:

A Belize IBC may not be registered under a name that is identical to the name of an existing Belize company. The registration of a new IBC in Belize may also be refused if its name so nearly resembles the name of another company as to be calculated to deceive, except where the other company gives its express consent.

The name of a Belize IBC may not contain the words "Building Society", "Chamber of Commerce", "Chartered", "Cooperative", "Imperial", "Municipal", "Royal", or any word conveying a similar meaning, or any other word that, in the opinion of the Registrar, suggests or is calculated to suggest the patronage of Her Majesty Queen of England or that of a member of the British Royal Family. Similarly, the name of a Belize IBC must not suggest any connection with the Government of Belize or any of its departments.

A Belize IBC may not register the name containing the words "Assurance", "Bank", "Insurance" or "Trust", or any or their derivatives or cognate expressions, unless it is specifically licensed in Belize to carry on the respective business or activities, as designated by such word.

Generally, the Registrar of Companies may refuse the registration of any particular name of a Belize IBC if, in the opinion of the Registrar, such name is indecent, offensive or, in the opinion of the Registrar is otherwise objectionable. There is a general provision in the Belize IBC Act allowing the Registrar to deny registration of any such "undesirable" name at the Registrars discretion.

The name of a Belize IBC must be registered in Roman script, but an alternative name in any other script may be registered, if it represents an accurate translation of the name registered in Roman script.

2.2 Uses of a Belize IBC:

A company may be incorporated under the International Business Companies Act for any object or purpose not prohibited under said Act or under any other law for the time being in force in Belize, such as:

- Holder of bank accounts, fixed deposits, investment plans and any other financial or commercial titles.
- Owner of shares of other companies or legal entities.
- Owner of apartments, houses, buildings and any other movable or immovable property or goods.
- Manager and promoter of international business transactions.
- International leasing of vehicles, machinery and others.
- To give or receive money for loans, commissions or others.
- Marketing and promotion of products and services.
- Other commercial and financial activities.

2.3 Capital:

There is no minimum capital requirement for a Belize IBC company. Our standard form of Memorandum of Association provides for a registered capital of US\$50,000.00, which is the maximum registered capital for the minimum annual corporation tax (US\$150.00).

There is no need to have a correlation between the registered capital of the company and it's paid up capital as shares may be issued at any time after the incorporation; however, all issued shares must be fully paid.

2.4 The Registered Office:

A Company must have at all times a registered office and agent in Belize. Documents such as the Memorandum and Articles of Association, appointment/resignation of directors and officers, share register, and all corporate resolutions are required to be kept at the registered office of the company, or at any other such place that the directors may determine. Optional registration of these documents can be made at the IBC Registry.

2.5 Shares:

- Issuance of registered shares.
- An unlimited amount of shares may be included in the share capital of the company.

2.6 Share Registry:

There is no public record of shareholders. Every IBC is required to keep one or more Registers of shares and shareholders, and at least one copy thereof must be kept at the Registered Office of the Company in Belize.

In order to comply with the law, it is mandatory that the Registered Agent be informed of any changes in the Register of Shares.

2.7 Directors:

Subject to any limitations in its Memorandum or Articles, the business and affairs of a company incorporated under this Act shall be managed by a board of directors that consists of one or more persons who may be individuals or companies.

The number of directors shall be fixed by the Articles and, subject to any limitations in the Memorandum or Articles, the Articles may be amended to change the number of directors

Each director holds office until his successor takes office or until his earlier death, resignation or removal.

Subject to any limitations in the Memorandum or Articles a Director may:

- Be removed from office by a resolution of members or by a resolution of directors
- A director may resign his office by giving written notice of his resignation to the company and the resignation has effect from the date the notice is received by the company or from such later date as may be specified in the notice.

2.8 Register of Directors:

The Registered Office in Belize will be bound to maintain files with the proper information (listed below) about the directors of companies that they provide services to.

Individual Directors

1. full name
2. date of appointment as director or reserve director if any
3. date of cessation as director or reserve director
4. address for the service of documents
5. date of birth
6. nationality
7. occupation

Corporate Directors

1. corporate name
2. corporate registration number and date of registration.
3. registered office or principal office
4. address (if the corporate director is incorporated outside Belize)
5. place of incorporation or registration
6. date of appointment
8. date of cessation

A copy of the register of directors, commencing from the date of the registration of the company, shall be kept at the registered office of the company.

The Registered Agent (Quijano & Associates (Belize) Limited) will only keep the above-mentioned information on the file of the respective company, and it shall be kept as strictly confidential.

2.9 Register of Beneficial Owners

The Registered Office in Belize will be bound to maintain files with the proper information (listed below) about the ultimate beneficial owner of companies that they provide services to.

1. full name
2. date on which the person became a beneficial owner
3. date on which the person ceased to be a beneficial owner

4. usual residential address, unless that address is the same as the individual's address for the service of documents
5. date of birth
6. nationality
7. occupation
8. beneficial owner's participation within the company's structure

2.10. Accounts:

There is no requirement to file or audit annual accounts. However, a Belize IBC must keep such accounts and records as the directors consider desirable or necessary in order to reflect the financial position of the company.

It is also a requirement that companies meet the solvency test when dividends are declared.

According to the Accounting Records (Maintenance) Act (No. 18 of 2013) every entity shall keep its accounting records within Belize at its Registered office or, as the case may be, at the office of its registered agent in Belize, or at such other place within or outside Belize as may be determined by its directors or other competent persons, in which case they must inform the company's Registered Agent.

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

2.11 Annual Franchise Tax:

- a) The Annual License fee for companies with authorized capital of US\$50,000.00 or less is US\$150.00.
- b) The Annual License fee for companies with authorized capital of more than US\$50,000.00 is US\$1,000.00.

A Belize IBC must pay an Annual License Tax to the government. The amount of this tax depends on the authorized shares of the company. If the annual license tax is not paid due date on the corresponding last penalty date, the company is stricken-off from the Register. However, it may be subsequently restored by payment of fine.

- "Struck off date": December 31st.
- Restoration Fee (within six (6) months immediately following struck-off date) US\$500.00.
- Restoration Fee (more than six (6) months immediately following struck-off date) US\$1,000.00
- Penalties: 50% after July 31st.

Please note that on the next year following the year of incorporation, we shall send the client a reminder on when and how to pay the Annual License Fee and Register Agent and Office fee.

2.12 Common Seal:

An IBC is required to have a common seal (which may be kept outside or within the Belize) and an imprint thereof must be kept at the BBC's Registered Office in Belize.

Seals must be used if the company enters into a contract which, if entered between individuals, would be required by law to be in writing and under seal.

2.13 Confidentiality:

There is no requirement to enter the names of directors and shareholders in a public registry. A Register of Directors must, however, be maintained at the registered office of the Company together with a Register of Shareholders and a Register of Charges.

2.14 Continuation:

A Belize company may transfer its domicile to a foreign jurisdiction permitting such transfer. A company organized under any foreign jurisdiction may continue its existence as a Belize company upon approval of the necessary Resolution by the Board of Directors or other proper corporate body under the governing provisions of its original jurisdiction.

A company incorporated under the laws of a jurisdiction outside Belize may, if it will satisfy the requirements prescribed for an International Business Company under the International Business Company Act, continue as a company incorporated under Belize Act as follows:

- Articles of continuation, written in the English language or if written in a language other than the English language, accompanied by a certified translation into the English language, must be approved.
- By a majority of the directors or the other persons who are charged with exercising the powers of the company; or
- in such other manner as may be established by the company for exercising the powers of the company.

2.15 Our Professional Fees

A schedule of fees is available at this or any QUIJANO & ASSOCIATES offices upon request.