

## **GUIDELINES TO APPLY FOR A FIRST ISSUE LICENCE**

### **1. INTRODUCTION**

- 1.1. The International Financial Services Commission (the “*Commission*”) is responsible for the licensing, regulation and supervision of firms engaged in the conduct of international financial services in and from within Belize pursuant to the International Financial Services Commission Act, Chapter 272 of the Laws of Belize, Revised Edition 2011 (the “*Act*”).

The Commission has the duty, in collaboration with its licensees, to promote and maintain high standards of conduct and management in the provision of international financial services.

All licensees are expected to adhere to the Commission’s licensing and other requirements and ongoing supervisory programmes, including periodic on-site inspections, and required regulatory reporting. Licensees are also expected to conduct their affairs in conformity with all other legal requirements in Belize.

### **2. PURPOSE**

- 2.1. These Guidelines outline the Commission’s approach to the requirements and conditions that the Commission will apply in assessing applications for a first issue licence.

### **3. APPLICABILITY**

- 3.1. These Guidelines apply to prospective market participants/new applicants.

### **4. VALIDATION PERIOD**

- 4.1. Pursuant to subsection 7A of the Act, a licence shall be granted for a fixed period not exceeding three (3) years.
- 4.2. A licensee may apply for a licence of a fixed period not exceeding three (3) years in respect of any of the service or activity set out in the Third Schedule of the Act, save and except for ‘Trading in Foreign Exchange’, ‘Trading in Financial and Commodity-Based Derivative Instruments and Other Securities’ and ‘Brokerage, Consultancy or Advisory Services’.
- 4.3. The Director General may consider and determine whether to grant approval for the fixed period not exceeding three (3) years.

- 4.4. A licensee that may be approved the grant of a licence for the fixed period not exceeding three (3) years which it has applied for or for such other period as determined by the Director General may either settle the licence fee(s) upfront or pay the licence fee(s) annually for the approved fixed period, which exceeds one (1) year.
- 4.5. The Commission will not return any licence fee(s) paid upfront for the approved fixed period not exceeding three (3) years for which a licence has been granted.

## **5. APPROACH TO APPLYING FOR A FIRST ISSUE LICENCE**

- 5.1. Every application for a first issue licence must be routed through an attorney-at-law or licensed international financial services practitioner resident in Belize.
- 5.2. The attorney-at law or licensed international financial services practitioner selected must request an invoice for ‘application fee’ per licence to email address, [applications@ifsc.gov.bz](mailto:applications@ifsc.gov.bz).
- 5.3. The attorney-at-law or licensed international financial services practitioner selected must conduct proper due diligence of the applicant and its key individuals (Directors, Shareholders, Beneficial Owners, and other Senior Officers) before forwarding the application to the Director General.
- 5.4. The complete application package accompanied by the Requirements for a First Issue Licence Checklist (the ‘Checklist’) must be forwarded to the email address stated at item 5.2. above. The Checklist outlines the relevant documentation to be submitted as part of the application package.
- 5.5. An application shall consist of the following:
  - (a) Cover letter from the applicant’s Director, stating the type(s) of licence(s) being applied for, together with the validation period and whether the licence fee(s) will be paid upfront or annually, providing that the Director General approves the licence(s) for a fixed period exceeding one (1) year.
  - (b) Payment of the prescribed application fee
  - (c) A complete certified application form
  - (d) Know Your Customer (KYC) Documentation for each key individual of the applicant:
    - ❖ Biographical affidavit (notarised for a resident in Belize; notarised and apostilled for a non-resident)

- ❖ Valid clear proof of identification, duly notarised and apostilled
  - ❖ Proof of address within the past three (3) months of receipt of the application
  - ❖ Financial Reference (apply minimum standard as per Guidelines ‘LA N° 1, 2017’)
  - ❖ Professional/Character Reference (apply minimum standards as per Guidelines ‘LA N° 1, 2017’)
  - ❖ Curriculum Vitae
  - ❖ Certificate of Qualification(s)
  - ❖ Evidence of due diligence checks (Annex a report on any negative findings)
- (e) A letter from the Director attesting to his/her awareness of the following:
- ❖ That a licensee should not offer services to residents of a country whose laws require such a licence prior to engagement of such services.
  - ❖ The standard conditions attached to the licence type, where applicable.
  - ❖ The Memorandum and Articles of Association (MAA) of the Company, if already prohibits bearer shares, will not be amended to provide for the issuance of bearer shares while the licence remains in force.
- (f) Business Documents:
- ❖ Business Plan
  - ❖ Complaints Handling Procedures
  - ❖ Manual of Operating Procedures
  - ❖ Money Laundering Prevention Controls Manual

- (g) Where the applicant is a legal entity and its shareholder is a corporate shareholder, it must supply the following corporate documents:
- ❖ Certificate of Incorporation/Registration
  - ❖ Memorandum and Articles of Association (Does not apply if the legal entity is a 250 Company)
  - ❖ Register of Director(s)
  - ❖ Register of Shareholder(s)
  - ❖ Share Certificate(s) – See Section (30) (2 (A) & (B)) of the International Business Companies Act, Chapter 270
  - ❖ Declaration of Beneficial Ownership
  - ❖ Certificate of Good Standing

## **6. STAGES FOR THE PROCESSING OF THE APPLICATION**

### **STAGE 1 : Acknowledgment of the Application**

The Commission will acknowledge receipt of the application from the time of receipt of the application within one (1) working day.

### **STAGE 2: Verification of Completeness of Application**

The Commission will take no longer than two (2) working days from receipt of the application to verify its completeness and notify the applicant's registered agent of the determination whether the application is complete/incomplete.

Where an application is found to be incomplete, the Commission will notify the applicant's registered agent by electronic means of the outstanding documentation or deficiencies found. If the application is complete, it will be referred to the Licensing and Authorisations Department to commence the assessment phase of the application.

### **STAGE 3: Assessment Phase of Application**

#### **I. Final Decision of the Application**

The timeframe to conclude the processing of the application and subsequently make a determination of the final decision of the application, which will generally

fall within one of the following three (3) categories, shall be ten (10) working days from the time of receipt of the complete application package:

A. Approval to Grant Licence (the “Notice of Approval”)

Where the applicant meets the application requirements and the Director General is satisfied that the applicant, including its key individuals satisfy the fit and proper standard as fully described under the Second Schedule of the Regulations, the Director General may approve the grant of licence(s) for the period which the applicant has applied or for such other period not exceeding 3 years as determined by the Director General. A notice of approval will be issued by the Commission in the form, as follows:

- ❖ A formal letter stating the period approved by the Director General, outlining the matters that must be addressed by the applicant. An invoice for the licence fee(s) will be forwarded under a separate cover.

The applicant must settle payment of the licence fee(s) within the due date specified in the invoice. Failure to pay within the specified due date, a five percent monthly penalty (5%) will be added to the amount past due.

B. Application Placed in Abeyance (the “Notice of Abeyance”)

Where the Director General is satisfied in his own deliberate judgement that certain information and/or documentation is required for further review and consideration of the application, the Director General may place the application in abeyance and issue a Notice of Abeyance to provide the applicant with the opportunity to address any issues that may have arisen during the assessment process.

- ❖ The applicant must satisfactorily address all matters raised by the Commission in the Notice of Abeyance within fifteen (15) working days of receipt of the Notice of Abeyance.
  - In the case in which the applicant suspects that it may require an extension of time beyond the due date stated in the Notice of Abeyance, the Commission may upon receipt of proper justification and payment of US\$500.00 administrative penalty, grant approval of extended timeframe of an additional fifteen (15) working days in order to satisfactorily address the issues raised in the Notice of Abeyance. The request for an

extension of time must be made to the email address, [licensingandauthorisations@ifsc.gov.bz](mailto:licensingandauthorisations@ifsc.gov.bz).

- The Commission will consider the application staledated if the applicant does not satisfactorily address the Notice of Abeyance within the specified timeframe or alternatively did not request for an extension of time.
- Where an application becomes staledated, the applicant must re-apply.

#### C. Refusal of Application (the “Notice of Refusal”)

In the case in which the Director General finds reasonable grounds to refuse the application, a Notice of Refusal will be issued to the applicant, stating the reason(s) for the refusal of the application.

### **STAGE 4: Applicant’s Response to the Notice of Approval or Notice of Abeyance**

The Commission will issue the licence(s) for the approved period within five (5) to ten (10) working days from receipt of payment verification by the Accounts Department. No licence will be issued to a legal entity unless it satisfies the fully paid-up and unimpaired capital in the amount set out in the Second Schedule of the Regulations in respect of the service or activity being applied for.

- ❖ In the case in which the Commission has issued a licence, but has added licence conditions, the applicant’s registered agent shall supply a response evidencing compliance with licence conditions to email address, [complianceandinspections@ifsc.gov.bz](mailto:complianceandinspections@ifsc.gov.bz).
  - Where the applicant suspects that it may require an extension of time beyond the thirty (30) working days permitted to address the licence conditions, the Commission may upon receipt of proper justification, grant provisional approval of extended timeframe of an additional thirty (30) working days in order to satisfactorily address the licence conditions. Final approval may be subject to receipt of payment of US\$500.00 administrative penalty. The request for an extension of time must be made to the email address, [complianceandinspections@ifsc.gov.bz](mailto:complianceandinspections@ifsc.gov.bz).

- Failure to address licence conditions may lead the Commission to take enforcement action against the applicant.
  
- ❖ If the applicant satisfactorily addresses the matter(s) raised in the Notice of Abeyance, the procedures set out at item I (A) of stage 3 under section 6 of these Guidelines applies, followed by the procedures also stated under this stage above.

**International Financial Services Commission**  
**6<sup>th</sup> November 2019**